

Appendix 1

Peak District National Park

Pay Report

September 2023

Version Four



Project HR

REWARD SPECIALISTS

DRAFT

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1 Introduction

1.1 This report provides a summary of options for the organisation to consider regarding the labour market position of its pay structure. The Peak District National Park Authority has experienced high levels of staff turnover and recruitment difficulties in recent years. A contributory factor to this is thought to be the organisation's labour market position. As such a report was commissioned from Project HR Limited to determine the organisation's current position and to carry out cost modelling on potential proposed structures.

2 Terms of Reference

2.1 Following a discussion with the Head of People Management the terms of reference for the project are to:

- Determine the organisation's current market position
- Specifically, to cost model the current pay structure but increased to around market median or just below
- Estimate cost of pay structure options on new organisational structure and propose potential changes to the organisation's current structure.

3 Scope

3.1 The costs and forecasts in this report cover all employees on NJC terms and conditions of employment on Grade A to M, as supplied in September 2023. This is the third iteration of the report as the situation has continued to change throughout the year.

4 Assumptions

4.1 The assumptions used for pay modelling are listed below:

- Incremental progression during the forecast period until the grade maximum has been reached
- Staff turnover at 10%
- On-costs have been accounted for based on an average of 30%
- All costs are in 2023/4 'prices' unless otherwise stated (i.e. no assumptions about future cost of living awards)
- The proposed NJC pay offer has been assumed to be agreed and has been applied to the modelling salaries (i.e. £1,925 or 3.88% on salaries, whichever is higher)

4.2 The 'reducing' effect of staff turnover on forecasts has been calculated as follows:

$$(Grade\ Minimum\ for\ job - Employee's\ FT\ salary) \times turnover\ rate \times Employee's\ FTE$$

For example

$$(29,636 - 31,371) \times 10\% \times 0.80FTE = -138.80$$

4.3 This is applied to each line of data and aims to allow for the cost difference between somebody leaving on a higher salary and a new recruit coming in at a lower salary.

5 Methodology

- 5.1 A cost forecast based on the current structure was produced. This establishes a baseline cost forecast that all other cost forecasts are compared to. This is on the assumption that if the organisation 'did nothing' then this is the cost forecast.
- 5.2 Market data was gathered from IDR to assess the organisation's relative position.
- 5.3 Different pay structure options have been modelled to determine cost forecasts.
- 5.4 The impact of each option has been assessed noting the number of people affected by a salary change.

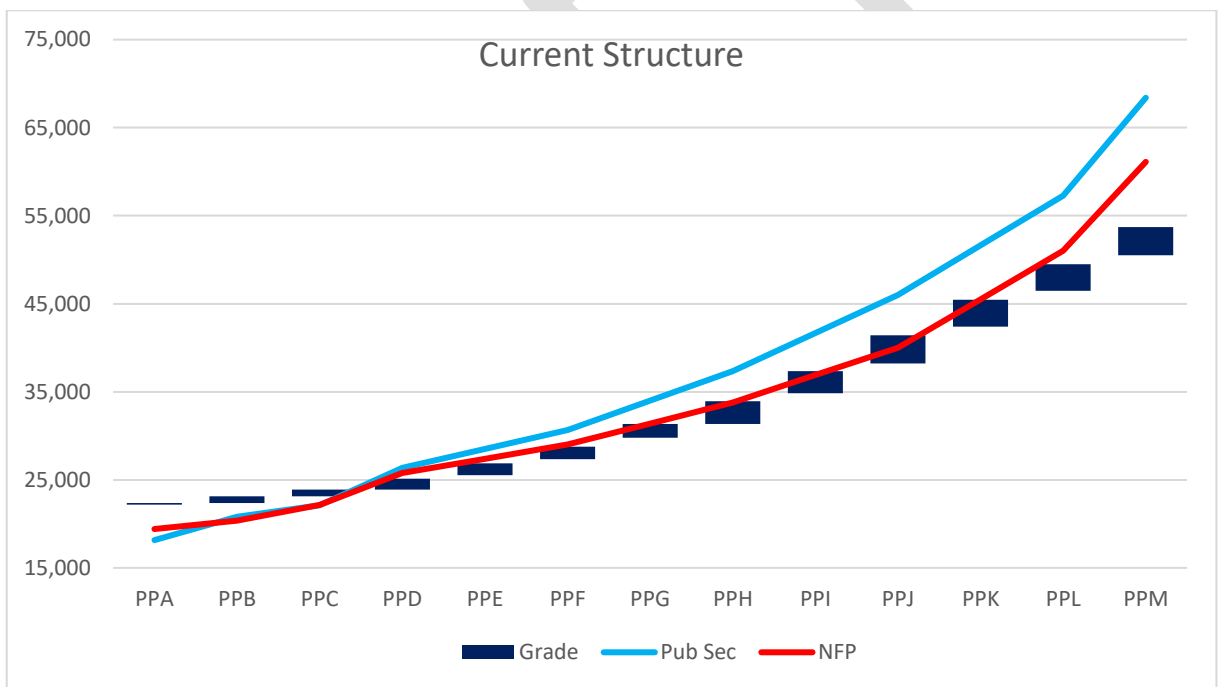
6 Market Position

- 6.1 IDR (Incomes Data Research) market data has been used to assess the relative market position of the organisation. The data provided by IDR is base salary only (i.e. it does not include additional payments such as marker supplements or location allowances etc...) Appendix 2 shows data from 29 December 2022, 31 March 2023 and 15 September 2023. Whilst there was not a great deal of difference between the first two sets of data (with some levels increasing a little and others decreasing) there is a greater difference between the first two sets of data and the third – especially for public sector. This is thought to be caused by more public sector bodies having a pay rise with effect from April each year – the previous two sets of data were December and March where there is little public sector pay settlements. For the purposes of this report the maximum value of each level has been used. The data is organised into levels (see Appendix 1) and it is important that these levels are 'matched' to the grade structure of the organisation. This is also shown at Appendix 1.
- 6.2 The two sets of data were selected as potential comparisons. All three are shown at Appendix 2 and the figures include the lower quartile, median, upper quartile and average (mean) for each IDR level. Data was collected on 29 December 2022, 31 March 2023 and 15 September 2023. The first set of data relates to Whole Country and the sector selected was Not for Profit & Related Services. The reason why the whole country has been selected is because there is insufficient data in the geographical area for reliable market data within the Not for Profit & Related Services sector. The second set of data relates East Midlands and the sector selected was Public Sector and is an amalgamation of the data collected in December 2022, March 2023 and September 2023. In the following charts the red line represents the Not-for-Profit market data and the blue line is the Public Sector data.

