

2019.03.26

16 Deputy G.P. Southern of the Chairman of the States Employment Board regarding the methodology underling statistics produced by the Board in relation to public sector pay: [OQ.89/2019]

Will the Chairman explain to Members the methodology behind the graph, which has been published by the States Employment Board and which purports to show a comparison between median pay for civil servants and those in the private sector across all grades? Will he state who conducted the research involved and under what terms of reference, if any, did they do so?

Senator J.A.N. Le Fondré (Chairman, States Employment Board):

A long question. OK, the comparison between the civil service base salaries and those of the local private sector were derived from the *Remuneration Survey Report Finance 2017* and *Directors and Senior Managers' Remuneration Survey Report 2017*, both produced by Vantage HBA. Vantage HBA produces these confidential reports annually, on a commercial basis, to participating organisations. Participants in the survey, covering a wide cross-section of local finance-related organisations and utilities, provide high-level job evaluation information and pay details of jobs at different levels in their organisation within a set *pro forma* provided by Vantage HBA. They then collate this information from the participants to produce comparative pay data at different job levels from the smallest jobs to the largest jobs. This enabled the base salaries of the civil service to be compared to the private sector pay.

3.16.1 Deputy G.P. Southern:

Would the Chief Minister mind giving any analysis of their methodology. For example, how does it compare with - going back some time, I think 20 years - the Hay evaluation, which is extremely complex, deciding how you compare responsibilities at various levels, in various organisations; extremely complicated. Can he support this with any evidence that this methodology works?

Senator J.A.N. Le Fondré:

I am informed that each of the jobs has been evaluated and the resultant grade pay can be compared, via that job evaluation matching process adopted by HBA, to determine meaningful comparisons on job weight pay with dissimilar private sector jobs. So, in other words, there is a methodology, it is deemed to be a valid methodology and that is what generated the data.

3.16.2 Deputy G.P. Southern:

Put simply, does the survey compare like with like? Does it, for example, take into consideration qualification levels among civil servants, which are usually higher than those in the private sector and the fact that many of the posts in the civil service are unique: specialist biomedical scientists, pathology, crime scene investigators, you cannot just flip into another job, somewhere else, as you might do in the private sector and does it also take into account the use of bonuses in the private sector and none in the public?

Senator J.A.N. Le Fondré:

I will deal with the last point first. While there may not be bonuses, as has been said previously, the public sector does receive a 16 per cent employer contribution in terms of its overall package and that is not necessarily always included in the definition of earnings. I think the point is the job weight pay comparisons on individual jobs in the civil service can be made in relation to comparisons

in the private sector and that is why we purchase those reports, such as those from Vantage HBA, from time to time.

Deputy G.P. Southern:

Briefly, do the findings remain confidential?

Senator J.A.N. Le Fondré:

Yes, the reports are acquired on a confidential basis, they are not public reports.

The Deputy Bailiff:

Very well we come to question ...

Senator J.A.N. Le Fondré:

I was going to say, whether that is a matter for the relevant Scrutiny Panel would be a different matter, but it is confidential on a public basis.