

POLICY & FINANCE COMMITTEE

31 MARCH 2022

MARKET SUPPLEMENT EXTENSION - TRADES TEAM

1.0 Purpose of Report

1.1 To request approval for the current 10% market supplement to be continued for twelve months to enable a service review to be completed for skilled trade operatives within the Housing Maintenance and Asset Management Business Unit.

2.0 Background Information

2.1 Skilled trade operatives are critical to the delivery of the Repairs and Maintenance function in relation to the Council's housing stock. The operatives work on 400 void properties and up to 14,000 repairs per year.

2.2 The business unit has been experiencing significant recruitment and retention issues for a number of years which led to the initial request for the application of a market supplement in 2019.

2.3 The original case for a 10% market supplement was approved in November 2019 for a period of 1 year until October 2020. It was then extended and is due to end on 31 March 2022. We have seen a slight reduction in leavers since the market supplement was introduced; 9 in the 2.5 years before and 6 in the 2.5 years since.

2.4 During the period that the market supplement has been in place, recruitment has remained difficult. For example:

- We tried 6 times between Feb 2020 and Jan 2022 to recruit electricians; we had 5667 network views, 8 applicants and 1 successful candidate.
- We tried 3 times between Dec 2019 and Oct 2020 to recruit Gas Fitter Plumbers; we had 1836 network views, 3 applicants and 1 successful candidate.

2.5 As this is a temporary increase, it gives no certainty to pay and with the cost of living crisis, removal at this time could seriously impact our ability to retain operatives. This would lead to an increase in spend on agency staff and/or disruption to the service that we can provide.

2.6 The business unit is already taking steps to 'grow our own' by training up apprentices but this is a long process for trades – 4 years for an Electrician to become fully qualified, for example, and 2 years for a Joiner.

2.7 We currently have salary budget for 3 apprentices and have 2 in post with one due to finish at the end of March. Consideration is being given to which Apprenticeship Standards will be of most use to use going forward.

2.8 Recruiting additional apprentices rather than qualified staff would be of limited benefit as they are not able to work on their own for a significant part of their qualification.

3.0 Proposals

3.1 To continue the market supplement until March 2023 to enable the Business Manager and Human Resources to undertake a service review of roles and impact on base salaries.

4.0 Equalities Implications

4.1 The consolidation of the market supplement will be paid to all skilled trade operatives regardless of any protected characteristics. It is worth noting, however, that this group of staff is made up solely of males despite roles being advertised widely.

5.0 Digital Implications

5.1 There will no digital implications as we are not looking to increase the establishment.

6.0 Financial Implications (FIN 21-22/4429)

6.1 Revenue Current Year

The budget setting process for 2022/23 did not include the 10% market supplement for the skilled trade operatives within the HHW directorate as it was due to end on 31st March 2022.

6.2 The market supplement at the maximum grade for that trade, fully staffed, would be approximately a £70k increase in budget. However, based on the level of vacancies experienced in the last three months, would probably equate to nearer £55k.

6.3 If this is approved, the additional budget would be covered from either salary underspends (which have been significant since bringing the service in-house) or from the HRA efficiency savings reserve for the year. For future years, this cost would form part of a service review report whereby the grades are set to try and reflect the market rates for such trades.

Revenue Future Years

6.4 For future years, this cost would form part of a service review report whereby the grades are set to try and reflect the market rate for such trades.

Capital Implications

6.5 None.

7.0 Community Plan – Alignment to Objectives

7.1 This report links to our role of creating more and better quality homes through our roles as landlord, developer and planning authority.

8.0 Comments of Director

8.1 This extension will enable a full service review to take place within the Business Unit.

9.0 RECOMMENDATION

That the continuation of the market supplement for twelve months be approved.

Reason for Recommendation

To enable uninterrupted provision of our repairs service.

Background Papers

Nil.

For further information please contact Caroline Wagstaff on Ext 5420.

Suzanne Shead
Director of Housing Health and Well-Being