

**ENVIRONMENT AND COASTAL SERVICES PORTFOLIO HOLDER DECISION –
1 FEBRUARY 2023**

**MARKET SUPPLEMENTS FOR HGV DRIVERS AND WASTE &
RECYCLING ESTABLISHMENT**

1. INTRODUCTION

- 1.1 As a result of a national shortage of HGV (Heavy Goods Vehicles) drivers, the findings of a salary benchmarking exercise, and low response rates to HGV driver vacancies, it was agreed in July 2021 (see background papers) to apply a 7.5% market supplement to HGV driver salaries. This agreement was to be in place until March 2023, and as such is now due to be reviewed.
- 1.2 During 2021 and 2022, some frontline waste and recycling services have been suspended because of staff shortages. The size of the staffing “pool” has been reviewed to ensure it is adequately resourced to provide resilience in periods of high staff absence.

2. HGV DRIVERS – NATIONAL POSITION

- 2.1 There continues to be a national shortage of HGV drivers. Data from the Office of National Statistics analysed by the trade body Logistics UK in May 2022 showed that the number of HGV drivers in employment continues to fall, generally caused by retirements or shifts into other careers. However, the rate of reduction has slowed, which is cause for optimism. This is potentially the result of industry-wide wage increases as well as increases in the throughput of new drivers at driver testing facilities.
- 2.2 During 2022, some frontline services have had to be suspended at times, because of staff shortages. In November and December, responses to HGV job advertisements were very low.

3. MARKET SUPPLEMENT

- 3.1 Benchmarking of salaries paid in 2022 across 8 Hampshire and Dorset LAs shows that NFDC waste and recycling HGV driver salaries (£28,200 at top of band 4 including the market supplement) are just above the average of £27,900.
- 3.2 NFDC needs to maintain its position compared to neighbouring authorities in order to attract and retain staff. This is particularly the case as the services provided by NFDC are currently more labour intensive than many of our neighbours. Therefore, in order to safeguard services it is proposed to continue to apply the Market Supplement Policy, in the following manner:
 - The market supplement would apply to all HGV drivers currently on Band 3 or Band 4.
 - The supplement would not apply to roles where the labour market pressures are not as acute, e.g., drivers of vehicles 7.5t or below, or non-driving staff.

Any new or existing employees whose posts are in scope would continue to be paid at 7.5% above the top of their band. This would be in place until 31 March 2024 when it will again be reviewed. As per the current Market Supplement Policy, market supplement salaries are fixed, they are not subject to annual pay awards until such a time that the top scale point within the band overtakes the market adjusted salary. The

application of the market supplement policy will be kept under review to take account of local, regional and national developments in salaries and market rates.

4. WASTE AND RECYCLING ESTABLISHMENT

- 4.1 The frontline waste and recycling service has over 100 posts in order to provide collection services to all households. This includes some “pool” posts which are designed to cover core staff when they are absent, or the posts are vacant.
- 4.2 In spring and summer 2021 and 2022, the waste and recycling service has had to suspend certain services at times, because there has been insufficient staffing in the staffing pool, or via employment agencies to fill gaps caused by higher than average levels of absence (due to annual leave, sickness or vacancies).
- 4.3 In order to safeguard services in 2023, three additional drivers and three additional loaders will be recruited for a 6-month period from April to September. These additional staff will improve resilience during a period with traditionally higher levels of absence.

5. FINANCIAL IMPLICATIONS

- 5.1 The continuation of the Market Supplement has already been reflected in the base budget for 2023/24.
- 5.2 The additional cost of the temporary staff as detailed in 4.3 is £95k. This can be funded by an expected increase in income from the sale of glass in 2023-24 and therefore this measure will also have minimal impact upon the overall waste and transport budget.

6. CRIME & DISORDER, EQUALITY & DIVERSITY AND ENVIRONMENTAL IMPLICATIONS

- 6.1 None

7. RECOMMENDATIONS

- 7.1 That the market supplement for HGV driver salaries continues to be applied from 1 April 2023 to 31 March 2024, as described in this decision report.
- 7.2 That the staffing increase described in 4.3 is progressed.

8. PORTFOLIO HOLDER ENDORSEMENT

I have agreed to the recommendation of this report.

Sign: Cllr Steve Davies

Date: 1 February 2023

For further information contact:

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Background Papers:

[Market Supplements Report.pdf](#)
(newforest.gov.uk)

Date on which notice given of this Decision – 1 February 2023

Last date for call in – 8 February 2023