7 Current Pay & Grading Arrangements (Assuming 2023/24 pay offer is accepted)

- 7.1 The current pay structure is shown in the table below.

Current									
Grade	Min	Max	Min	Max	Inc	Span	Span	overlap	overlap
PPA	1	2	22,183	22,366	2	183	0.82%		
PPB	2	4	22,366	23,114	3	748	3.29%	0	0.0%
PPC	4	6	23,114	23,893	3	779	3.31%	0	0.0%
PPD	6	9	23,893	25,119	4	1,226	5.00%	0	0.0%
PPE	10	13	25,545	26,873	4	1,328	5.07%	0	0.0%
PPF	14	17	27,334	28,770	4	1,436	5.12%	0	0.0%
PPG	19	22	29,777	31,364	4	1,587	5.19%	0	0.0%
PPH	22	25	31,364	33,945	4	2,581	7.90%	0	0.0%
PPI	26	29	34,834	37,336	4	2,502	6.93%	0	0.0%
PPJ	30	33	38,219	41,418	4	3,199	8.03%	0	0.0%
PPK	34	37	42,403	45,441	4	3,038	6.92%	0	0.0%
PPL	38	41	46,464	49,498	4	3,034	6.32%	0	0.0%
PPM	42	45	50,512	53,717	4	3,205	6.15%		



- 7.2 The market data suggests that grades A to C are either around the market median or above and that grades D to M are below market median for the Public Sector and slightly below compared to the Not-for-Profit Sector (NFP). This, in part, is due to the NJC's drive to increase the pay for lower paid employees, whereas the data will tend to sit around the National Living Wage rates.
- 7.3 The forecast cost of the current structure is shown in the tables below for employees in scope of the review. The cost of the current structure is £8.213m (2023/4) based on the data supplied by the organisation and includes employers' on-costs at an average of 30%. The forecast cost of the current structure is:

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cost (£'000)	8.213M	8.352M	8.405M	8.444M	8.444M	8.444M
Change (£'000)		0.138M	0.192M	0.231M	0.231M	0.231M
Change (%)		1.7%	2.3%	2.8%	2.8%	2.8%

Note: Forecasts are based on the assumptions listed at section 5

- 7.4 The forecast shows that the pay structure will increase by £231k p.a. by the year 2028/29, which is 2.8% more than the current cost. All forecast costs are in 2023/24 'prices' – they do not account for inflation.

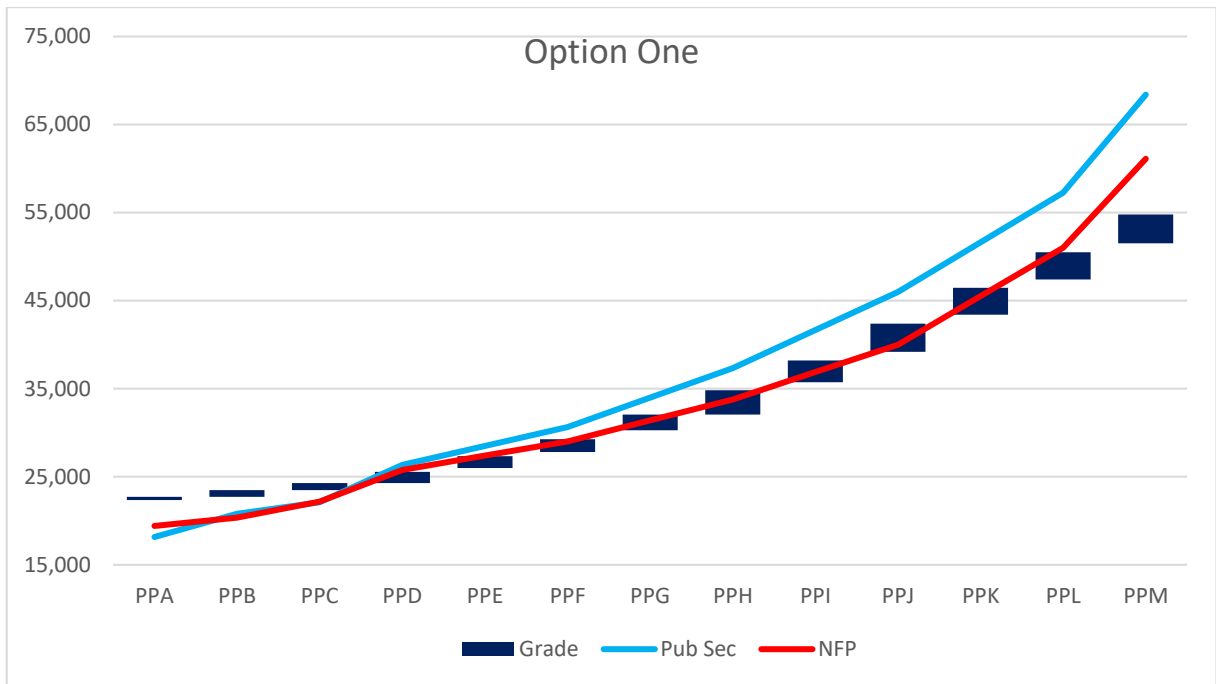
8 Potential Pay Structure Options

- 8.1 The following section provides costs on four pay structure options designed to address the market position and help to improve recruitment and retention.
- 8.2 All of the pay structure options have been developed to comply with the Age regulations in the Equality Act 2010 in relation to the Act's section on pay and benefits that are related to length of service. See Appendix 3 for further details.

Option One

- 8.3 This option increases each grade by one increment – effectively 'lifting' the whole structure. The value of an increment is around 2% - therefore the value of the structure has increased by 2%.

Option One									
Grade	Min	Max	Min	Max	Inc	Span	Span	overlap	
PPA	2	3	22,366	22,737	2	371	1.65%		
PPB	3	5	22,737	23,500	3	763	3.30%	0	0.0%
PPC	5	7	23,500	24,294	3	794	3.32%	0	0.0%
PPD	7	10	24,294	25,545	4	1,251	5.02%	0	0.0%
PPE	11	14	25,979	27,334	4	1,355	5.08%	0	0.0%
PPF	15	18	27,799	29,269	4	1,470	5.15%	0	0.0%
PPG	20	23	30,296	32,076	4	1,780	5.71%	0	0.0%
PPH	23	26	32,076	34,834	4	2,758	8.24%	0	0.0%
PPI	27	30	35,745	38,219	4	2,474	6.69%	0	0.0%
PPJ	31	34	39,186	42,403	4	3,217	7.89%	0	0.0%
PPK	35	38	43,421	46,464	4	3,043	6.77%	0	0.0%
PPL	39	42	47,420	50,512	4	3,092	6.31%	0	0.0%
PPM	43	46	51,515	54,791	4	3,276	6.16%		



8.4 The forecast cost of this option compared to the current forecast is shown in the table below:

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cost (£'000)	8.388M	8.530M	8.584M	8.625M	8.625M	8.625M
Benchmark cost	8.213M	8.352M	8.405M	8.444M	8.444M	8.444M
Change (£'000)	0.175M	0.178M	0.179M	0.182M	0.182M	0.182M
Change (%)	2.1%	2.1%	2.1%	2.2%	2.2%	2.2%

8.5 This option forecasts an increase in costs compared to the current structure costs. After the five-year projection period the costs are forecast to be £0.182M p.a. more than the current structure costs. This will increase by around 2.2% in addition to the cost of incremental progression related to the current structure cost.

