



**ACESA welcomes the fact that the Terms of Reference cover the pay of identifiable groups where there is external competition for their skill sets, since retention of specialist staff has been an issue since the recovery in the economy**

We would like to raise the issue of the constraints and disadvantages placed on the public service (and agencies) by the blanket policy assertion that “new entrants” can only be recruited at the bottom (first point) of any incremental scale. This removes any discretion from Directors and Chief Executives to secure new blood in to the public service at a time when the reform process seeks to encourage applicants from the private sector. Agencies have as result lost the capacity to recruit in many instances the best person for the job – despite frequently having the budget in place to offer above the first point on the scale.

The policy makes little sense in an environment where DPER have switched from controlling headcount to controlling pay budget – in other words, where the organisation itself must take account of the implications for its overall budget.

It also results in grade inflation over time, since the only option is to look for fewer staff at higher grades.

**We also welcome the inclusion of the pay and conditions of office holders, whose conditions with respect to tenure are frequently much less favourable than those of the general civil service.**

The typical appointment of a CEO is now on a five-year contact, albeit with the possibility of an extension. This fixed term approach to appointments to some extent negates the permanent and pensionable argument that is used in support of lower grades.

The above approach, which in some ways replicates the private sector approach to senior roles, does not replicate it in many other key ways, such as bonuses, other rewards including for example health insurance, share options etc. as well as of course the underlying salary scale.

In relation to pensions, deductions from salary for pensions now amount to some 17% of salary for senior civil servants. This again negates to a very significant extent any arguments relating to the value of public service pensions.



In relation to pay scales, it is instructive to compare the quantity and quality of applicants for positions at lower grades, for example clerical and executive officer competitions which are generally swamped with applications, and those for senior positions where increasingly it is difficult to attract non-public-sector applicants of appropriate quality.

The pay scales for CEO or Head of Organisation positions placed at their current levels have knock-on effects on the ability to recruit appropriate quality staff at levels below that of CEO.

In the case of professional oversight roles, there is now a very significant disparity between the salary of regulated persons and their regulators. This is not an argument for parity, but where a Head of Organisation, or indeed a Head of Function, is dealing with individuals on salary multiples, this can lead to asymmetric positions of power and influence. Regrettably, it can also mean that persons recruited to regulatory roles can be easily tempted, if it is so wished, to join the organisations they regulate. Professional regulation, as it now becomes increasingly a State obligation, must have cognisance of the pay scale disparities that will now exist.

In the same vein, professional regulation can only take place using individuals with appropriate expertise and experience, who can only come from the regulated entities. The ability to attract such persons of appropriate calibre is extremely different within the limits currently in place.

Realistic salary levels, linked in an appropriate way to levels of senior Civil servants, with appropriate adjustments to take account of the overall employment package need to be set.

Account should also be taken of the level of relevant experience of the individuals being employed in setting salaries. The policy of seeking to secure the “lowest common denominator” is not one which is going to attract people with relevant valuable experience!

The renewal of fixed term employment contract for CEO’s needs to be dealt with in an acceptable timeframe, and not delayed until the date for renewal is very close – or indeed passed. We are aware of instances where delayed approval has led to difficulties. Uncertainty about who is to be “at the helm” of Agencies causes difficulties for Agency Boards and puts unwarranted pressure on all involved in Agencies.