

**Report of the Cabinet Member
Organisational Development, Workforce & Digital
Transformation**

I have been asked to Report by Councillor Atkinson for Full Council on 16 February 2023 on:

DCC has difficulty in recruiting key staff in a number of areas and it was reported to the CIRC's that this is because the salary is not enough to attract legal staff for instance or prevent them from leaving to join the private sector

Using data from the ONS, the BBC Newsnight reported in December 22 on how much public sector pay has fallen behind that of private sector pay since 2010. See <https://www.bbc.co.uk/news/55089900>. In this article the IFS warned: "The continuing fall in public sector pay relative to the private sector poses recruitment and retention challenges for public services and could threaten the government's ability to deliver on its public service objectives."

The BBC reported: "Using inflation-adjusted average weekly earnings, total pay in public sector today is around 5% lower (£597 vs £626), having been 6% higher 12 years ago. Relative to 2010, private sector pay is *up* 2.6%, but public sector pay is *down* 8.15% (though note that with most of the fall happening since February 2021) ...

It is understood that this is a complex area. Can the Cabinet Member report on how relative to the private sector nationally and locally salaries in Devon local government have fared since 2010 and what steps DCC can take to retain and recruit staff across the board. Would an increased pay settlement help? If so, what steps will the cabinet take to seek a better pay settlement for staff?

Response

The National and Local picture since 2010

The BBC shows public sector pay, the strict definition of public sector pay is NHS, Police, Teachers, Fire Service and Armed Forces. At Devon County Council and other local authorities, we are considered Local Government workers and our pay is determined nationally through the National Joint Council (NJC). We are therefore bound by the agreements that are made through this group.

The NJC agree 43 spinal column points for pay each local authority then applies a grading structure against this. We determine the grade for each role by applying the Greater London Provincial Councils (GLPC) job evaluation

scheme which identifies criteria and scoring for different elements of each role. This allows us to demonstrate that we are paying our staff fairly across a range of roles.

We have not been able to find direct comparisons between local government pay and private sector pay over the last 10 years, to research and provide this data, more time would be needed. However, the BBC article gives a good overview.

What steps can DCC take to retain and recruit staff across the board

Pay and Reward

A recent national survey undertaken by Midland HR asked 1250 office workers from organisations across the UK and Ireland what makes a difference for them at work. 70% of respondents said increased pay would help them through the cost of living crisis, 32% said flexible working and 24% said working from home. We already offer flexible working and working from home for the majority of our staff.

There are a number of things that we do to try to attract and retain staff where pay is not equivalent to private sector roles and HR professionals are available to support service areas to explore these options.

- Market supplements – agreements to supplement salaries to address the pay gap
- Retention bonuses
- Recruitment schemes such as refer a friend.
- Advertising strategies including the use of agencies, social media, CV libraries, branding and research to understand what will attract applicants to the organisation.
- Grow our own approaches particularly utilising apprenticeships and career progression schemes
- Promote the benefits of working in local authorities, which includes higher average holiday entitlement, working hours, access to apprenticeships, flexible working and home working, Local Government Pension Schemes etc

Increased pay settlement

Pay negotiations are carried out nationally and our views are incorporated into the process via Pay Briefings hosted by regional councils. These are attended by Cabinet Members and Councils Leaders as well as key officers and additionally we provide written feedback to key questions.

Whilst on the face of it an increased pay settlement would narrow the gap between public and private sector pay, it would also put additional pressure on Council and School budgets. Last year the pay deal to meet the basic requirement of maintaining headroom from the living wage was higher than budgeted for by individual Councils.

The picture in Legal Services

It is correct that there are a number of pressures affecting legal service, not least the increasing demands for legal support in respect of childcare and safeguarding adults. The external legal market remains very competitive which does create a pressure when recruiting trained professional. This has been recognised and additional budget has been allocated in 2023/24 to assist with resources in this area. The service will continue to consider further options to assist with recruitment, retention and development including benchmarking against neighbouring local authorities.

Andrew Saywell

Cabinet Member

Organisational Development, Workforce & Digital Transformation