8.6 The table below shows the impact of the option on staff by grade. All employees benefit by the value of one increment and the average value per grade is also shown.

Grade	Green Number	Average Green Change
PPA	3	371
PPC	42	396
PPD	2	417
PPE	20	449
PPF	29	487
PPG	50	622
PPH	30	865
PPI	35	873
PPJ	18	1,020
PPK	6	1,020

Grade	Green Number	Average Green Change
PPL	6	996
PPM	4	1,038
Total	245	669

8.7 The advantages and disadvantages of this option include the following:

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Easy model to explain ▪ Simple and straightforward model to apply ▪ Would be seen as fair and equitable – all employees would benefit ▪ Moves closer to market median 	<ul style="list-style-type: none"> ▪ Does not target additional resources (blanket approach) ▪ Lower grades already above median and this extends that position further ▪ Does not match median at higher grades

Option Two

8.8 This is an extension of Option One and increase the current pay structure by two incremental points. As each increment is roughly a 2% increase from the one before this option increases the value of the pay structure by approximately 4%.

Option Two									
Grade	Min	Max	Min	Max	Inc	Span	Span	overlap	
PPA	3	4	22,737	23,114	2	377	1.64%		
PPB	4	6	23,114	23,893	3	779	3.31%	0	0.0%
PPC	6	8	23,893	24,702	3	809	3.33%	0	0.0%
PPD	8	11	24,702	25,979	4	1,277	5.04%	0	0.0%
PPE	12	15	26,421	27,799	4	1,378	5.08%	0	0.0%
PPF	16	19	28,282	29,777	4	1,495	5.15%	0	0.0%
PPG	21	24	30,825	33,024	4	2,199	6.89%	0	0.0%
PPH	24	27	33,024	35,745	4	2,721	7.91%	0	0.0%
PPI	28	31	36,648	39,186	4	2,538	6.69%	0	0.0%
PPJ	32	35	40,221	43,421	4	3,200	7.65%	0	0.0%
PPK	36	39	44,428	47,420	4	2,992	6.52%	0	0.0%
PPL	40	43	48,474	51,515	4	3,041	6.08%	0	0.0%
PPM	44	47	52,575	55,887	4	3,312	6.11%		



8.9 The forecast cost of this option compared to the current structure costs forecast is shown in the table below:

Year	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Cost (£'000)	8.575M	8.720M	8.778M	8.824M	8.824M	8.824M
Benchmark cost	8.213M	8.352M	8.405M	8.444M	8.444M	8.444M
Change (£'000)	0.362M	0.369M	0.374M	0.380M	0.380M	0.380M
Change (%)	4.4%	4.4%	4.4%	4.5%	4.5%	4.5%

8.10 This option forecasts an increase in costs compared to the current structure costs. After the five-year projection period the costs are forecast to be £0.380M p.a. more than the current structure costs. This will increase by around 4.5% in addition to the cost of incremental progression related to the current structure cost.

8.11 The table below shows the impact of the option on staff by grade. All employees benefit by the value of two increments and the average value per grade is also shown.

Grade	Green Number	Average Green Change
PPA	3	748
PPC	42	799
PPD	2	843
PPE	20	904
PPF	29	985
PPG	50	1,384
PPH	30	1,781
PPI	35	1,798
PPJ	18	2,045

Grade	Green Number	Average Green Change
PPK	6	2,010
PPL	6	2,018
PPM	4	2,101
Total	245	1,384

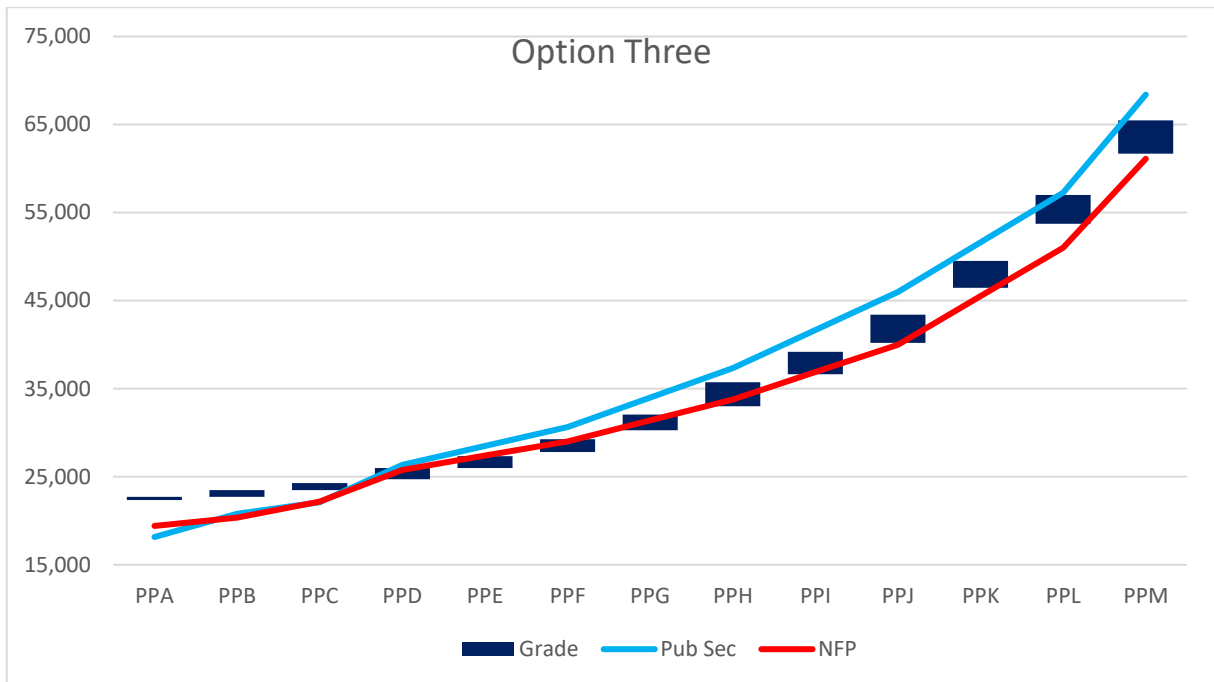
8.12 The advantages and disadvantages of this option include the following:

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Easy model to explain ▪ Simple and straightforward model to apply ▪ Would be seen as fair and equitable – all employees would benefit ▪ Moves closer to market median 	<ul style="list-style-type: none"> ▪ Does not target additional resources (blanket approach) ▪ Lower grades already above median and this extends that position further ▪ Does not match median at higher grades

Option Three

8.13 This option three is the same as included in the previous reports and was originally designed to be around the Public Sector market data. However, the revised data for the Public Sector has significantly shifted and this model no longer meets the market median for the public sector. However, it has been left in as a comparison to previous work.

