

Teignbridge District Council
FULL COUNCIL
29 NOVEMBER 2022
Part i

LGV Driver Salaries – Market Forces

Purpose of Report

To alert the committee to the ongoing difficulties in the recruitment and retention of Large Goods Vehicle (LGV) drivers in the Waste, Recycling and Street Cleansing department. To detail the implications of applying the Council's Market Forces Policy to related posts to help resolve the issue.

Recommendation(s)

The Council RESOLVES to:

- (1) Approve the implementation of the Council's Market forces Policy to increase LGV driver's salaries to Grade 21 from 1 December 2022
- (2) Approve the increases to the related posts to maintain the grade differentials as detailed in this report.
- (3) Recommend that the charge for the Garden Waste Service is increased to £55 from April 2023 to contribute towards the increased costs associated with the application of the Market Forces policy as detailed above.

Financial Implications

Please see paragraph 3.1 of the report.
Chief Finance Officer & Head of Corporate Services
Email: martin.flitcroft@teignbridge.gov.uk

Legal Implications

There are no specific legal implications arising from this report. However, the content of paragraph 3.2 below should be noted.
Paul Woodhead, Interim Legal Services Manager and Monitoring Officer
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Risk Assessment

Please see paragraph 3.3 of the report.
Waste & Cleansing Manager
Email: chris.braines@teignbridge.gov.uk

Environmental/ Climate Change Implications

Please see paragraph 3.4 of the report.

Committee
Date of meeting

Waste & Cleansing Manager
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Report Author

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Executive Member

Cllr Alistair Dewhirst - Deputy Leader of the Council, and Executive Member for Recycling, Household Waste and Environmental Health.

Appendices/Background Papers

None

1. Introduction/Background

1.1 The national shortage of LGV drivers has been well documented in the media and a number of large organisations, including those in the waste sector, have voiced their concerns over the impacts on national infrastructure and introduced incentives to attract and retain qualified drivers.

1.2 The Council currently has 52 FTE LGV drivers on the establishment list evaluated at Grade 8. These posts are already in receipt of a Market Forces supplement following a review by the Council in November 2021, placing them at Grade 18 with a salary range of £23,953 to £24,920.

1.3 Despite a rolling recruitment program, the Council currently have 10 LGV driver vacancies and have had minimal applicants. A radio, social media and banner campaign has been implemented which has led to a rise in applications but not acceptance of job offers due to the pay rates.

1.4 As a result of the staff shortages it has been impossible for the waste and cleansing service to deliver all functions to the prescribed schedules. Weekend overtime working has become necessary to catch up on delayed rounds and sustained additional pressures placed on the operational staff and management team.

1.5 The issues have been compounded by a significant increase in the quantities of household waste and recycling presented for collection as more people isolate or work from home in response to the covid pandemic and changing patterns of employment.

1.6 We have seven further roles (2 x Supervisors & 5 x Chargehands) that include LGV licenses in their job descriptions that are called upon to support the service as drivers on occasion but it is unsustainable to use them for prolonged periods due to the impacts on service management.

1.7 The fundamental reasons for the shortages can be attributed to;

- An ageing workforce – the average age of HGV driver in the UK is 55. As drivers reach retirement age there are not enough newly trained drivers to replace them. The average age at TDC is 51.
- A backlog of driver tests – during the national lockdowns test centres were closed for several months. This has created a backlog of tests for newly skilled drivers
- Loss of European drivers – during the pandemic many drivers from Europe returned home with many not returning. Brexit has also made jobs in the UK less appealing to European workers, particularly drivers.

1.8 The Council has regularly fed back on its specific issues through various channels, making joint representations to Government via the LGA, DEFRA and LARAC. Cllr Dewhurst has also written to the Home Secretary in his capacity as Executive Member to highlight the issues and ask for immediate action to help rectify the situation, suggesting HGV drivers be recognised as an 'important shortage occupation' with a two-year derogation to the points-based immigration rules for trained HGV drivers.

2. Additional Information

The Local Market

2.1 We regularly review our pay against neighbouring local authorities and the private sector. The latest LA comparison confirmed that we are currently paying below the local average of £27,313 for LGV drivers.

2.2 A recent analysis of the private sector vacancies suggests that at face value we are paying ~ £5k per year below the average. Caution should be taken with these comparisons however as the roles typically offer less favourable conditions of employment with less holidays, more hours as standard, compulsory weekend working, additional skill requirements and inferior pensions. That said many will not necessarily consider these as important or barriers and be drawn by the higher hourly rate.

