

## FIFTH REPORT OF THE STANDING COMMITTEE ON SUPERSCALE SALARIES

### Introduction

THE terms of reference of the Committee are:

The Standing Committee will keep constantly under review the grading of departments and superscale salaries together with the other conditions of service of superscale officers, and will make recommendations to the Governor from time to time.

The Committee should accept the existing structure of departments, but may propose minor structural adjustments or salary adjustments within the departmental structure.

The Committee will not consider the creation of new superscale posts outside of the present structure (e.g. the inclusion of a new post of Deputy), but may consider the regrading of posts within the superscale provided that the main structure is not distorted.

If recommendations are received from departments which fall outside these terms of reference, or if the Committee in the course of its investigations discovers anomalies in structure, the Committee will refer such matters to the Colonial Secretary, together with its comments if it so wishes.

2. Since being established in 1963 the Committee has met on 126 occasions and has submitted reports in 1964, 1966, 1971 and 1972. In between these major reviews we have recommended minor adjustments in order to retain an order of relativity with the rest of the Civil Service. However, the purpose of a major review is to reappraise thoroughly the internal and external relativities and conditions of service. Our intention is that having completed a major review, salaries and gradings in particular should remain fixed until the next major review, subject to necessary minor adjustments.

3. On this occasion we asked for the comments of Heads of Departments on the principles for grading posts, the adequacy of present gradings and on any other aspects they might wish to bring to our attention. All these submissions were carefully examined and were of great assistance in our deliberations. Further reference is made to these later in the report. Our recommendations can be divided into four main headings:

- Title of Superscale
- Salaries
- Grading
- Other considerations

### Title of Superscale

4. It has been suggested to us in the past and again during this review that the term 'Superscale' might be reconsidered: 'super' has an unfortunate connotation and the use of 'scale' is misleading as all ranks are on fixed point salaries. As an alternative we recommend '*Directorate*'. This title is reasonably descriptive of the duties of the officers at these levels: they are essentially administrative and many have directing roles regardless of the occupational class from which they are promoted. It also reflects the titles of many existing posts—Assistant Director, Deputy Director and Director—and will be more easily understood by the public. It is less satisfactory from the point of view of the medical and other specialists or advisers, but 'Directorate' should be understood to mean directorate and equivalent levels in the directorate and managerial sphere. This proposed new title, however, is clearly inappropriate for the judicial and legal ranks, which in any event have always been considered a separate entity within the Superscale. We accordingly recommend that these ranks be known as the 'Judicial/Legal Group' of the Directorate. We recommend that the existing rank code prefix 'SU' be replaced by 'D' and 'JL' as appropriate and also that the code numbers start at the lowest rank and run up to the highest. We shall discontinue our alternative system of points which run in the opposite direction.

5. As a result we further recommend that this Committee be titled 'The Standing Committee on Directorate Salaries and Conditions of Service' and that the terms of reference be suitably amended.

### Salaries

6. In reviewing the salary levels appropriate to the various levels in the Directorate and the Judicial/Legal Group, the Committee has had regard for the private sector, relativity with the rest of the Civil Service, pay rates in other public services and also the circumstances surrounding the early retirement or non-renewal of contracts by officers at these levels. We have also noted the movement of the cost of living index since our last review and the effect this appears to have had on comparable salary levels in the private sector.

7. To obtain information about remunerations and fringe benefits in the private sector we designed a questionnaire which asked for details of basic salaries, bonuses, retirement benefits, payment of salaries tax, quarters, servants, payment of fuel bills and the provision of cars. This was sent to 35 major companies with a request for details as at 1 April 1972, 1 April 1973 and 1 April 1974. All replies were sent under confidential cover to the Senior Partners of either Messrs. Lowe, Bingham & Matthews or Messrs. Peat, Marwick, Mitchell & Co. who then analysed and quantified the data in accordance with our instructions and produced an analysed report. The returns were subsequently destroyed in accordance with our undertaking to the companies concerned.

8. A major problem with any salary survey, but particularly one concerned with Directorate level staff, is that of job comparability. We again used our very generalized job definitions of Chief Executive, Deputy Chief Executive, Departmental Manager and Chief Professional Officer, but with the proviso that organizations should only report information for the *same* employee for all three years. The intention was that though we might have doubts about the fairness of comparisons, by this method we should at least obtain reasonably accurate salary trend information for the period since our last major review.

9. We considered the extent to which Government makes use of seconded staff from the United Kingdom Civil Service and other bodies and the total remuneration of such officers. We concluded that in view of the recent rapid expansion of the Civil Service, it was reasonable to bring in officers with particular expertise and experience for short-term assignments and that overall the net salaries of such officers were not significantly different from those of equivalent officers in the Directorate Group.

