

PSS pay index: methodology and results

1. In 2006, a revision was made to the methodology used to calculate the Personal Social Services pay index, to make full use of the time series of detailed pay data available from ONS. The 2002-03 to 2004-05 pay index and the projection for 2005-06 has been calculated on this revised basis.
2. The revised pay index is calculated using data on rates of hourly pay change in England for each occupation group in the PSS sector from the Annual Survey of Hours and Earnings (ASHE), published by ONS.¹ Previously, UK data on weekly pay for full time staff only were used to calculate the index.
3. The revised index uses a larger set of specific occupation groups. Two groups of support staff have also been identified: administrative/office and ancillary staff. As it is not possible to collect detailed data on all staff working in these groups for the PSS sector, it is assumed that their pay increases were in line with the average for England. Table 1 shows the occupation groups used for the analysis and the average change in pay for each group, for each of the three years.

Table 1 Pay changes for each occupation group

Weighted pay change trends	2002-2003 %	2003-2004 %	2004-2005 %
Managers	2.4	3.2	4.6
Social workers	4.5	4.0	6.2
Occupational therapists	2.5	4.9	5.2
Nurses	1.0	4.5	4.0
Care workers	8.1	4.6	3.3
Childcare workers	10.6	2.3	6.7
Community workers	9.6	3.1	4.5
Administration/Office	3.8	3.9	4.1
Ancillary	3.8	3.9	4.1

4. An aggregate PSS pay index is calculated by weighting these pay changes by the occupation group's share of the total PSS paybill. This is carried out using DH estimates of the number of whole time equivalent (WTE) staff in the workforce and ASHE data on average weekly gross pay divided by average weekly hours. Use of WTE staff and this pay methodology allows the calculations to take account of both full time and part time workers. For admin/office and ancillary staff groups, average pay in the social care sector is not known. Therefore, a pay level is applied to each of these groups which results in their weight after adjustment for pay levels being equal to their weight prior to adjustment for pay levels. Table 2 shows the weighted average proportion of the paybill for each occupation group for 2004-05.

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Table 2 Summary of staff share of paybill 2004-05

	Index 1 %	Index 2 %	Index 3 %	Index 4 %
Managers	16	16	24	23
Social workers	5	2	14	8
Occupational Therapists	0.3	0.3	1	1
Nurses	5	6	-	-
Care workers	54	57	29	35
Childcare workers	0.5	-	1	-
Community workers	3	1	8	5
Administration/Office	10	11	17	21
Ancillary	6	7	6	7

Index 1	Total sector i.e. includes LA and Independent sectors for both Children and Adults
Index 2	Adults' total sector i.e. includes LA and Independent sectors for Adults
Index 3	All clients in LA sector i.e. includes both Children and Adults
Index 4	Adults' social care in the LA sector

5. Pay changes for 2005-06 are projected using an average of the deflated pay changes in the past three years. This assumes that pay increases next year will be in line with the previous trend. The method used is to calculate the pay changes in each year deflated by their respective GDP deflator, average these real pay changes, and then inflate the result by the 2005-06 GDP deflator to give the projected nominal pay change.