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Public Administration &  
Community Division

9<sup>th</sup> March 2017

Mr. David Denny  
Public Service Pay Commission  
Department Public Expenditure & Reform  
St. Stephen's Green House  
Dublin 2

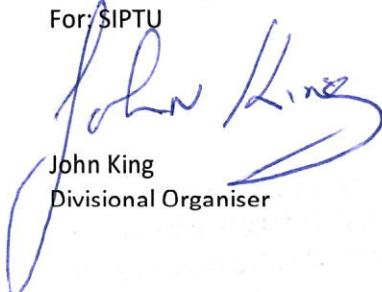


Dear Mr Denny,

I attach herewith submission in respect of Local Authority Professional Officer Grades in Engineering and Planning for consideration by the Public Service Pay Commission.

SIPTU is available to meet with the Commission if deemed necessary to elaborate on the issues outlined in the Submission.

Yours sincerely  
For: SIPTU



John King  
Divisional Organiser

Ceardchumann Seirbhísi, Tionsclaíoch, Gairmiúil agus Teicniúil  
Services Industrial Professional & Technical Union

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## **Submission presented by SIPTU Local Authority Professional Officer Grades to the Public Service Pay Commission**

This Submission intends to outline how the current economic situation, the effect of the pay and conditions of employment imposed cuts and the continuing restrictions in job sanction processes are presenting difficulties to Local Authorities to recruit and retain Professional Grades in the Local Government such as,

- Executive Engineers
- Assistant Engineers
- Executive Planners
- Assistant Planners

During the period of the crisis 2008 – 2015 and with the collapse in Construction Infrastructure Investment, and so on, Professional Grades such as the above suffered significantly with compulsory loss of jobs, pay reductions and so on.

Whilst compulsory job losses was not a feature in the Public Sector, these Professional Grades did suffer loss of income, allowances and conditions of employment. In addition, there was a significant uptake amongst senior long serving staff within these grades of the Voluntary Early Retirement packages.

This resulted in a situation where some Local Authorities' projects and tasks suffered significantly from this loss of experience and capacity.

It has also resulted in a situation where serving Professional Grades had to absorb the work of retiring colleagues, at a time when their pay and conditions of employment were being unilaterally reduced.

In addition, the application of the Circular EL02/2011 (appendix 1), imposed restrictions on Local Authority Employer's from exercising discretion on placing new entrants onto the appropriate point of the pay scale in accordance with their post graduate experience.

This was rescinded to a limited extent in Circular EL05/2016 (appendix 2) insofar as it reinstated the discretion but only to existing Public Servants who are transferring into the Local Government Sector.

SIPTU understands from Local Authority HR Departments that professional graduate entrants can typically have more than one job offer and if a Local Authority is not able to respond reasonably quickly on these matters, applicants are more likely to take up alternative job offers in the Private Sector.

Also, even where engineers have been successfully recruited a number of Local Authorities have experienced these new recruits leaving within 6 months to take up better offers in the private sector. SIPTU is also aware that a number of planners at the entry grades are actively seeking alternative employment because their post graduate experience has not been taken into account in terms of their position on the pay scale.

### THE Labour Market Currently and Projected

With the economy now in full recovery, and with the growth that has taken place within the Construction Sector, the landscape for the employment opportunities for these grades has changed utterly.

The 2014 Construction 2020 Strategy estimated that Ireland should be able to sustain a construction industry equivalent to 12 per cent of GNP - up from 6 per cent of GNP in 2012 - and that construction employment could rise from 100,000 in 2012 to 160,000 by 2020.

With the most recent CSO Quarterly National Household Survey (February 2016) estimating construction employment of 138,200 in the fourth quarter of 2016, it would appear that the construction industry is well on the way to recovery.

A positive outlook for this sector over the medium-term is also clearly evident from the 2016 Demand for Skills in Construction to 2020 report produced by DKM Economic Consultants for the Construction Industry Federation. This forecasts the construction industry to expand by an average of 9 per cent annually over 2016-2020 and to reach 10 per cent of GNP and employment levels of around 212,000 by 2020 (i.e. 50 per cent *above* late 2016 levels).

It should be noted that the DKM report also concluded that the construction industry '*...is on course to experience the most positive outlook for construction in a decade provided it has the skills available to meet the demands on the industry*' (emphasis added). This issue of skills shortages is also discussed in the National Skills Bulletin 2016 (September 2016), produced by the Skills and Labour Market Research Unit (SLMRU) in Solas on behalf of the Expert Group on Future Skills Needs.

This firstly estimated that that there were approximately 20,000 people employed in these occupations in 2015, made up of approximately 8,100 civil engineers, 4,700 architects and town planners, 3,500 construction-related technicians and 3,300 architectural technologists, construction project managers and surveyors, and that approximately 95 per cent of construction professionals and 86 per cent of construction associate professionals in employment were third-level graduates.

