

Chapter VII : SUMMARY

7.1 The following is a summary of the conclusions and recommendations contained in this report.

The 1986 Pay Level Survey

7.2 The methodology used by Hay for pay comparisons is sound and reputable but job-for-job comparisons would have been preferable and created greater confidence in the results (para. 4.5).

7.3 There is a reasonable presumption that the broad thrust of the results of the 1986 Pay Level Survey reflected something like the actual position (para. 4.8).

7.4 The methodology used for the evaluation of fringe benefits tended to overvalue civil service benefits especially in relation to housing (paras. 4.12 and 4.14).

7.5 It would have been preferable if, wherever possible and sensible, the assessment of fringe benefits had been based on the replacement cost to the employee and on actual utilization (para. 4.13).

7.6 Because of the time factor, not enough was done to win the confidence of the staff in the 1986 Pay Level Survey (para. 4.19).

7.7 The 1986 Pay Level Survey does not provide a sufficient basis for making specific adjustments to civil service pay either now or in the future (para. 4.28).

Future Pay Determination

7.8 Pay level surveys should be the foundation of the pay system, with pay trend surveys providing the basis for pay adjustments in the years between pay level surveys (para. 5.6).

7.9 Pay level surveys should be based as far as possible on job-for-job comparisons (para. 5.16).

7.10 For the purpose of pay level surveys, a number of marker grades with identifiable functional counterparts in the private sector should be used as comparators. These grades should cover as large a proportion of the civil service as possible. The pay of grades not covered directly by the survey should be determined by internal pay relativities (paras. 5.17 - 5.19) on the basis of the relativities existing at the time of the survey (para. 5.27).

7.11 Problems affecting internal civil service pay relativities should be dealt with according to the principles outlined in paras. 5.18 - 5.23.

7.12 Civil servants' housing benefits should be valued either on the basis of the replacement value of accommodation provided or by reference to the benefits they would derive from the new Home Purchase Scheme, the latter being our preferred method (paras. 5.30 - 5.32).

7.13 Civil service pensions should be assessed at their actuarial value, but due weight should be given to the arguments for discounting them in the implementation of pay level survey findings (paras. 5.33 - 5.34).

7.14 Any inadequacies in the Government medical services which are not reflected through the pay level survey methodology should be taken into account when considering the results of the surveys (para. 5.36).

7.15 A new pay level survey should be conducted in the 1990-91 survey year for implementation with effect from 1 April 1991. Thereafter, the aim should be to mount a pay level survey at intervals of about every three years (paras. 5.38 - 5.40).

7.16 The capacity of the Pay Survey and Research Unit should be built up with a view to their taking full charge of pay level surveys in due course (para. 5.41).

7.17 There should be full consultation between the Official and Staff Sides to ensure confidence in the pay level survey methodology and its execution, although the responsibility for the conduct of the survey must rest solely with the consultants or Pay Survey and Research Unit (paras. 5.44 - 5.46).

Pay Trend Surveys

7.18 The formula for calculating future civil service annual pay adjustments should include the percentage values of private sector merit pay and increments in the pay trend indicators, from which the values of civil service increments for individual salary bands should be deducted at their payroll cost. Where the resulting indicator for the lower pay band is below that for the middle band, it should be brought up to the same level unless there are overriding reasons for not doing so (paras. 6.18 - 6.19).

7.19 Pay increases relating to internal and external relativities and promotion and transfer in the private

sector should continue to be excluded from the calculation of pay trend indicators. However, the Staff Side should be entitled to request the exclusion of companies from the calculation where any unusual level of increases under these headings could not be satisfactorily accounted for (paras. 6.22 and 6.24).

7.20 There should be room for flexibility in the interpretation of survey data (para. 6.25).

7.21 If possible, the survey field should be expanded to include more companies with jobs comparable to those found in the civil service upper pay band (para. 6.26).

7.22 Consideration should be given to the inclusion of suitable public utility and multi-national companies in the survey field (para. 6.27).

7.23 The Staff Sides' proposals for changes in the salary bands should be referred to the Pay Trend Survey Committee for detailed consideration (para. 6.28).

7.24 The present practice of applying industrial weightings to pay trend indicators should be discontinued (para. 6.30).