Option Three									
Grade	Min	Max	Min	Max	Inc	Span	Span	overlap	
PPA	2	3	22,366	22,737	2	371	1.65%		
PPB	3	5	22,737	23,500	3	763	3.30%	0	0.0%
PPC	5	7	23,500	24,294	3	794	3.32%	0	0.0%
PPD	8	11	24,702	25,979	4	1,277	5.04%	0	0.0%
PPE	11	14	25,979	27,334	4	1,355	5.08%	0	0.0%
PPF	15	18	27,799	29,269	4	1,470	5.15%	0	0.0%
PPG	20	23	30,296	32,076	4	1,780	5.71%	0	0.0%
PPH	24	27	33,024	35,745	4	2,721	7.91%	0	0.0%
PPI	28	31	36,648	39,186	4	2,538	6.69%	0	0.0%
PPJ	32	35	40,221	43,421	4	3,200	7.65%	0	0.0%
PPK	38	41	46,464	49,498	4	3,034	6.32%	0	0.0%
PPL	45	48	53,717	57,005	4	3,288	5.94%	0	0.0%
PPM	52	55	61,704	65,481	4	3,777	5.94%		



8.14 The forecast cost of this option compared to the current structure costs forecast is shown in the table below:

Year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Cost (£'000)	8.388M	8.635M	8.762M	8.838M	8.838M	8.838M
Benchmark cost	8.213M	8.352M	8.405M	8.444M	8.444M	8.444M
Change (£'000)	0.175M	0.283M	0.357M	0.395M	0.395M	0.395M
Change (%)	2.1%	3.4%	4.2%	4.7%	4.7%	4.7%

8.15 This option forecasts an increase in costs compared to the current structure costs. After the five-year projection period the costs are forecast to be £0.395M p.a. more than the current structure costs. This will increase by around 4.7% in addition to the cost of incremental progression related to the current structure cost.

8.16 The table below shows the impact of the option on staff by grade.

Grade	Green Number	Average Green Change
PPA	3	0
PPC	42	110
PPD	2	0
PPE	20	130
PPF	29	144
PPG	50	166
PPH	30	427
PPI	35	388
PPJ	18	391
PPK	6	3,048

Grade	Green Number	Average Green Change
PPL	6	5,401
PPM	4	10,676
Total	245	598

8.17 The advantages and disadvantages of this option include the following:

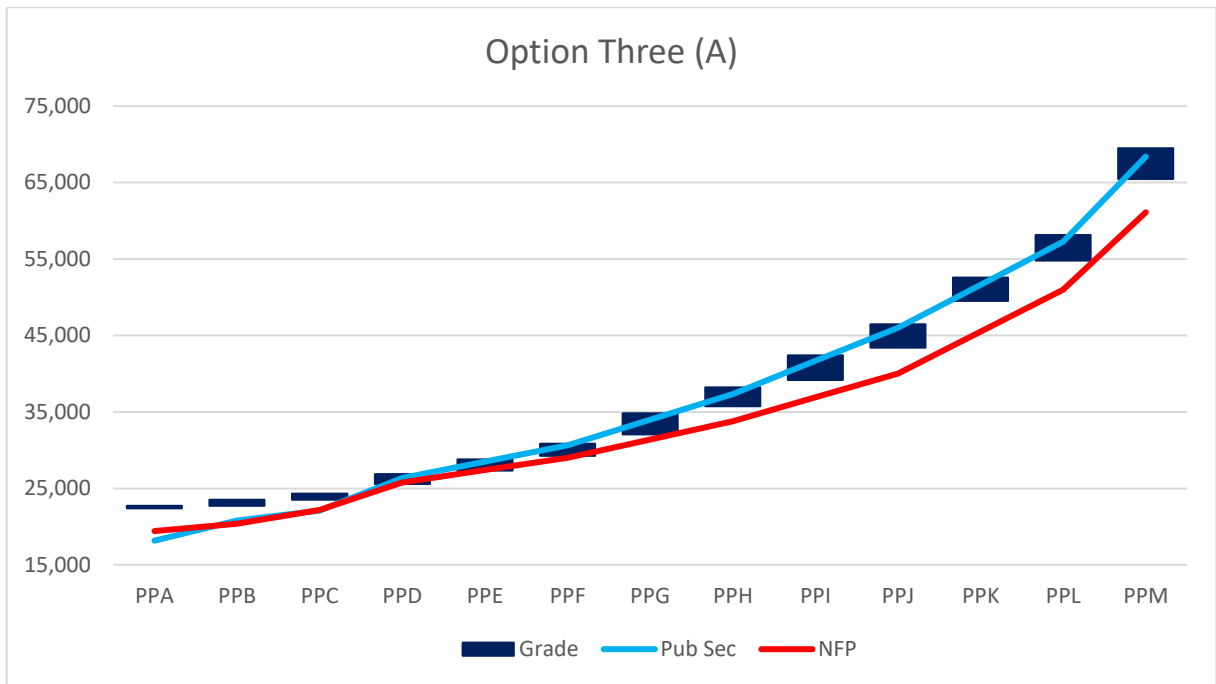
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Originally designed to match market position ▪ Should support the recruitment & retention of staff ▪ Targets additional resources to match market ▪ Costs around the same as option two 	<ul style="list-style-type: none"> ▪ May not be seen as fair equitable ▪ Larger increases for higher paid staff may be unpopular with unions

Option Three (A)

8.18 This option has been designed around the Public Sector market data. As pay is moving relatively quickly currently due to high levels of inflation and a 'tight' job market, just matching market median (from data base sources) will in fact mean the organisation is 'behind the curve' due to the built-in lag in collecting data, analysing data and then uploading data into the database.

8.19 Option Three (A) is therefore based on aiming to be around 2% above the market median (from database sources – to account for the lag described above).