10. We studied in great detail the circumstances surrounding all Directorate level 'premature retirements' since 1968, both in terms of satisfaction with the career structure, which we cover in the section on grading, and also as an indicator of the adequacy of salary levels. We consider that on the whole dissatisfaction with salary did not feature as a significant factor.

11. Since our last major review in 1972, Directorate salaries were increased by a flat \$500 with effect from 1 April 1973, in order to retain a gap between the bottom of the Directorate scale and the top of the Master Pay Scale. This had the effect of upsetting the differentials higher up the Directorate, so in the present review an additional consideration was to restore the scale to reasonable shape overall. We therefore propose increases which over the *two-year* period 1972 to 1974, are 19.4% at the lowest point and 17.6% at the highest point of the scale. These increases compare fairly with the general trend of salaries at these levels in the private sector, and, taking the Directorate as a whole, result in actual salary levels that compare reasonably with the medians of private sector rates for broadly comparable levels of responsibility. For details of the recommended salaries, see Appendix 1.

## Grading

### *General*

12. The large majority of Heads of Departments were in favour of the existing practice of grading departments in three groups, and with the grading criteria as set out in our First Report (1964). The dissenters were mainly in favour of four groups of departments rather than three; a few Heads of Departments commented in some detail on the grading factors.

13. The problem with grouping departments is to reconcile two conflicting objectives: to avoid too great a range of responsibility among departments in the same group, while minimizing the number of fine decisions required in placing departments in groups. Before coming to a conclusion on this we re-examined the grading factors and weightings, which we found to be still valid, and we reassessed each department individually and in relation to the others. As a result, we recommend that there continue to be three groups of departments as a basis for grading departmental heads and deputy heads (excluding the Judicial/Legal Group).

### *Heads of Departments*

14. Our revaluation of departments also confirmed that Heads of Departments were correctly graded, with the exception of the Agriculture & Fisheries Department. The assessment by factors indicated that it should be included with the Group II departments rather than with Group III. We therefore examined its responsibilities particularly carefully and came to the conclusion that its inclusion in the next higher group was justified. We so recommend. We noted that in most departments there had been an increase in work load, (which affects the Civil Service as a whole), but we did not adduce any significant changes in degree of responsibility since our last major review.

15. As a general rule the grading of a Head of Department is determined by the grouping of the department, but as we have pointed out in the past, the two are not always synonymous. For example, in the case of the post of Accountant General, specific responsibilities imposed on the present holder of the post have justified a personal grading equivalent to a Group II Head of Department. We examined the position of other Heads of Departments who might warrant similar consideration, but we have no recommendations on this occasion. We record that, in our view, where this factor is significant in the assessment of the salary level of a Head of Department, it should be recognized by an appropriate pensionable allowance, rather than by alteration of the grading of the post. It does not, of course, affect the grouping of the department.

16. We also considered the impact of the organizational changes introduced on the recommendation of McKinsey & Co. Inc., in particular the creation of the rank of Secretary, Colonial Secretariat, which may in time come to effect the responsibilities of some Heads of Departments. However, until the role of the Secretaries is clearer no changes are recommended on this count.

#### *Deputies*

17. In our earliest reports we were of the opinion that the only deputies should be 'true' deputies, but in recent years it has become apparent that the growth of the Civil Service renders this concept difficult to maintain. It is of interest that not only in the Civil Service is the deputy becoming recognized more as a level of responsibility than as a 'second in command', but the move towards corporate management has had a similar effect in the private sector. It is arguable that if there is one deputy only, the pay of that deputy should relate to the pay of the Head of Department for whom he deputizes: in other words, the bigger the Head of Department's job, the bigger his (single) deputy's job. But if there is more than one deputy, the job relates more to functional or organizational needs, and the grading of such posts can fairly be relative across departments.

18. We therefore recommend that the grading of deputies in Group II and III departments, who in the main are 'true' deputies, should continue to relate to the Head of Department, and remain at Points D5 and D3 respectively; and that the deputies in Group I departments, who are all functional deputies, should continue to relate to the deputies in Group II departments and also remain at D5. However, if in future a Group I department proposes a single deputy, we are of the opinion that such a post should be graded at D6, with the next lower level of responsibility no higher than D4. This modifies the recommendation at paragraph 17 of our Fourth Report (1972).

19. We also recommend that the parity between the senior Consultants and the Deputy Directors in the Medical & Health Department should remain, and that therefore these Consultants continue to be graded at D5.