It then stated that recent economic growth has translated into greater demand for *construction professional and associate professional occupations* and that growth '*is expected to accelerate in absolute and relative terms over the medium-term as the sector gains further momentum*'. And it concluded that while there was '*significant graduate output from construction related courses*' and some remaining '*overhang*' of construction

skills (i.e. professionals seeking employment), as of May 2016, it did see signs of a tightening in the labour market for construction professional and associate professional occupations, particularly in relation to surveyors, architects and civil engineers, and that, moreover, skills *shortages* have already been identified in relation to construction and quantity surveyors with 'building information modelling' (BIM), computer-aided design (CAD) and 'construction project managers with experience' (p.116)

Given that nearly one in five construction professionals and associate professional occupations were employed in public administration and defence in 2015 (National Skills Bulletin, p.115), there is a concern that the failure to adequately address Public Sector pay could see an exodus of professional expertise from the Public Sector to a (now expanding) Private Sector. This could not only undermine existing capabilities in the Public Sector but could also adversely affect the ability to both prepare and implement any new multi-annual 10-year capital plan (involving investment in roads, public transport, energy, water, education, health, climate change, sustainable development and environmental protection objectives), as recently announced by the Taoiseach, 'as a direct response to Brexit', which is now widely recognised as the principal risk to the Irish economy.

#### ACTION

In light of the above analysis and the current difficulties being experienced in the Sector, SIPTU is seeking the Public Service Pay Commission to review these grades,

- Where pay and conditions of employment are at now. These Public Sector grades are still working at rates of pay at pre-2010 levels. The pre-cut 2010 pay scales were last increased in 2008.
- In addition to the cuts imposed in 2010, these grades did suffer further pay reductions in the Haddington Road Agreement and whilst restoration of the pay cuts is underway, the continuing imposition of these measures are inhibiting the ability of the Local Authority Employers presently, and will continue to do so into the future, to recruit and to retain staff.
- SIPTU is also requesting the Commission take into consideration, the impact of the effects of Circulars EL02/2011 and EL05/2016, which are also an inhibiting factor on the employers.

Rem 233

Circular Letter E.L. 02/2011

28 January 2011

### **Starting Pay on Recruitment from Open Competitions**

A Chara

I am directed by the Minister for the Environment, Heritage and Local Government to convey the following instructions to Local Authorities in relation to the Government's decision that starting pay on recruitment from open competitions should be at the minimum point of the relevant scale.

Accordingly, related offers of appointment to persons who are not serving local authority employees on or after 1 January 2011 must be based on the minimum of the scale. Previous letters to Personnel Officers setting out circumstances in which starting pay above the minimum of the scale could be considered are now rescinded and replaced by these provisions.

Where the person being appointed is a serving local authority employee the normal starting pay rules will continue to apply.

In this context, all future open competition notices, advertisements and information booklets must specify that starting pay for new entrants will be at the minimum of the scale. Such notices and booklets must also specify that the rate of remuneration may be adjusted from time to time in line with Government pay policy.

No undertaking, formal or informal, should be given by or on behalf of any local authority to a candidate that the relevant salary may be negotiable.

Where a County / City Manager is of the view that there are exceptional circumstances justifying the offer of starting pay above the minimum, the specific sanction of the Department (*in consultation with the Department of Finance*) should be sought in advance of any offer being made.

The contents of this circular letter should be brought to the attention of all appropriate personnel in your local authority. Queries from local authorities regarding implementation of this circular should be referred to Local Government Personnel & Services Section of the Department, at (053) 911 7434 or (053) 911 7496.

Mise le meas,

*Neil Maher*

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Neil Maher  
Assistant Principal  
Local Government Personnel & Services



Comhshaol, Pobal agus Rialtas Áitiúil  
Environment, Community and Local Government



EL 05/2016

05 February 2016

**Re: Starting Pay on Recruitment through Open Competition to the Public Sector  
– Appointment of Existing Public Servants Serving in Analogous Grades.**

Dear Chief Executive,

I am directed by the Minister for the Environment, Community and Local Government to refer to decisions made by the Minister for Public Expenditure and Reform, following a review of the policy concerning starting pay on recruitment through open competition to the Civil Service of existing public servants serving in analogous grades.

Increased levels of recruitment to the Public Sector following the lifting of the moratorium have given rise to a number of queries in respect of the appropriate pay point at which existing public servants should be assimilated. Currently such appointees are treated as new entrants and appointments are made at the minimum of the scale.

It has been decided that, with effect from 1<sup>st</sup> February 2016, where the appointee has been serving elsewhere in the public service in an analogous grade and pay-scale, and will be moving without break to another part of the public sector at an analogous grade, the appointment may be made at the appointee's current point of scale. This means that such appointees should be assimilated on their current pay point.

Appointees may be required to mark time where their current salary is not an exact match in respect of incremental points. On no account should an appointment be made at a point greater than the maximum of the pay-scale.

Any enquiries about this Circular from local authorities should be emailed to [localservices@environ.ie](mailto:localservices@environ.ie).

Is mise le meas,



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Conor McCabe  
Assistant Principal Officer  
Local Government HR