

**Submission**  
**to**  
**The Public Service Pay Commission**  
**on behalf of**  
**Civil Public Services Union**

## **Introduction**

The CPSU represents the Clerical Officer and Staff Officer Grades in the Civil Service and other semi-state companies and Agencies. The CO grade is predominantly female, 74% according to the OECD 2011 survey on Gender in Public Employment.

This submission sets out our views on the issues to be considered by the Public Service Pay Commission in relation to Clerical Officer Pay and other Departmental Grades such as the Science and Arts Attendants who work in the museum sector and lower pay generally in the Civil and Public Service.

There is, in our view, and set out in this submission an undeniable case for a planned roll back of pay cuts and changes in terms and conditions imposed during the economic crisis, through FEMPI Legislation or other Agreements such as the Haddington Road Agreement.

The immediate concentration of restoration should favour the lower paid grades in the Civil and Public Service and there should be a continuation of the flat rate approach adopted in the Lansdowne Road Agreement.

## **Background**

Any examination of Clerical Officer Pay and lower paid grades must take account of pay progression over the last 25 years as this will show clearly a decline in pay in comparison to higher grades in the Civil Service. This is attributable to a number of factors, including;

- **The prevalence of percentage based wage increases since the advent of social partnership in 1997**
- **The impact of special awards for senior grades, including the earlier benchmarking process**
- **The disproportionate growth in senior executive pay over the last two decades fuelled by an unregulated free market philosophy**
- **The gender pay gap**

As a result of such developments income inequality is now engrained in our economy and indeed across the world.

## **Historical context**

The concept of 'fair comparison' with the private sector has underpinned pay determination in the Public Sector all the way back to the development of the Conciliation and Arbitration schemes in the 1950's and was based on a set of principles called the Whitley Principles, established in the early 1900's as a method of determining the pay of Public Servants in the UK. These principles were further refined and established by the Priestly Commission in the UK , also in the 1950's, and adopted in Ireland as the best approach to pay determination. This approach to public service pay determination is also common across the EU.

In terms of practical application a number of key grades were selected as marker grades for comparison with equivalent private sector roles, other grades were then linked to them through a series of internal relativities. For our purpose in the Civil Service the key marker grades were Clerical Officer and Executive Officer.

This approach was not without its problems though as linked grades in the wider public service managed to negotiate additional increases and from the 1980's onwards the pay gap between the top and bottom in the Civil Service widened not least because of the Social Partnership National

Agreements which favoured percentage increases but also very high special awards for senior management grades, for instance 36% in the Gleeson Report in the late 1980's and the benchmarking process in the 2000's which followed the trend in terms of greater awards at higher management levels, reflecting pay developments in the Private Sector.

- **In the first Benchmarking exercise of 2002 the AP grade was awarded 13.8% with 11.7% at PO, 10% at SO / EO / HEO but only 8.5% at CO level.**
- **The second exercise made no award to Civil Service Grades other than 1.1% at PO level.**

In the period 1987 to 2000 before Benchmarking the changing pay differentials were stark, a point we emphasised in our submission to the Benchmarking Body;

- **Secretary General pay increased by 214% over that period**
- **Assistant Secretary by 153%**
- **PO by 116%**
- **AP by 109%**
- **HEO by 93%**
- **EO by 81%**
- **CO by 78%**

This was the stark backdrop to pay as we entered the 2000's facing into Benchmarking and other Agreements.

In effect Clerical Officer and related grade pay has been depressed since the 1980's with traditional pay relativities breaking down leading to significant income inequality and reflecting trends in the wider Labour Market, typified by out of control growth in income at senior executive level and endemic low pay and poor conditions becoming more and more a feature of the economic landscape.

Over the period 2000 to date Clerical Officer Pay increased to €39,558 at the maximum of the scale, but was cut to €37,341 under the FEMPI imposed 2010 pay reductions across the Public Service.

Similar outcomes in terms of cuts impacted on lower paid grades such as the Science and Arts Attendants.

The Pension levy of 2009 was also reducing net take home pay, on average by 7% when the 2010 pay cuts happened, resulting in circa 14% in pay cuts. Following this new scales, 10% less, were enforced in 2011 and despite progress in the Haddington Road Agreement we are still left with two lower starting points for new entrants.

### **Commission Role**

In the current context the Public Service Committee (PSC) of ICTU has argued strongly that the Commission's PSC research and analysis should not be based on the lowest common denominator in the labour market and that it should reflect general expectations in terms of decency and social progress.

In particular the PSC points out the need to avoid comparisons for lower paid grades with sections of the private sector where pay levels are unjustifiably low.