Option Three (A)									
Grade	Min	Max	Min	Max	Inc	Span	Span	overlap	
PPA	2	3	22,366	22,737	2	371	1.65%		
PPB	3	5	22,737	23,500	3	763	3.30%	0	0.0%
PPC	5	7	23,500	24,294	3	794	3.32%	0	0.0%
PPD	10	13	25,545	26,873	4	1,328	5.07%	0	0.0%
PPE	14	17	27,334	28,770	4	1,436	5.12%	0	0.0%
PPF	18	21	29,269	30,825	4	1,556	5.18%	0	0.0%
PPG	23	26	32,076	34,834	4	2,758	8.24%	0	0.0%
PPH	27	30	35,745	38,219	4	2,474	6.69%	0	0.0%
PPI	31	34	39,186	42,403	4	3,217	7.89%	0	0.0%
PPJ	35	38	43,421	46,464	4	3,043	6.77%	0	0.0%
PPK	41	44	49,498	52,575	4	3,077	6.03%	0	0.0%
PPL	46	49	54,791	58,145	4	3,354	5.94%	0	0.0%
PPM	55	58	65,481	69,490	4	4,009	5.94%		



8.20 The forecast cost of this option compared to the current structure costs forecast is shown in the table below:

Year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Cost (£'000)	8.752M	9.037M	9.213M	9.382M	9.382M	9.382M
Benchmark cost	8.213M	8.352M	8.405M	8.444M	8.444M	8.444M
Change (£'000)	0.539M	0.686M	0.808M	0.938M	0.938M	0.938M
Change (%)	6.6%	8.2%	9.6%	11.1%	11.1%	11.1%

8.21 This option forecasts an increase in costs compared to the current structure costs. After the five-year projection period the costs are forecast to be £0.938M p.a. more than the current structure costs. This will increase by around 11.1% in addition to the cost of incremental progression related to the current structure cost.

8.22 The table below shows the impact of the option on staff by grade.

Grade	Green Number	Average Green Change
PPA	3	0
PPC	42	110
PPD	2	843
PPE	20	1,061
PPF	29	1,045
PPG	50	1,348
PPH	30	2,657
PPI	35	2,474
PPJ	18	2,860
PPK	6	6,082

Grade	Green Number	Average Green Change
PPL	6	6,475
PPM	4	14,453
Total	245	1,944

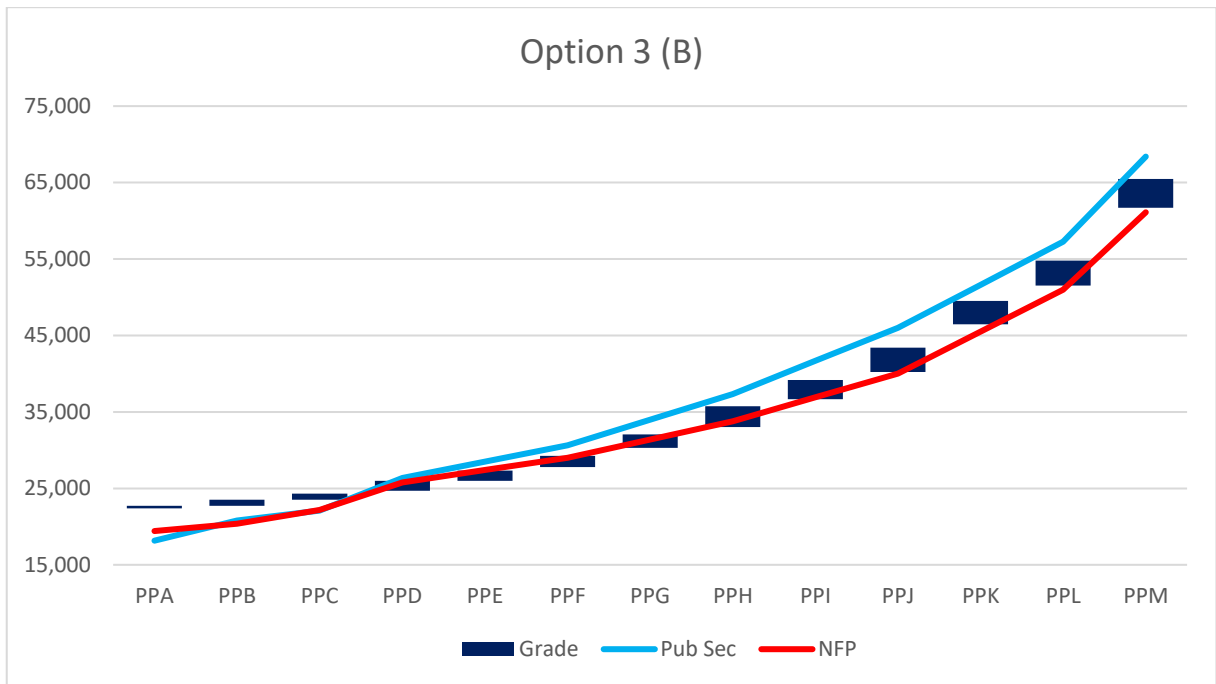
8.23 The advantages and disadvantages of this option include the following:

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Designed to match market position @c102% of market median ▪ Should support the recruitment & retention of staff ▪ Targets additional resources to match market 	<ul style="list-style-type: none"> ▪ May not be seen as fair equitable ▪ Larger increases for higher paid staff may be unpopular with unions ▪ High cost

Option Three (B)

8.24 This option is a variation of option three. The only difference is an amendment to Grade L, which has moved down by two spinal column points.

Option Three (B)									
Grade	Min	Max	Min	Max	Inc	Span	Span	overlap	
PPA	2	3	22,366	22,737	2	371	1.65%		
PPB	3	5	22,737	23,500	3	763	3.30%	0	0.0%
PPC	5	7	23,500	24,294	3	794	3.32%	0	0.0%
PPD	8	11	24,702	25,979	4	1,277	5.04%	0	0.0%
PPE	11	14	25,979	27,334	4	1,355	5.08%	0	0.0%
PPF	15	18	27,799	29,269	4	1,470	5.15%	0	0.0%
PPG	20	23	30,296	32,076	4	1,780	5.71%	0	0.0%
PPH	24	27	33,024	35,745	4	2,721	7.91%	0	0.0%
PPI	28	31	36,648	39,186	4	2,538	6.69%	0	0.0%
PPJ	32	35	40,221	43,421	4	3,200	7.65%	0	0.0%
PPK	38	41	46,464	49,498	4	3,034	6.32%	0	0.0%
PPL	43	46	51,515	54,791	4	3,276	6.16%	0	0.0%
PPM	52	55	61,704	65,481	4	3,777	5.94%		



8.25 The forecast cost of this option compared to the current structure costs forecast is shown in the table below:

Year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Cost (£'000)	8.372M	8.619M	8.746M	8.822M	8.822M	8.822M
Benchmark cost	8.213M	8.352M	8.405M	8.444M	8.444M	8.444M
Change (£'000)	0.159M	0.267M	0.341M	0.378M	0.378M	0.378M
Change (%)	1.9%	3.2%	4.1%	4.5%	4.5%	4.5%

8.26 This option forecasts an increase in costs compared to the current structure costs. After the five-year projection period the costs are forecast to be £0.378M p.a. more than the current structure costs. This will increase by around 4.5% in addition to the cost of incremental progression related to the current structure cost.

