

Teignbridge District Council
EXECUTIVE
02 NOVEMBER 2021
Part i

Driver and Operational Staff 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 and the implications of applying the Council's Market Forces Policy to operational posts to help resolve the issue.

Recommendation(s)

The Executive RESOLVES to:

- (1) Approve the implementation of the Council's Market forces Policy to increase LGV driver's salaries to Grade 18
- (2) Approve the increases to the related operational posts to maintain the grade differentials as detailed in this report.
- (3) Recommend that the Council approve the salary changes at their meeting on 30 November 2021.

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
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Environmental/ Climate Change Implications

Please see paragraph 3.4 of the report.
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Executive Member

Cllr Alistair Dewhurst - 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 recently 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 historical market reviews and recruitment issues, placing them at Grade 16b with a salary range of £22,183 to £23,080.

1.3 Despite a rolling recruitment program, the Council currently have 11 LGV driver vacancies and have had minimal responses. The last successful recruitment into an LGV role was in June 2021.

1.4 We have six further roles (Supervisors/Chargehands/Inspector) that include LGV licenses in their job descriptions. These staff 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.

1.5 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.

1.6 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. Recycling tonnages rose by over 2,200 tonnes and residual waste by over 2,000 tonnes in 2020/21.

1.7 Whilst the covid pandemic has contributed to the issue 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 (see 3.1) confirms that we are currently paying below the Devon average of £24,481 for LGV drivers elsewhere.

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 In the short term, 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.

2.4 We have recently had approval to advertise through 'Indeed', historically not used due to the high cost. We are hopeful that this will provide more opportunities for potential recruits to see our vacancies and consider joining us. We are considering widening this to include 'Total Jobs' and 'Reed' following a mail out by the DfT to over 1 million ex HGV drivers signposting them to these three sites.

2.5 We have organised an apprenticeship scheme for five of our staff to train as HGV drivers (2 of these are mechanics however). This takes some time as there is currently a waiting list for the test centres and there is no guarantee of success for the candidates. We do not anticipate having any of these available as drivers before 2022.

2.6 We have continued to canvass existing staff to train as LGV drivers and fund the license qualifications from TDC training budgets. There has been limited interest in this from suitable candidates however, and the same issues as in 2.5 above apply.

2.7 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, with only 2 available to date.

3. Implications, Risk Management and Climate Change Impact

3.1 Financial

The costs associated with increasing the LGV drivers pay to Grade 18 (£23,541 to £24,491) and maintaining the differentials of related posts are summarised below.

Comparisons of equivalent operational roles across Devon show that TDC are consistently paying below average rates.

Role	Average Devon Salary	TDC Current Salary	TDC Proposed Salary
Loaders	£19,142	£17,842	£18,562
Van Drivers	£20,436	£18,933	£19,698
LGV Drivers	£24,481	£23,088	£24,491
Supervisors	£30,019	£28,672	£29,577

It is particularly important, given the recent and ongoing challenges faced by frontline operational staff that the entirety of the workforce is considered and no particular section of staff feel excluded from any pay awards.

It is also 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 to maintain differentials

- Increasing all Loaders/pedestrian sweepers to Grade 8 (currently Grade 6)
- Increasing all Parish Sweepers/Van drivers to Grade 11 (currently Grade 9)
- Increasing Chargehand posts from Grade 19 to Grade 20a
- Increasing Supervisor posts from Grade 23 to Grade 24
- Increasing Ops co-ordinator T11002 from Grade 31 to Grade 32

The '21-22 costs represent an option/cost to introduce from 1st December 2021.

The '22-23 costs assume implementation at the 1st April 2022 based on an assumed pay increase in 2021-22 of 1.75% and include NI and Pension costs.

Role	Number of posts	Cost of implementation from December 2021	Full Year cost 2022/23
Loaders/sweepers	76	24,050	72,150
Van drivers/Parish Sweepers	30	9,930	29,770
LGV Drivers	52	42,810	128,440
Chargehands	5	2,250	6,763
Supervisors	2	800	2,420
Operations Co-ordinator	1	450	1,360
TOTAL		80,290	240,903

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.

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.