

**FDA, IPMS & PCS  
Evidence to the Senior  
Salaries Review Body**

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## Introduction

The FDA, IPMS and PCS welcome the opportunity to provide evidence to the Review Body. We would encourage the Review Body to read the evidence in the context of the results of the survey conducted in July and August (attached at Annex 2) and also the further comments by respondents to the survey on pages 36-40.

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### Section 1: The context: Civil service reform

1.1 Our evidence this year has been prepared in the context of the programme of civil service reform as set out in the report from Sir Richard Wilson to the Prime Minister of December 1999. This summarised the outcome of debate amongst Permanent Secretaries at the meeting held at Sunningdale in late September 1999. The Chief Secretary to the Treasury, Andrew Smith, also took receipt in January 2000 of a report "Incentives for Change" prepared by John Makinson under the auspices of the Public Services Productivity Panel. The remit of the Panel was to "analyse the operation of performance-based incentives within the four organisations [the Benefits Agency, HM Customs & Excise, the Employment Service and the Inland Revenue] and to make recommendations about how they might be improved". Whilst the Report focused on staff below the Senior Civil Service, its analysis of performance management and reward for such staff had considerable congruence with that of the FDA, IPMS and PCS. In principle, many of the problems experienced in pay and performance management systems for staff below the Senior Civil Service replicate those within the Senior Civil Service, although the tranche system adds an additional layer of complication and unfairness within the Senior Civil Service arrangements. The civil service unions have been engaged in considerable dialogue with both the Cabinet Office and individual departments about how the recommendations within the civil service reform programme and those in the Makinson Report should be implemented. We understand that both reports are available to the Review Body.

1.2 With regard to reform of pay and performance management arrangements for the Senior Civil Service, we have been party to information otherwise restricted in the main to the Civil Service Management Board (CSMB). This has included early dialogue on the development of new competencies for the Senior Civil Service. We understand that the Review Body has received a presentation from the Cabinet Office about its work in hand and the principles that it wishes to take forward into new arrangements.

1.3 Most Senior Civil Servants are aware of the proposals for amending pay and performance management arrangements in general as set out in the reform programme and the Makinson Report. However, they have no knowledge of how the recommendations of these reports might be applied in detail. Thus in preparing our evidence we have not had the benefit of consultation with members and their reaction. Only the proposed new competencies have been circulated. Moreover, even with those proposals available to the CSMB that have been discussed in confidence with the unions, important details of the proposed new pay arrangements are still lacking, and work on performance management arrangements is still at an early stage. Because important information necessary to offer a clearer response is not yet available we have in this evidence been able to respond only at a fairly general level

1.4 We have over the past few years set out in detail our concerns about the existing Senior Civil Service pay arrangements. These concerns have in the main now been accepted by both the Review Body and the Cabinet Office. There is little therefore to be gained through their reiteration in our evidence this year although in the main they have yet to be addressed. That said, the problem of progression is critical in understanding the disillusionment of many members with the existing arrangements. We have presented an analysis of the 'state of play', and, as in previous years, wish to draw attention to pay movements for comparators.

## **Section 2: Cabinet Office proposals**

2.1 The Makinson Report starts from two premises: firstly, that performance incentives can improve productivity in the public sector and secondly, that most incentive arrangements in place today are ineffective and discredited. John Makinson makes clear that if performance pay systems are to be effective then certain 'fundamental building blocks' need to be in place. He proposes the introduction of non-consolidated performance payments, but recognises that this "will only be acceptable to staff members and their trade union representatives if reliable cost of living increases and sensible pay progression can be assured". Whilst, as noted above, his report considered staff below the Senior Civil Service, the Cabinet Office proposals adopt this approach.