8.27 The table below shows the impact of the option on staff by grade.

Grade	Green Number	Average Green Change
PPA	3	0
PPC	42	110
PPD	2	0
PPE	20	130
PPF	29	144
PPG	50	166
PPH	30	427
PPI	35	388
PPJ	18	391
PPK	6	3,048

Grade	Green Number	Average Green Change
PPL	6	3,199
PPM	4	10,676
Total	245	544

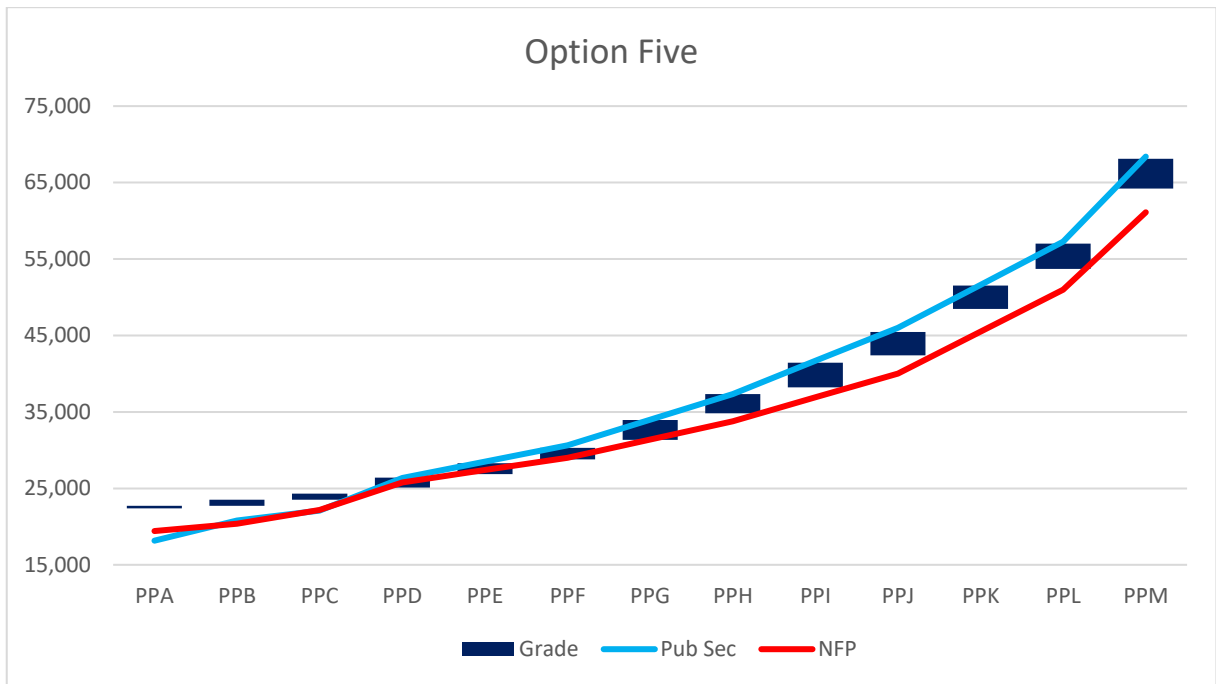
8.28 The advantages and disadvantages of this option include the following:

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Originally designed to match market position ▪ Should support the recruitment & retention of staff ▪ Targets additional resources to match market Costs around the same as option two 	<ul style="list-style-type: none"> ▪ May not be seen as fair equitable ▪ Larger increases for higher paid staff may be unpopular with unions ▪

Option Five

8.29 This option has been designed around the Public Sector market data (East Midlands – Public Sector).

Option Five									
Grade	Min	Max	Min	Max	Inc	Span	Span	overlap	
PPA	2	3	22,366	22,737	2	371	1.65%		
PPB	3	5	22,737	23,500	3	763	3.30%	0	0.0%
PPC	5	7	23,500	24,294	3	794	3.32%	0	0.0%
PPD	9	12	25,119	26,421	4	1,302	5.05%	0	0.0%
PPE	13	16	26,873	28,282	4	1,409	5.11%	0	0.0%
PPF	17	20	28,770	30,296	4	1,526	5.17%	0	0.0%
PPG	22	25	31,364	33,945	4	2,581	7.90%	0	0.0%
PPH	26	29	34,834	37,336	4	2,502	6.93%	0	0.0%
PPI	30	33	38,219	41,418	4	3,199	8.03%	0	0.0%
PPJ	34	37	42,403	45,441	4	3,038	6.92%	0	0.0%
PPK	40	43	48,474	51,515	4	3,041	6.08%	0	0.0%
PPL	45	48	53,717	57,005	4	3,288	5.94%	0	0.0%
PPM	54	57	64,197	68,127	4	3,930	5.94%		



8.30 The forecast cost of this option compared to the current structure costs forecast is shown in the table below:

Year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Cost (£'000)	8.579M	8.848M	9.025M	9.196M	9.196M	9.196M
Benchmark cost	8.213M	8.352M	8.405M	8.444M	8.444M	8.444M
Change (£'000)	0.365M	0.496M	0.620M	0.752M	0.752M	0.752M
Change (%)	4.4%	5.9%	7.4%	8.9%	8.9%	8.9%

8.31 This option forecasts an increase in costs compared to the current structure costs. After the five-year projection period the costs are forecast to be £0.752M p.a. more than the current structure costs. This will increase by around 8.9% in addition to the cost of incremental progression related to the current structure cost.

