

NORTH LINCOLNSHIRE COUNCIL

**ASSET MANAGEMENT, CULTURE & HOUSING
AND
POLICY & RESOURCES
CABINET MEMBERS**

RECRUITMENT OF STRUCTURAL ENGINEERS

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1. To consider a range of issues relating to the difficulties experienced to date in recruiting structural engineers and approve a suitable way forward in response.

2. BACKGROUND INFORMATION

- 2.1 The Places directorate has two vacant posts of Senior Structural Engineer (grade 9) and Structural Engineer (grade 7) within the Construction Services section. The posts were established in 2005. Due to difficulties in recruiting, they have remained vacant ever since. The posts in question are intended to provide design support to construction projects as well as supporting the building control service in assessing building regulation applications and other key areas of work relating to dangerous structures etc.
- 2.2 To date, several attempts to recruit into these posts have proven unsuccessful. This is probably due in part to the buoyancy of the construction industry, particularly in the period between 2005 and 2009. The demand for structural engineers has continued despite the subsequent economic downturn. This is probably due to the continuing progress of a number of major construction programmes, including as examples, Building Schools for the Future and the Olympics building programme
- 2.3 The latest attempt at recruitment was during the summer of 2012. This included a 10% salary supplement applied to the higher graded post. The council's approved 'Employee Reward (Pay and Benefits) Policy' provides for this. The vacancies were advertised via normal channels as well as in the 'Yorkshire Post' and 'The Structural Engineer', the monthly flagship publication of the Institution of Structural Engineers. The advertising costs amounted to approximately £6,700.
- 2.4 Although a number of completed applications were received, none of the applicants were deemed suitable to employ into the vacant positions. In total, one application was received for the post of Senior Structural Engineer and four for the post of Structural Engineer.

- 2.5 In light of the difficulty in recruiting to these posts, the council has had to secure essential structural engineering services from the private sector. Competitively procured arrangements are in place to provide for this. In the main, locally based structural engineering practices are used. The service received is generally good. Annual spend in recent years is in the order of between £90,000 and £100,000.
- 2.6 The current employment costs of the two posts are as follows, based upon salary mid-points and inclusive of 29.5% on costs.
- Senior Structural Engineer (grade 9) £42,346
 - Structural Engineer (grade 7) £31,402
- 2.7 This amounts to £73,748 without any added supplements, significantly less than the costs of engaging services externally. The council has previously set out its commitment to reducing expenditure on external consultants in favour of 'in house' delivery of services, consistent with the priority to ***“provide value for taxpayers’ money”***.
- 2.8 In light of the above, the council needs to consider options to secure essential structural engineering related services going forward.

3 OPTIONS FOR CONSIDERATION

- 3.1 The suggested options available for consideration are as follows.
- 3.1.1 **Option 1** – to make a further attempt to recruit into the vacant posts without applying any additional salary supplements.
- 3.1.2 **Option 2** – to make a further attempt to recruit into the vacant posts including a 10% salary supplement applied to either or both of the posts in question in accordance with the council’s approved Employee Reward (Pay and Benefits) Policy.
- 3.1.3 **Option 3** - to make a further attempt to recruit into the vacant posts and apply a higher salary supplement to either or both of the posts in question as an exception to the council’s approved Employee Reward (Pay and Benefits) Policy.
- 3.1.4 **Option 4** – make no further efforts to recruit into the vacant posts at the present time and continue to ‘buy in’ the services required via competitively procured arrangements.

4 ANALYSIS OF OPTIONS

- 4.1 Previous attempts to recruit have proven unsuccessful despite the application of salary supplements in line with the council’s approved policy. Other neighbouring local authorities have indicated that they have experienced similar difficulties in recruiting to structural engineering posts.
- 4.2 Our experience to date suggests a shortage of qualified and experienced structural engineers to meet demand. Information from contacts with other local authorities mirrors this. A potential opportunity is therefore apparent to ‘sell’ structural engineering services in line with our commercial policy ambitions were we able to successfully recruit into the vacancies in question.

- 4.3 Research by officers suggests that typically vacancies for Senior Structural Engineers outside of the South East are advertised with salaries ranging between £35,000 and £45,000. A survey of professional salaries in the construction sector published in 'Building' magazine in April 2012 and conducted jointly between the magazine and Hays Construction suggests an average annual salary for a Senior Structural Engineer in the North-East and Yorkshire area of £33,000 and for a Structural Engineer of £27,500. An update to this survey is due for publication in early April 2013.
- 4.4 A neighbouring local authority that currently employs structural engineers pays their equivalent of the Senior Structural Engineer an annual salary of £35,430 and their equivalent of the Structural Engineer an annual salary of £31,754. The senior post is also eligible for a lease car. In North Lincolnshire this would have a value of 7% of salary, thereby providing an additional financial benefit of around £2,480, yielding a salary and benefits package amounting to £37,910.
- 4.5 A local authority in West Yorkshire also employs structural engineers. Their equivalent of the Senior Structural Engineer receives an annual salary of £37,206. Their equivalent of the Structural Engineer receives an annual salary of £30,011.
- 4.6 The remuneration of similar posts in these comparator local authorities compares with a grade 9 salary ranging from £30,851 to £34,549 and a grade 7 salary ranging from £22,221 to £26,276 applicable to the vacant posts in the council.
- 4.7 In light of the above, applying a salary supplement of 10% to the Senior Structural Engineer post and 20% to the Structural Engineer post would be sufficient to bring the remuneration attached to the vacant posts into line with that offered by neighbouring local authorities. It would also place the posts within a salary range that the wider research suggests as appropriate.
- 4.8 **Option 3** is therefore suggested as the best option for further consideration. Given the previous failure to successfully recruit despite a 10% salary supplement applying to the senior post, the following supplements are suggested.
- Senior Structural Engineer – 12.5% supplement bringing the top of the salary to £38,868
 - Structural Engineer – 20% supplement, bringing the top of the salary to £31,531.

5 RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial

- 2.1 With on costs, the total annual employment costs for the two posts in question including the salary supplements suggested amount to £91,167. This is comparable with recent levels of annual spending with external providers. The opportunity might also arise to offset some of this cost with commercial income in line with our commercial policy ambitions. The council

has previously set out its commitment to reducing expenditure on external consultants in favour of 'in house' delivery of services, consistent with the priority to ***“provide value for taxpayers' money”***.

Recruitment advertising costs in the order of £7,000 might apply.

2.2 There are no further resource implications to consider.

3 OUTCOMES OF INTEGRATED IMPACTASSESSMENT (IF APPLICABLE)

3.1 Not applicable.

4 OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

4.1 The Assistant Director Human Resources was consulted on the issues set out in this paper and supports the approach suggested.

5 RECOMMENDATIONS

5.1 To approve a further recruitment process relating to the vacant posts of Senior Structural Engineer (grade 9) and Structural Engineer (grade 7).

5.2 To approve the application of salary supplements of 12.5% to the post of Senior Structural Engineer and 20% to the post of Structural Engineer.

5.3 To approve an exception to the council's approved Employee Reward (Pay and Benefits) Policy for the purposes of applying the recommended salary supplements.

DIRECTOR OF PLACES

Civic Centre
Ashby Road
SCUNTHORPE
North Lincolnshire
DN16 1AB

Author: Peter Williams
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Background Papers used in the preparation of this report: None