### **JESP**

2.2 We share the Cabinet Office assessment of the use of JESP under new arrangements. We have in the past expressed concerns about weaknesses in JESP and welcome the recognition that undue weight should not be placed upon its outcomes in new arrangements. However, we are also aware of the role that job evaluation plays in ensuring that pay systems are not discriminatory and we would wish to ensure that any other criteria used to determine pay under the new arrangements are fair and transparent. Accepting that any pay system must be underpinned by job evaluation, we also accept that introducing a new job evaluation system would be a distraction and offer no guarantee of real benefits at this stage. In the context of the current arrangements, we remain concerned that some departments are using the JESP score of a post as a basis for determining individual awards, for example an individual with a JESP 7 would get a lower award than an individual with a post at JESP 8 etc for the same level of performance.

### **Pay bands**

2.3 The Cabinet Office are proposing the replacement of nine pay bands with three. Although we welcome this approach in general terms, the creation of broader bands (both in terms of salary and JESP scores) can itself lead to problems given the range of job weights covered by each band. We have some concern that staff who would be in JESP scores 11 and 12 (and placed in the lowest of the pay bands) might suffer detriment if they are simply treated as part of a population encapsulating all staff between JESP 7 and 12. Such individuals by and large replicate those in old grade 4 (about 240 people in 1996), and are in the main senior professionals or managers of large networks.

### **Pay bands and target rates**

2.4 Clearly, the level of the minima and maxima, and the target rates, for each of the pay bands are crucial. In its 2000 Report, the Review Body produced worrying data about the disparity between Senior Civil Service pay and that of comparators. As Annex 1 notes, private sector pay continues to rise at a level higher than the Senior Civil Service and all evidence suggests that bonuses add a considerable element to base pay. Setting realistic salary bands for the Senior Civil Service is an important signal not only to current members of the Senior Civil Service but to younger, aspiring civil servants - and for that matter graduates assessing a choice of career. A failure to provide realistic salaries also undermines the Government's avowed principle of encouraging a more open Senior Civil Service.

2.5 The Review Body will be aware of considerable dissatisfaction with the level of pay increases in 2000 (and in previous years) and in particular the increase in civil service pay relative to increases paid to staff in the private sector. This is highlighted on page 27 and table 2. The Review Body will wish to consider this issue in setting target rates.

### **Shadow target rates**

2.6 The unions are sympathetic to the proposal to introduce shadow target rates for certain posts where a market facing target rate is likely to lead to a salary above the norm for the pay band. However, the facility of a shadow target rate should only be exercised where there is a clear business need. Crucially, such rates must apply equally to internal candidates successful in externally advertised competitions, which is often not the case at present. Moreover, there must be transparency requiring the authority of the Cabinet Office, and its reporting on an annual basis to the Review Body. There must also be published criteria for establishing such market rates and identifying posts for which they are appropriate.

## Tranches

2.7 We understand that three pay tranches are being proposed. We have no objection in principle to this number of tranches. The size of each tranche will, however, be an important factor in determining the acceptability of this arrangement. Moreover, we would be concerned if a significant proportion of the pay band range was only available to a small number of those within the range if the top tranche is set at too low a percentile of the population. Equally, we would be concerned if the bottom tranche were to be set at too high a percentile of the population. Our concerns at the principle of a tranche-based system are considered below in the context of performance management.

## Base pay and bonuses

2.8 The view of the unions is that we have an open mind about the introduction of non-consolidated bonuses if the 'fundamental building blocks' of "reliable cost of living increases and sensible pay progression" are in place. There must also be a reasonable degree of comparability with other sectors. However, no final view can be taken by the unions, or by Senior Civil Servants themselves, until the detail is confirmed and we have access to quantitative data not yet available. Moreover, as table 6 on page 29 notes, 69% of respondents to the joint union survey disagreed with the concept of transferring pay to non-consolidated bonuses and were equally divided on the question of whether they would "welcome a higher award even if more of the increase took the form of a non-consolidated increase". There are certain caveats and questions to be answered.

