

Local Government Earnings Survey Summary 2014/15



Key findings

- The basic local government paybill in England and Wales (excluding teachers) is £21.5 billion for the financial year 2014/15.
- The total gross paybill, which comprises the basic paybill plus all additional pay elements, is £22.2 billion.
- Additional pay (which is any payment made on top of basic salary including overtime and bonus payments) is equivalent to 3.4 per cent of basic pay.
- The basic paybill has decreased by 4.7 per cent since 2013/14 in absolute terms (from £22.5 billion), but in real terms has fallen by 2.9 per cent¹. The total gross paybill decreased by 4.6 per cent in absolute terms (from £23.2 billion in 2013/14), but has fallen by 2.8 per cent in real terms.
- The median FTE gross pay rate is £25,520 for full-time staff and £17,280 for part-time staff.
- The local government gender pay gap is zero for full-time staff in 2014/15.
- Around two-thirds of the local government workforce (around 800,000 headcount) earn less than £21,000 basic per annum.

¹ Inflation is calculated from the CPI (the government's preferred target measurement) which between April 2013 and April 2014 (the period relevant to the growth between pay-bills) was 1.8 per cent.

Introduction

The Local Government Earnings Survey provides paybill and average pay rate information for all local government employees (excluding teachers) in England and Wales. Chief executives and chief officers have been included since 2011/12. The survey collects data on individual employees and includes data items for gender, age, ethnic group, FTE, basic pay and total gross pay.

The data were weighted and grossed to take into account non-response by region and within LA type. The dataset is then used to calculate average pay rates, both basic and gross, which are then used along with other data sources to calculate the local government paybill.

The 2014/15 survey achieved a response from 191 of the 375 local authorities in England and Wales (51 per cent). This amounts to around 850,000 posts.

Paybill

The basic local government paybill in England and Wales (excluding teachers) is £21.5 billion for the financial year 2015/15.

The total gross paybill, which comprises the basic paybill plus all additional pay elements (which, for example, includes overtime, shift premium pay, bonus and incentive payments) is £22.2 billion.

Additional pay was the equivalent of 3.4 per cent of the basic pay bill.

Annual comparisons should be treated with caution due to the evolving methodology involved but the data suggests that the basic paybill has fallen by 4.7 per cent (from £22.4 billion in 2013/14); taking inflation into account, this represents a real-terms fall of 2.8 per cent². The total gross paybill (which incorporates all elements of basic and additional pay) fell by 4.6 per cent (from £23.2 billion in 2013/14); this represents a real-terms fall of 2.8 per cent.

An analysis of paybill is provided below and includes regional and authority type breakdowns. Full analysis by gender and full-time/part-time working is available in the supporting documents at www.local.gov.uk/research-pay-and-workforce.

² Inflation is calculated from the CPI (the government's preferred target measurement) which between April 2013 and April 2014 (the period relevant to the growth between pay-bills) was 1.8%.

Table 1: local government paybill (millions) by region and type of authority type (2014/15)

	Basic paybill	Additional paybill	Additional pay (%/gross)	Gross paybill
Type of authority				
English unitaries	£4,620	£127	2.8%	£4,747
London boroughs	£3,143	£152	4.8%	£3,294
Metropolitan districts	£5,086	£190	3.7%	£5,276
Shire counties	£5,072	£123	2.4%	£5,195
Shire districts	£1,857	£79	4.3%	£1,936
Welsh unitaries	£1,690	£59	3.5%	£1,750
Region				
East Midlands	£1,650	£47	2.9%	£1,697
East of England	£1,800	£72	4.0%	£1,872
London	£3,143	£152	4.8%	£3,294
North East	£1,145	£30	2.6%	£1,176
North West	£2,842	£90	3.2%	£2,932
South East	£2,960	£85	2.9%	£3,045
South West	£1,677	£26	1.6%	£1,704
Wales	£1,690	£59	3.5%	£1,750
West Midlands	£2,257	£46	2.0%	£2,302
Yorkshire & Humber	£2,304	£122	5.3%	£2,426
Overall				
England	£19,777	£671	3.4%	£20,448
England and Wales	£21,467	£730	3.4%	£22,198

Pay rates

The median FTE gross pay rate for full-time staff was £25,520 and for part-time staff was £17,280. Details of the median pay rates for local government staff is provided below.

Table 2: Median FTE pay rates (England and Wales, 2014/15)

	Full-time	Part-time	Total
Basic pay			
Female	£24,472	£16,686	£18,376
Male	£24,472	£16,969	£22,587
Total	£24,472	£16,755	£19,733
Gross pay			
Female	£25,440	£17,207	£19,108
Male	£25,760	£17,637	£23,798
Total	£25,520	£17,280	£20,194

Pay drift

The difference between earnings growth and national pay settlements is commonly referred to as 'pay drift'. The pay settlement for 2014/15 – 2015/16 was more complicated than normal and included different percentage increases depending on the spinal column point. This means calculating the pay drift between 2013/14 and 2014/15 would be problematic and could lead to misleading results. Therefore we have decided not to include this calculation in the 2014/15 Earnings Survey.

Gender pay gap

The difference between full-time male and female basic pay is known as the gender pay gap. The local government gender pay gap (based on full-time median basic pay) was zero in 2014/15.

Pay distribution

- 330,010 staff (equivalent to 108,800 FTEs) earn below £15,000 basic per annum (below scale point 11 on the pay scale), approximately 26 per cent of the total mainstream local government workforce (or 13 per cent of the total FTE workforce).
- 470,540 staff (equivalent to 321,100 FTE) earn between £15,000 and £21,000 basic per annum (between scale point 11 and 21 on the pay scale inclusive), approximately 37 per cent of the total mainstream local government workforce (or 37 per cent of the total FTE workforce).
- 440,060 staff (equivalent to 389,600 FTE) earn between £21,000 per annum and £42,050 (between scale point 28 and 48 on the pay scale inclusive), approximately 34 per cent of the total mainstream local government workforce (or 45 per cent of the total FTE workforce).
- 48,360 staff (equivalent to 43,060 FTE) earn over £42,050 (above scale point 48), approximately 5 per cent of the total mainstream local government workforce (or 5 per cent of the total FTE workforce).



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