8.32 The table below shows the impact of the option on staff by grade.

Grade	Green Number	Average Green Change
PPA	3	0
PPC	42	110
PPD	2	417
PPE	20	600
PPF	29	546
PPG	50	636
PPH	30	1,746
PPI	35	1,507
PPJ	18	1,842
PPK	6	5,058

Grade	Green Number	Average Green Change
PPL	6	5,401
PPM	4	13,169
Total	245	1,301

8.33 The advantages and disadvantages of this option include the following:

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Designed to match market position @ c100% of median ▪ Should support the recruitment & retention of staff ▪ Targets additional resources to match market 	<ul style="list-style-type: none"> ▪ May not be seen as fair equitable ▪ Larger increases for higher paid staff may be unpopular with unions ▪ High cost

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Appendix 1 – Market Data Assimilation to Peak District Authority Grades

Category	Level	Description	Peak District Grade
Administrative, Manual & Support	1	Work requires basic literacy and numeracy skills and the ability to perform a few straightforward and short-term tasks to instructions under immediate supervision. Previous experience is not necessary	Grade A
	2	Work requires developed literacy and numeracy skills and the ability to perform some routine tasks within procedures that may include keyboard and practical skills and initial contact with customers. Some previous experience is required	Grade B
Secretarial / Craft	3	Work requires specific administrative, practical, craft or technical skills gained by previous experience and qualifications to carry out a range of less routine work and to provide specialist support, and could include closer contact with the public/customers	Grade C
	4	Work requires broad and deep administrative, technical or craft skills and experience to carry out a wider range of activities including staff supervision, undertaking specialist routines and procedures and providing some advice	Grade D/E
Vocational / Supervisory	5	Work requires detailed experience and possibly some level of vocational qualification to be able to oversee the operation of an important procedure or to provide specialist advice and services, involving applied knowledge of internal systems and procedures	Grade F/G
	6	Work requires a vocational qualification and sufficient relevant specialist experience to be able to manage a section or operate with self-contained expertise in a specialist discipline or activity	Grade H/I
Professional / Managerial	7	Work is concerned with the provision of professional services and requires an experienced and qualified professional to provide expertise and advice and operate independently. Also includes operational managers responsible for service delivery	Grade J/K
	8	Work requires deep professional experience and qualifications in a specific discipline to be able to carry out a range of specialist technical or scientific activities, which may include the management of a team or services. May also include specialist management roles responsible for delivery of a major service	Grade L/M
Senior Management	9	Senior managerial roles involved in managing an important activity or providing authoritative expertise, also contributing to the organisation as a whole through significant experience	Director15
Director	10	Member of a company board or an executive/senior management team in public sector organisations, with overall functional responsibility and input to the strategy of the wider organisation, through deep and broad experience	N/A

Appendix 2 – IDR Market Data

Job Level	Salary Count	Company Count	Lower Quartile	Median	Upper Quartile	Average
Level 1	14	11	£17,337	£19,222	£19,318	£18,486
Level 2	212	76	£18,278	£19,239	£19,725	£18,828
Level 3	187	85	£20,109	£20,709	£22,472	£21,424
Level 4	135	72	£22,795	£25,000	£31,000	£26,204
Level 5	138	78	£25,664	£27,500	£32,000	£28,778
Level 6	141	73	£30,000	£32,893	£36,948	£33,042
Level 7	115	68	£35,500	£39,571	£43,752	£39,432
Level 8	73	47	£43,928	£48,000	£54,294	£49,481
Level 9	28	25	£63,000	£65,194	£68,068	£67,118
Level 10	25	24	£79,892	£85,000	£90,000	£83,914

Source: Incomes Data Research (PayBenchmarker)

Date collected: 29/12/22

Region(s): Whole Country

Sector: Not for Profit & Related Services

Job Level	Salary Count	Company Count	Lower Quartile	Median	Upper Quartile	Average
Level 1	3	3		£18,156		£18,156
Level 2	44	13	£18,933	£20,794	£20,794	£20,023
Level 3	52	20	£20,096	£21,110	£22,454	£21,630
Level 4	49	18	£21,742	£23,832	£25,116	£23,462
Level 5	83	26	£24,668	£26,576	£29,180	£27,284
Level 6	108	31	£30,452	£33,147	£35,572	£33,040
Level 7	137	36	£37,922	£40,147	£43,806	£41,023
Level 8	137	33	£51,572	£53,066	£56,894	£54,780
Level 9	81	25	£64,866	£71,000	£79,426	£73,301
Level 10	23	11	£93,774	£106,812	£120,000	£108,839

Source: Incomes Data Research (PayBenchmarker)

Date collected: 29/12/22

Region(s): East Midlands

Sector: Public Sector

Job Level	Salary Count	Company Count	Lower Quartile	Median	Upper Quartile	Average
Level 1	14	11	£17,337	£18,902	£19,318	£18,244
Level 2	224	80	£18,472	£19,318	£20,116	£19,500
Level 3	208	88	£20,737	£22,166	£23,895	£22,755
Level 4	159	76	£23,936	£25,709	£30,000	£26,868
Level 5	160	79	£26,000	£29,004	£33,177	£30,036
Level 6	158	73	£30,842	£33,328	£37,835	£35,257
Level 7	127	68	£35,875	£39,500	£43,500	£40,351
Level 8	98	53	£44,196	£50,000	£55,315	£50,907
Level 9	34	27	£65,048	£70,700	£76,584	£71,096
Level 10	17	17	£86,144	£90,000	£95,000	£92,980

Source: Incomes Data Research (PayBenchmarker)

Date collected: 31/03/23

Region(s): Whole Country

Sector: Not for Profit & Related Services

Job Level	Salary Count	Company Count	Lower Quartile	Median	Upper Quartile	Average
Level 1	3	3				£18,156
Level 2	46	15	£19,124	£20,794	£20,794	£20,074
Level 3	56	20	£20,113	£21,136	£22,454	£21,877
Level 4	52	20	£21,690	£23,659	£25,116	£23,477
Level 5	84	27	£24,668	£27,618	£29,180	£27,751
Level 6	102	31	£30,452	£33,147	£35,572	£33,074
Level 7	130	37	£37,922	£40,842	£43,806	£41,336
Level 8	134	33	£51,573	£53,066	£56,894	£55,555
Level 9	82	29	£64,866	£72,169	£80,000	£74,516
Level 10	20	9	£93,774	£108,750	£120,000	£107,514

Source: Incomes Data Research (PayBenchmarker)

Date collected: 31/03/23

Region(s): East Midlands

Sector: Public Sector

Job Level	Salary Count	Company Count	Lower Quartile	Median	Upper Quartile	Average
Level 1	12	11	£19,015	£19,415	£21,732	£20,169
Level 2	249	85	£19,615	£20,374	£21,189	£20,429
Level 3	204	90	£21,000	£22,000	£24,067	£23,319
Level 4	148	70	£23,987	£25,782	£30,000	£27,000
Level 5	158	77	£26,018	£29,004	£33,224	£30,138
Level 6	158	72	£31,000	£33,790	£39,661	£35,901
Level 7	126	69	£36,000	£40,000	£45,000	£41,265
Level 8	117	57	£45,000	£51,000	£57,140	£52,149
Level 9	71	34	£65,059	£71,225	£77,464	£72,715
Level 10	30	21	£88,126	£95,631	£114,307	£103,525