Importantly the PSC submission says it is important to avoid crude averages in any analysis of pay, something the CPSU clearly supports given the routine statements from the CSO which utilise blanket averages for public and private sector pay leading to over-simplistic and inaccurate pay comparisons by sections of the media.

The midpoint of public service scales should be the comparative point, something that was ditched by the Benchmarking Body in its 2007 Report and any comparison with the private sector should be based on large employers in the mid to upper quartile in terms of pay and conditions.

## **European Comparison**

One of the tasks set for the Commission is to look at comparable European pay rates. This is a complex question which must take account of cost of living in member states or purchasing power parity, without which it is a futile exercise. Any comparison say for instance with southern EU members may lead to incorrect conclusions if cost of living was not a factor.

CPSU understands that pay data has been provided by ICTU to the Commission on EU trends. Data from the European Public Services Union indicates continuing public service wage growth in Northern EU countries. The data to support this claim is contained in a Report commissioned for EPSU by the Labour Research Department in 2014, with support from the European Commission.

The two main bargaining groups in Germany, Federal and Local Government and Regional Government with average annual increase throughout the period of the economic crisis, ranging from between 1 and 2% in 2010 in Federal Government to 1.1% in 2011, 3.5% in 2012, 2.8% in 2013, 3% in 2014 and 2.4% in 2015.

This growth trend continues with Agreement by the Verdi Union for increases in 2016 of 2.4% and 2.35% in February 2017. These trends were also experienced to a lesser or greater extent in countries such as Finland, Sweden and Denmark.

The 2<sup>nd</sup> ICTU submission makes a very notable point in relation to clerical pay, using the most recent available OECD data;

**“The OECD shows that Irish compensation is below the mean average of the countries reporting, with the exception of one small category of employees. It should be further noted that the gap is largest in the lowest paid category of clerical/secretarial”.**

## **CPSU Priorities for consideration by Commission**

We set out below our key priorities for consideration by the Commission and to be addressed in forthcoming pay talks.

- **Priority for those on lower pay avoiding unacceptable comparisons with the worst examples of low pay in the private sector.**
- **The roll back of FEMPI in a manner which is more advantageous to those on lower pay, including full abolition of the pension levy.**
- **A return to normal general round increases and the fast tracking of the September 2017 increase of €1,000. (Achieved)**
- **The abolition of the new entrant points.**
- **The restoration of our working hours through the withdrawal of the additional unpaid hours.**
- **Revitalisation of family friendly initiatives.**

- **Enhanced career and promotion prospects for serving staff as historically promotion has always been a mechanism for pay progression.**
- **A job evaluation process to recognise and reward fully the work being carried out by our grades**
- **Incremental scales shortened and long service increments integrated as yearly increments.**
- **The full integration of the HCO scale or a significant increase in the number of posts available.**
- **Annual Leave to be applied more equitably with leave levels for our grades matching higher grade leave levels.**

### **Pay trends in the Public and Private Sector**

Data compiled by Eurostat indicates slightly better growth in Public Sector Pay between the years 2000 to 2009, which was driven in the main by increases agreed in the Programme for Prosperity and Fairness and the Sustaining Progress Agreement of 2003, combined with the first Benchmarking Report recommendations.

However there was a decline in 2010 with average decreases across the Public Service of 7%. The Pension Levy of 2009 also resulted in an average 7% reduction which is only visible in net take home pay which disguises the extent of the wage damage suffered by Public Servants.

The decline in Public Sector Wages continued through the crisis, while in the Private Sector wage growth was typified by modest growth.

Protagonists will argue that the overall Public Service Pay bill has grown again, but this is in large part due to the ending of the moratorium which has resulted in an increase in staffing across key priority areas such as Health, Education and Justice. It should be noted though that despite recent recruitment the overall pay bill is still below pre crisis levels peaking in 2008.

The recent IRN-CIPD Pay survey in 2016 has indicated projected pay increases of 2.8% across a total of 585 survey responses. The survey was across various sectors and involving firms with union recognition and those without.

The 2015 findings indicated overall average rises of 2.7%, reflecting the forecasts for 2016 and suggesting some confidence in the economy but with considerable caution remaining.

In 2016 there was little difference though between unionised firms and non-union firms in relation to those planning increases in pay, a point that shouldn't be lost in terms of the usual negative commentary about wage demands in the highly unionised Public Sector, bottom line is that the data is indicating growth across the Private Sector, whether unionised or not.

### **The impact of the economic crisis on wages and conditions**

Unprecedented pay cuts, Levies and other key changes in pay and conditions have been enforced since 2009 under FEMPI and National Agreements.