2.9 Firstly, as explained below, we need more information about the criteria that would apply to the proposed three tranches and the relationship with the performance management system. We are concerned in considering the current arrangements that some departments do not award pay increases to people who have been promoted, whatever their level of performance. The unions believe that a promotion increase is to recognise added levels of responsibility whilst the pay increase is to ensure that pay levels remain fair for the job carried out. The one is not a substitute for the other. Secondly, what will be the level of the target rate and the timescale for progression to it? We believe that not more than five years is appropriate. The Review Body should be under no illusion that the whole of the Senior Civil Service will expect very significant improvements to the current timescale and rate of progression within each of the pay bands. Proposals on this issue will form a significant factor in the judgement of individuals about any new system. Thirdly, what level of non-consolidated pay will be available? Fourthly, there is growing concern being expressed at the treatment of non-consolidated pay for pension purposes. This issue is currently being explored with the Cabinet Office in another context. However, given the age profile of the Senior Civil Service, members will be concerned if they believe that there is potential detriment to pension entitlements because of the new arrangements.

## Performance management: Relative appraisal

2.10 The Cabinet Office have given preliminary information about the performance management and pay cycle. In general the timing and structure seem to be a sensible approach though our comments are likely to be directed towards the detail when it is available. We do however have a significant concern about the concept of relative appraisal, the only source for any explanation of which is the report on Performance Management prepared under the chairmanship of Sir Michael Bichard as a contribution to the civil service reform programme. The introduction of relative appraisal is likely to be a major problem with new arrangements. In the absence of specific proposals we have been unable to consult with members and therefore are reluctant to commit ourselves as to whether such a system is operable and is likely to have the confidence of the Senior Civil Service given the high level of dissatisfaction with the current tranche system.

2.11 Only one government department, DfEE – Sir Michael's – has so far proposed a system of relative appraisal for staff below the Senior Civil Service. The proposals have attracted considerable disquiet amongst staff and negotiations are still continuing. There is an argument that relative appraisal already exists within the Senior Civil Service through the operation of the current tranche system. It is also true however that it is the tranche system (along with the negligible rate of progression for many people) that attracts the strongest criticism. Currently, people do not understand the criteria by which they are allocated to a tranche, and the relationship between this allocation and their appraisal. Sir Michael proposes abolishing performance marking in favour of a judgement being reached by reporting officers about the relative performance of those upon whom they report. The existing culture within the civil service as a whole is that

people should understand the criteria against which they are being judged and, in more recent years, that an individual's performance is measured by their ability to deliver objectives set at the beginning of the year. Sir Michael is proposing a culture change; however, in general people need to be persuaded of the need for such change which inevitably will only take place over a period of time. Sir Michael appears to believe that this can be achieved in a matter of months against a background already noted of considerable dissatisfaction with the existing element of tranches or quotas which he sees as the main stay of new arrangements. Moreover, these proposals may perversely undermine the drive to increased effectiveness by removing the incentive and certainty of performance being judged against the achievement of objectives.

2.12 Thus whatever the theory, the practice is likely to prove very difficult, especially given the very tight timetable proposed – just over five months at the time of preparing this evidence – for the introduction of new arrangements, which have not yet been developed. Moreover, there are well founded concerns about the equality implications of this approach.

2.13 The Review Body needs to be aware that the introduction of relative appraisal in the Senior Civil Service may well be seen by more junior staff as a model for their pay arrangements. There is already some lack of confidence with the existing fairly open systems for more junior staff and the introduction of what may be seen as less transparent systems for the Senior Civil Service will engender even less confidence and be perceived as having ramifications for a much larger population.

## **Assimilation**

2.14 Clearly there will be a need to bring all staff up to the minima of new pay bands where they would otherwise fall below. However, if new pay arrangements offer undertakings on progression to a target rate, there will need to be assimilation for staff already within pay bands where they are significantly adrift of the target rate given their length of service in the pay band. The equity of this is reinforced by the logic of equal pay legislation. We believe that the Review Body and Cabinet Office should make this a factor in addition to the monies that will need to be available for comparability and progression when they structure awards for April 2001, and ensure that such assimilation is not seen as offering less beneficial terms than would be available in agreements negotiated for more junior staff.

