

# Public service pay bill to rise by 3.7%, excluding extra recruitment

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**According to documents published accompanying this week's Budget 2022, the public service pay bill will increase by 3.7% - from an estimated €21.1 billion this year - to reach €21.8 billion in 2022.**

However, it is unlikely this estimated increase bill includes the significant cost of additional recruitment planned for the remainder of this year and next year, both of which run into the thousands.

A separate document published this week says the public service pay agreement, 'Building Momentum', will cost approximately €600m in 2022.

This is broken down as the pay restoration for higher earning public servants in July this year (assuming this to be the carryover cost into 2022) and July 2022; a general round increase of 1% in October 2021 (again assuming carryover cost into 2022); a 1% general round increase in February 2022 to be used as a sectoral bargaining fund; and a general round increase of 1% in October 2022.

The document adds that funding of €150m has been set aside in 2022 to meet the costs associated with restoring the 'HRA hours'.

With regard to the HRA hours, the Estimates state that there was a provision of €182m of unallocated current expenditure and goes on to say that €150m of this is "set aside to cover any operational costs arising from the review by the independent body concerning the additional hours worked by public servants under the Haddington Road Agreement".

## RECRUITMENT

Given that the estimated rise in the pay bill is €700m next year and the BM costs are put at approximately €600m, then it can be assumed that this rise takes no account of additional employment next year, which will significantly increase the pay bill.

Already the Budget speeches referred to an additional 350 teachers being recruited next year, 900 special educational teachers and 1,165 special needs assistants (SNAs) - a total of over 2,000. There was also a commitment to recruit an additional 800 Gardai and 400 civilian staff.

In Health, which is the largest employer by far, constituting one-third of all public servants, the Budget stated that the additional €1 billion in "core funding" for 2022 will be mainly used

to fund the remainder of additional staff mentioned in Budget 2021 of approximately 7,200, plus 750 for new developments in the health service.

## **GLOBAL MARKET**

The Chief Executive of the HSE, Paul Reid, spoke in the last few weeks of the difficulty in recruiting additional staff, due mainly to the highly competitive labour market in health applying globally.

Reid said that the HSE has increased the nursing workforce by 3,000 since January 2020 and recruited an additional 1,325 nurses this year.

Statistics and data from the HSE have been interrupted by the cyber-attack. It is difficult to get accurate figures on staffing levels, but it can be assumed from the above figures that Health can expect to recruit an additional 4,000 staff next year.

Allied to the additional recruitment in Education and Gardaí of well over 3,000, this would bring additional recruitment to over 7,000 next year. This is exclusive of additional recruitment in areas such as more inspectors in the WRC, and officers in Revenue to handle Brexit.

Even at a conservative 8,000 estimate, this would put an additional €400m on to the public service pay bill.

It is likely that the Revised Estimates, to be published before the end of the year, will take account of any revision to the public service pay bill for 2022.