20. The Public Works Department is a special case and we noted that the supernumerary post of Deputy Director Public Works is at present not filled. We have not seen the organizational or function case for it to continue and it seems that the post should lapse, but as it is listed in the Estimates, a point continues to be provided for it at D7 in the Directorate pay scale.

#### *Assistant Directors*

21. As in past reviews, we paid particular attention to posts graded at D2 and D3 and gave particular consideration to the introduction of a scale. The major problem is that for some, particularly those from the Administrative Class, a post at this level is a stepping stone to higher things, whereas for others it is possibly the final stage in their careers. We therefore analysed the careers and prospects of all non-Administrative Class officers at present in a post at these levels, and also considered the circumstances of those who since 1968 have left the service from these levels. As a result we have come to the conclusion that there is no justification to alter the present arrangements and further that there are sound organizational reasons for the existence of the two levels.

#### *Judicial/Legal Group*

22. In the past we have said that the normal criteria for assessing the level of Directorate posts cannot readily be applied to posts in the Judiciary, the Legal Department, the Registrar General's Department and the Legal Aid Department. Posts in these departments have been assessed vis-à-vis each other in terms of status and the level of judicial and legal experience required and then aligned to the main Directorate structure; there has been no attempt to grade these posts in terms of their administrative content. We consider this approach is still generally sound, and after reconsidering the present relativities we recommend no change except in the grading of the Registrar, Supreme Court. In this case we have considered it appropriate to have regard for administrative responsibilities, and having analysed its functions, we recommend its regrading to a new point JL4 in the Judicial/Legal Group. At Appendix 2 and Appendix 3 are tables showing existing Directorate posts with their recommended gradings and salaries with effect from 1 April 1974. At Appendix 4 and Appendix 5 are lists of Directorate posts created between 1 August 1972 and 31 March 1974.

## Other Considerations

### *Merit pay*

23. A suggestion was put to us that a system of personal salaries related to individual merit be introduced, rather than attaching salaries to posts. This is *prima facie* attractive in that it would allow total flexibility of posting, but it runs hard against the principle of paying the rate for the job. Merit scales are notoriously difficult to administer, and as far as we know have never operated successfully in public services and comparable organizations. We do not therefore favour this suggestion.

### *Personal pay scales*

24. We have considered the suggestion that there should be a personal rank structure for professional officers on similar lines to those for Administrative Officers. We noted that it is sometimes necessary in the public interest to retain an officer from the Administrative Service in a post of a lower rank than his substantive rank, but we accept this as part of the career planning of carefully selected officers to fit them to carry the most senior posts in Government. We also noted that the upper age qualification for entry to the Administrative Class was recently raised to age 45, and that in the 1974 competition, entry at Senior Administrative Officer rank was advertised in addition to the usual entry in the basic rank; that there are arrangements for suitable professional officers to transfer to the Administrative Service at higher levels; and that the rank of Secretary is open to all ranks. We therefore do not recommend any change in the present salary structure at this time.

### *Reorganizations*

25. Some departments took the opportunity of this review to submit detailed reorganization proposals, and others gave notice of imminent changes or of plans in preparation, all of which, if approved, might affect the grading of individual posts. These have been noted with interest but we have naturally taken no action pending a full consideration by and a submission from the Colonial Secretariat. Such proposals are normally sent to the Secretariat for processing.

### *Use of official cars*

26. We were asked to give further consideration to the present arrangement for use of official cars for private purposes. We recommend no changes but we consider that cars should be available to Secretaries in the Colonial Secretariat on the same basis as first grade Heads of Departments.

### *Other conditions of service*

27. We recommend no changes at this time.

### *Date of implementation*

28. We recommend that the date of implementation of our recommendations for revised salaries and gradings, if approved, should be retrospective to 1 April 1974.

### *Costs*

29. If our recommendations on pay and gradings are accepted, the additional annual cost is likely to be of the order of \$7 million.

## Acknowledgments

30. We are much indebted to Mr. L. W. GORDON of Messrs. Lowe, Bingham & Matthews and Mr. G. M. McWHINNIE of Messrs. Peat, Marwick, Mitchell & Co. for their assistance with the survey of private sector pay rates.

31. We are grateful also for the advice of Mr. A. J. SCOTT, who serves *ex-officio* as our Secretary and Adviser, and to Mr. K. BROADBRIDGE, our Assistant Secretary.

G. R. ROSS  
(Chairman)

J. S. LEE

Wilfred S. B. WONG

P. E. HUTSON

S. S. GORDON

A. J. SCOTT

7th August 1974.