Source: Incomes Data Research (PayBenchmarker)

Date collected: 15/09/23

Region(s): Whole Country

Sector: Not for Profit & Related Services

Job Level	Salary Count	Company Count	Lower Quartile	Median	Upper Quartile	Average
Level 1	3	3				£20,057
Level 2	49	16	£20,102	£20,666	£22,383	£21,111
Level 3	56	25	£20,102	£22,108	£23,576	£21,991
Level 4	39	13	£22,090	£26,372	£26,372	£24,814
Level 5	48	16	£28,923	£30,639	£30,639	£30,510
Level 6	41	19	£35,806	£37,350	£37,350	£37,022
Level 7	61	20	£41,130	£45,996	£45,996	£43,868
Level 8	99	22	£54,151	£57,254	£61,194	£58,697
Level 9	54	21	£73,269	£79,538	£89,974	£81,652
Level 10	9	5		£114,304		£113,197

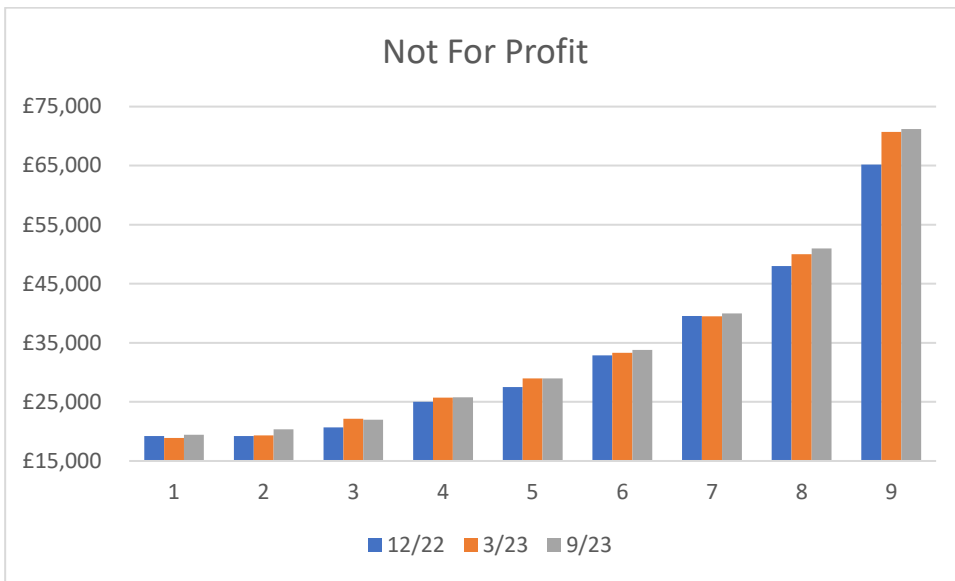
Source: Incomes Data Research (PayBenchmarker)

Date collected: 15/09/23

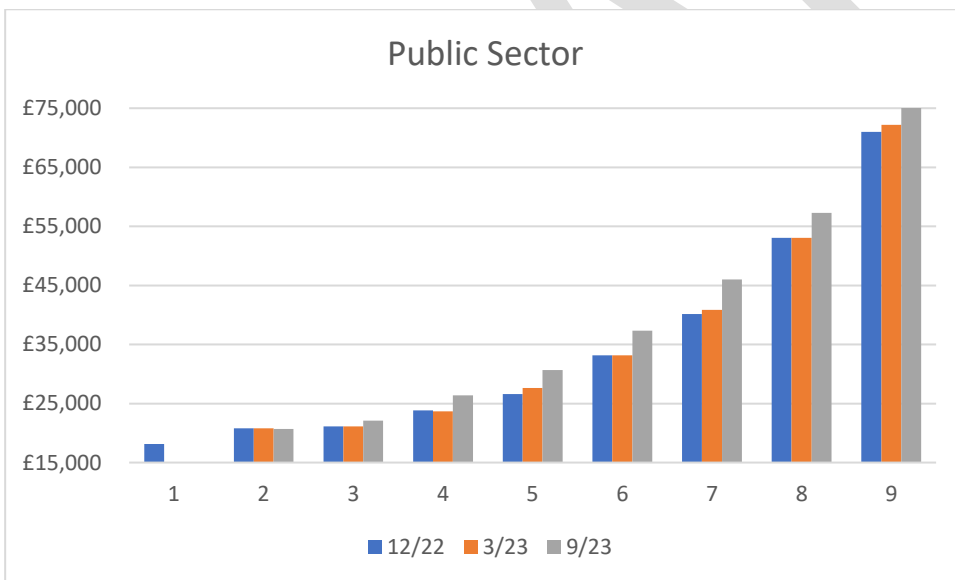
Region(s): East Midlands

Sector: Public Sector

Not For Profit Chart



Public Sector Chart



Appendix 3 – Explanation of Age Considerations in Pay Structure Design

It is generally accepted that pay and benefits that relate to length of service (and therefore indirectly to age – as employees get older with length of service) are ‘automatically exempt’ from discrimination because of specific passages in the Equality Act 2010. The specific detail is contained in Schedule 9 Work Exceptions (Equality Act 2010) Part Two.

The wording in the Act is as follows:

Benefits based on length of service

- 10 (1) It is not an age contravention for a person (A) to put a person (B) at a disadvantage when compared with another (C), in relation to the provision of a benefit, facility or service in so far as the disadvantage is because B has a shorter period of service than C.
- (2) If B's period of service exceeds 5 years, A may rely on sub-paragraph (1) only if A reasonably believes that doing so fulfils a business need.

What this is saying is that age-related (or service-related) benefits (such as incremental progression) will not contravene the Act as long they do not exceed five years. The second statement adds a qualification that exceeding five years will not automatically be discriminatory. As long as the employer ‘reasonably believes’ that having service-related benefits fulfils a business need they should be able to defend an age-related discrimination claim. Business needs could include staff retention, staff morale etc...

Risks

Keeping the number of increments in a grade to six or less (five years from bottom to top) will protect the organisation from potential age-related claims. Whenever Project HR advises on the development of a new grading structure we always promote grades that consist of six increments or fewer (if it is an incremental structure).

Having more increments in a grade may ‘open the door’ to legal challenge. If challenged the employer would need to argue the ‘reasonably believes a business benefit’ defence. This will be easier if the length of service is just over the five-year threshold – but will become increasingly difficult to defend as the length of service increases above the five-year threshold.