- **The last pay increase before the crisis was the final 2.5% under towards 2016, September 2008**
- **Awards under Transitional Towards 2016 unpaid,\***
- **2009 Pension Levy under FEMPI, average 7%**
- **2010 pay cut under FEMPI, average 7%**
- **2011, new pay scales for entrant grades, again under FEMPI and 10% less, revised to merge with original scales in the Haddington Road Agreement, but leaving in place the two lowest points**
- **Additional Working Hours, HRA**
- **Revised overtime rates, HRA**
- **Revised or lost allowances**
- **Increment delays or cash / leave contributions for those on the top of scales**

**\*Transitional Agreement 2016, foregone**

- **A pay pause of 11 months from the expiry of the last phase of the first module under Towards 2016;**
- **An increase of 3.5% from 1 September 2009; and**
- **An increase of 2.5% from 1 June 2010 - except for those earning up to and including €430.49 per week (€22,463 per annum) on commencement of the second phase where a 3% increase will apply.**

**Pay Restoration**

CPSU cautiously welcomed the January 2017 Agreement to bring forward the 1<sup>st</sup> September payment of €1000 to 1<sup>st</sup> April. However we very much see it as a holding position, no more than a down payment which was necessary as a result of the November 2016 Labour Court recommendations for An Gardaí.

The Lansdowne Road Agreement began the process of pay restoration with a focus on flat rate increases to benefit lower paid workers combine with modest percentage increases for those on wages up to €31.000. The CPSU is of the view that there is an undeniable case to continue this approach in the next Agreement. Bottom up restoration is the fairest approach given that there is significant income differentials for those on higher pay if the usual percentage approach is taken.

As well as restoring wages to pre-crisis levels there is also scope for actual increases in pay based on private sector pay developments referred to above.

**Pensions**

The ICTU submission to the Commission sets out strong arguments on the question of a value for Public Service Pensions in any pay deliberation, noting that the 12% discount applied in the 2<sup>nd</sup> Benchmarking Report was excessive and should not be repeated. In relying on the ICTU submission it

is appropriate to point out that lower paid workers appointed to the Public Service after April 1995 have integrated occupational and state pensions and therefore are much less of a burden on the pay bill.

The standard contribution for staff appointed after April 1995 is 6.5% which includes 1.5% to cover the spouses and children element of the scheme.

CPSU members do not enjoy the levels of pension that the media expound on continuously. After 40 years' service, which many of our female members don't enjoy, due primarily to time out of work for childcare and family commitments, and taking account of the integration of the state contributory pension (not payable till 66 years old) will cost the pay bill circa €6500 per annum.

### **Additional unpaid working hours**

One of the biggest and indeed most demoralising changes introduced under the Haddington Road Agreement was the additional unpaid working hours which saw working time increase to 37 hours net or 43.25 hours gross. Public Expenditure will argue that 37 hours is the actual hours worked, however they utilise the gross hours for the calculation of overtime hours.

The two and a quarter hour per week increase has a value of 6 % if it was paid for, however it isn't and there is no doubt that it has had a considerable impact on working lives, particularly from a work / life balance and child care perspective.

There is no clear evidence that's its imposition has generated increased productivity or staff savings, however there is evidence to show that greater productivity is actually achieved through smarter working mechanisms and improved technology.

From a modernisation perspective this is where their focus should be, the additional Haddington Road Hours were no more than a crude instrument introduced at an opportune time under the threat of FEMPI if agreement was not reached at the talks.

A roll back of the additional hours is appropriate and should be considered in light of positive developments, in particular co-operation with the various initiatives arising under the Civil Service Renewal Plan, which constitutes the Governments main Reform Programme in the Civil Service.

The calculation of overtime hours using the gross hours figure combined with reductions in overtime rates also had a significant impact on wages for grades who often rely on overtime to make ends meet, such as the Clerical Officer and Science and Arts Attendants.

Time and a quarter or a 25% premium on the hourly rate is unacceptable compensation for overtime hours and compares very unfavourably with semi – state companies and the private sector.

### **Lower Starting points**

One of the few positives arising from the Haddington Road Agreement was the integration of the infamous 10% reduced scales for recruitment grades introduced in 2011 with the original scales. However this did not deal with the two lower starting points which are inequitable and are resulting in considerable hardship and are a key issue for new recruits contemplating a Public Service job, particularly from an affordability perspective.

While inflation may not be a key driver in these pay talks there is no doubt that rising costs in rental accommodation, insurance and public transport mean that taking a job at €21,879 starting point is clearly a huge difficulty for anyone just wishing to survive on an income.