Steps taken to address the issues

2.3 We have had staff working most Saturdays and some Sundays to catch up any delayed services. This relies on volunteer crews and is not a sustainable approach as staff cannot be guaranteed and we need to ensure compliance with driving hours regulations. This is leading to fatigue amongst some staff and compliance with rules governing 'driver's hours' has to be carefully managed.

2.4 We have simplified the application process and continue to advertise through 'Indeed', historically not used due to the cost. A radio, social media, vehicle livery and banner campaign has been initiated to attract applicants.

2.5 We have funded LGV license training for 3 members of the team who are now employed as LGV drivers. We have a further 3 members of staff embarking on training and continue to canvass staff to offer this opportunity.

2.6 We have started to use agency drivers to support the service. This has previously been avoided as a principle due to the high risks associated with the role and level of training/induction required. There is also a shortage of agency drivers available locally.

3. Implications, Risk Management and Climate Change Impact

3.1 Financial

The costs associated with increasing the LGV drivers pay to Grade 21 and maintaining the differentials of supervisory posts are summarised below.

It is necessary that those with responsibilities for staff and operational organisation are positioned at a higher rate than their reporting staff.

As a result, the following changes to post grades are proposed

- Increasing 52 x LGV driver posts from Grade 18 to Grade 21
- Increasing 5 x Chargehand posts from Grade 20a to Grade 23
- Increasing 2 x Supervisor posts from Grade 24 to Grade 26

The 2022/23 costs are based on an introduction from 1st December 2022 and do not include any pending national pay awards. The budget to cover this cost can be found from savings arising from vacancies from within the department to date.

The 2023/24 costs assume implementation at the 1st April 2023 based on an assumed pay increase of 2% and include NI and Pension costs.

Cost of implementation 22/23 from December 2022 (£)	Full Year cost 2023/24 (£)
92,700	244,850

Applying the changes as detailed above will create a budget pressure that will be incorporated into future financial reports by the Chief Financial Officer and budget proposals in December.

A Market Forces Supplement may be deemed necessary to recruit or to retain existing staff in areas of national or regional shortage or where Council pay scales are not competitive to the extent that it is affecting its ability to deliver consistent and effective services.

Market Forces Supplements are only payable while there is a justifiable ongoing rationale and they will be regularly reviewed. Although market forces are designed to be applied and reviewed periodically, and therefore may potentially be removed if the market shifts to lower salaries, that in reality given the shortage, age profile and competitive nature of roles we should expect that a market forces uplift will be a long term commitment.

It is proposed that the costs resulting from the application of the Market Forces policy are subsidised from income generated from an increase in the garden waste subscription rate from £50 to £55 per bin from April 2023. This would generate approximately £125,000 of additional income depending on subscription rates and help offset the cost implication of £244,850 from 2023/24. The increased charge

would still remain cheaper than regional neighbours with Somerset currently charging £57.20 and Cornwall £55 plus a one-off bin charge of £24 at start up.

3.2 Legal

Market Forces Supplements do not form part of an employee's standard contractual terms and conditions (it is a temporary addition to the contract of employment). They must be regularly reviewed and withdrawn if market forces change.

3.3 Risks

There are no significant risks associated with the proposed application of Market Forces supplements to the identified posts. There are however, risks associated with failing to take action to address the staffing issues. This could include a further loss of staff in the short term and reduced retention rates longer term. There would also be a negative impact on morale and a loss of the goodwill of staff and an increase likelihood of significant service disruptions to statutory waste and cleansing services.

3.4 Environmental/Climate Change Impact

The waste and cleansing services provided by the Council play a significant role in our impact on the environment. Ensuring services are run efficiently is vital to maximise recycling levels and maintain good public health.

4. Alternative Options

As there are no significant changes to the nature of the jobs the 'Job Evaluation' process is not considered a viable process to address this issue.

Other financial incentives to aid recruitment and retention could be considered but with large numbers of staff and the need to maintain differentials for supervisory and loader staff this becomes an expensive short-term proposition with no guarantees of any significant sustained impact.

5. Conclusion

The waste and cleansing services are both statutory and high profile for the Council. In order to attract and retain operational staff the employment offerings need to remain competitive.

Failure to take steps to address the issues faced will lead to further significant service disruptions, increased levels of complaints and potentially damage the Council's reputation.