## Living Wage issues

Using the gross working week to determine hourly pay, which is a legitimate approach given that it is used for overtime, a Clerical Officer on the new scale is below the living wage, set at €11.50 up to the 5<sup>th</sup> point of the scale.

Point	Annual	Weekly	Hourly*
1	€21,879	€419.29	€9.69
2	€23,275	€447.97	€10.36
3	€23,756	€455.28	€10.53
4	€24,498	€469.48	€10.86
5	€25,592	€490.46	€11.34

The position is just as stark for other lower paid grades such as the Science and Arts Attendants. It is also worth noting that more senior grades such as AP and PO, which are now capable of being filled by open recruitment, did not suffer the same imposition enforced on lower grades in 2011.

Starting pay for the Clerical Officer is 10% below 2008 levels.

- **1<sup>st</sup> September 2008, €24,397**
- **1<sup>st</sup> January 2016, €21,879**

## Gender Pay Gap

Given the fact that the Clerical Officer grade remains predominantly female there is no doubt that the impact on pay only fuels the gender pay gap further. The introduction of lower starting points for a predominantly female grade differs to the treatment of predominantly male senior grades, who didn't suffer lower starting points for open recruits. More than 60% of the Civil Service are women but that figure climbs to 74% at CO Level and falls off to 35% at PO Level.

## Length of incremental scale

Dealing with the above point is only a starting point in addressing the structural inequity of a pay scale in which it takes 20 years to achieve the maximum point taking LSI's into account, half a working life time. Taking account of the length of the scale, the fact that the Clerical Officer grade is predominantly female, the gender pay gap and outcomes in the European Court, there is clearly a case to consider shortening the scale at least to reflect other grades in the Civil Service structure, as follows;

- **Secretary General, 1 point on scale**
- **Assistant Secretary, 4 points on scale**
- **Principal Officer, 7 points including LSI's**
- **Assistant Principal, 7 points including LSI's**
- **Higher Executive Officer, 9 points including LSI's,**
- **Administrative Officer, 10 points including LSI's**
- **Executive Officer, 12 points including LSI's**
- **Staff Officer, 10 points, including LSI's**
- **Clerical Officer, 16 points, including LSI's**
- **Service Officer, 9 points, including LSI's.**

There is no justification for a sixteen point scale at CO level, taking account of higher grades, which are predominantly male with the notable exception of the lower paid, predominantly male grade of Service Officer which has a nine point scale. The Employer will argue objective justification around service and experience and the fact that the grades with open recruitment have longer scales. However it does not take 20 years to fully be competent in a role and there is now also open recruitment at AP and PO levels, but clearly shorter scales.

### **Higher Clerical Officer**

The Higher Clerical Officer scale is only available to 15% of Clerical Officers and thus compares unfavourably with higher scales for more senior grades. While the figure was higher for the Clerical Officer scale originally on its introduction in 1997, it was revised to 15% in the mid 2000's to reflect a growing population of Clerical Officers. However other grades have grown too and enjoy access to higher scales for 20 to 30% of their population. The CPSU has a claim lodged at General Council which is overdue for what we believe should be a positive response to the case we have made.

### **Annual Leave**

The CPSU has also lodged a claim at Council seeking an improvement in annual leave for grades represented by the Union. Currently leave is based on salary banding / grades and increase with grade level. We argue that leave should not be determined on this basis and that given the differentials between the grades and indeed higher leave levels in the wider Public Service, there is a very good argument to increase leave for grades on lower pay.

Leave levels for the Civil Service are set out at Appendix 2 of this document and show significant differentials as you rise through the grades, with 25 days possible at EO level, 31 at HEO and 32 at AP and above. The Clerical Officer tops out at 24 days including service leave.

### **Changing Roles and Job Evaluation**

Since the Croke Park Agreement and indeed before it there has been a significant change in the role and responsibility of the Clerical Officer Grade.

A key component of that Agreement was that work should be signed off at a much lower level. This has resulted in significant changes in responsibilities for Clerical Officers, particularly in Departments such as Social Protection and the Office of the Revenue Commissioners. Staff across the Civil Service are working to meet greater demands with reduced resources, utilising technology and other smarter working techniques. There is greater responsibility in relation to decision making and the adjustment of roles to meet new priorities, such as the greater emphasis on audit in Revenue.

This change has not been without difficulty, and while we don't doubt our member's ability to deliver in more responsible roles, we do question whether in fact they are being paid appropriately in a comparative sense with higher grades. This begs the need for a formal evaluation scheme, similar to that agreed recently in the HSE that has the capability of sizing jobs appropriately and ensuring some level of fairness

### **Science and Arts Attendants Pay**

Set out at Appendix 3 are the pay scales for the Science and Arts Attendants Grades. The maximum point of the post 1995 scale is €587.38 PW or €30649 PA. This is almost €7000 behind the Clerical Officer maximum. This grade is also required to do rostered overtime to keep the Museum open and since the Haddington Road talks we have been attempting to restructure the pay through

consolidation of overtime and attendance on a rostered shift basis. Further commitments were given at the time of the Lansdowne Road Agreement, but despite making progress up to later last year, this process has run into a blockage, which should be freed up by Public Expenditure to allow final Agreement to be reached. We are seeking the Commission's support in this.

## **Conclusion**

There is in our view a strong case to continue restoration with a priority on the lower paid, as was the approach in the Lansdowne Road Agreement. The Public Service Committee submission points out the disparity which would exist if FEMPI was rolled back without a priority towards the lower paid. In this context it is important that we continue the flat rate mechanisms used in the Lansdowne Road Agreement to continue the roll back of the pension levy beyond what is envisaged in the Agreement and indeed full abolition earlier for lower paid grades. We reference also the point made on pensions earlier in this submission. Lower paid grades are not earning big pensions and are making a pension contribution, which is not out of line, unless you factor in the pension levy, which is an unacceptable burden for lower paid workers.

It is also clear from the evidence across the Private Sector and the EU Public Sector that there is scope to go beyond restoration and begin the process of resuming normal collective bargaining on pay, in other words there is scope for increases in pay.

In conclusion we would note the 2<sup>nd</sup> ICTU submission to the Commission where clear arguments are made to show that the fiscal capacity to deal with pay restoration / increases exists taking current and fiscal circumstances into account.

## Appendix 1

### Clerical Officer Standard Scale - PPC

€21,879 €23,375 €23,756 €24,498 €25,592 €26,684

(€419.29) (€447.97) (€455.28) (€469.48) (€490.46) (€511.39)

€27,777 €28,869 €29,931 €30,995 €31,743 €32,795

(€532.33) (€553.25) (€573.62) (€594.00) (€608.34) (€628.50)

€33,840 €35,471 €36,753<sup>1</sup> €37,341<sup>2</sup>

(€648.52) (€679.78) (€704.35) (€715.62)

### Clerical Officer Higher Scale - PPC

€24,498 €25,592 €26,684 €27,777 €28,869 €29,931

(€469.48) (€490.46) (€511.39) (€532.33) (€553.25) (€573.62)

€30,995 €31,743 €32,795 €33,840 €35,471 €36,753

(€594.00) (€608.34) (€628.50) (€648.52) (€679.78) (€704.35)

€37,341 €38,135

(€715.62) (€730.84)

## **Appendix 2**

Circular 27/03 – Annual Leave Allowances – effective 2011/2012 leave year

The amounts of annual leave shown are exclusive of public holidays and relate to a five-day week.

General Service Grades Days per year

Secretary General 32

Deputy Secretary 32

Assistant Secretary 32

Principal (standard scale) 32

Assistant Principal (standard scale) 32,

Administrative Officer 25, rising to 29 after 5 years' service and to 31 after 10 years' service

Higher Executive Officer 29, rising to 30 after 5 years' service and to 31 after 10 years' service

Executive Officer 23, rising to 24 after 5 years' service and to 25 after 10 years' service

Staff Officer 23, rising to 24 after 5 years' service and to 25 after 10 years' service

Clerical Officer 22, rising to 23 after 5 years' service and to 24 after 10 years' service

Services Officer 22, rising to 23 after 5 years' service and to 24 after 10 years' service

## Appendix 3

CPSU 2016 <125>

### >> Science and Arts Attendants pay scales

#### Science and Arts Attendant Pension Contribution

€377.59	€396.30
€394.66	€412.23
€418.36	€439.58
€437.70	€460.74
€453.32	€470.24
€468.96	€486.42
€475.28	€500.33
€490.68	€516.54
€514.93	€542.03
<b>MAX</b> €521.48	<b>MAX</b> €548.95
<b>LS1</b> €538.00	<b>LS1</b> €565.98
<b>LS2</b> €558.73	<b>LS2</b> €587.38

### >> Chester Beatty Library pay scales

#### CBL Attendant salary scale January 1, 2016

1%

€25,217
€25,903
€27,030
€27,331
€27,616

#### CBL Senior Attendant salary scale January 1, 2016

1%

€26,317
€26,715
€27,485
€27,882
€28,285
€28,713
€29,420
€29,704