## **Permanent secretaries and other senior staff**

2.15 The Review Body in their 2000 Report noted, in considering private sector pay, that “median salaries for the largest permanent secretary roles are less than 30% of the private sector median”. Further, “at JESP 18 median Senior Civil Service salaries are 10-18% below their public sector comparators”. On this latter point the assumption must be that permanent secretary roles are more than 18% below public sector comparators. It is unacceptable that permanent secretaries and others in very senior posts should now be substantially behind other public sector comparators. We believe that there is a strong argument for a further rise in the level of the pay of staff at these levels to at least match public sector comparators. Moreover, the Government must demonstrate that it values the enormous contribution made by the Senior Civil Service as a whole in properly rewarding those who lead.

## **Ownership**

2.16 We believe that it is important that within the civil service, the Cabinet Office is seen to 'own' any new pay and performance management arrangements. Despite much exhortation, many departments are still proving reluctant to amend personnel practices in order to foster greater mobility and flexibility within the Senior Civil Service that the Government is seeking in the Modernising Government White Paper and proposed by Permanent Secretaries in the civil service reform programme. This position is not assisted by the discretions available on pay to departments. Whilst it will continue to be the role of departments to implement new pay and performance management arrangements, these must be common across the civil service and we believe that all of the elements of the pay system should be common to all departments.

## Section 3: 2000 Awards and pay comparisons

### 2000 AWARD

3.1 In its 22nd Report the Review Body recommended performance related increases for senior Civil Servants in 2000 ranging from 0 - 11%. The distribution of the awards for the four performance tranches was as follows:

Tranche	Distribution	Award
1	Top - 5%	8.2 - 11.0%
2	Next 15 - 20%	6.8 - 8.1%
3	Next 60 - 70%	2.9 - 6.7%
4	Next 5 - 15%	0 - 2.8%

However, these ranges were subsequently revised as follows:

Tranche	Distribution	Award
1	Top - 5%	8.2 - 11.0%
2	Next 15 - 20%	5.6 - 8.1%
3	Next 60 - 70%	2.9 - 5.5%
4	Next 5 - 15%	0 - 2.8%

3.2 Using figures supplied by the Cabinet Office for the average awards to staff in each tranche in 2000, as of mid-October 2000, and figures in the last SSRB report for the distribution of staff across tranches in 1999 we estimate the overall average as follows:

Tranche	Box Marking Distribution		Range of Award	Tranch Average	Overall Average
	Recommended Range	Proprtion of Staff			
1	5%	4.7%	8.2 - 11.0%	8.8%	0.41%
2	15-20%	20.4%	5.6 - 8.1%	6.3%	1.28%
3	60-70%	67.7%	2.9 - 5.5%	4.1%	2.78%
4	5-15%	7.2%	0 - 2.8%	1.8%	0.13%
<b>Total</b>					<b>4.60%</b>

3.3 Our estimate of 4.6% for the average pay award for 2000 is only just higher than the figure of 4.51% provided by the Cabinet Office for 1999. This excludes the additional 0.4% which has been made available to fund additional awards for staff in posts at JESP score 17 & above. We have no information on the way in which this has been distributed.

3.4 As part of the settlement pay band maxima and minima were increased by 2.9% from 1 April 2000. This is some 1.7% below our estimate of the average award of 4.6%. Consequently, staff at the top of their pay bands will increasingly face problems of headroom.

### Progression

3.5 The lack of progression through pay bands remains a major concern of staff in the SCS. Our survey showed that 66% of respondents were either very dissatisfied or dissatisfied with progression through their pay band.

3.6 The Review Body has previously emphasised that: "the extent to which pay band maxima are seen as achievable by those who perform at a consistently high level is crucial to the ability of the pay system to motivate staff".

3.7 To achieve this the Review Body recommended progression rates as follows:

- Tranche 1 entry-point to pay band maximum in 5-6 years.
- Tranche 2 entry-point to pay band maximum in 8-9 years.
- Tranche 3 entry-point to 80% of pay band maximum in 10 years.

3.8 In the 22nd Report the Review Body noted that although most of the Tranche 1 or 2 performers who entered at or above the median entry point would achieve the target progression rate, those entering below the median would fail to progress at the desired rate. For Tranche 3 performers, however, staff at the median entry point would take longer than the target time period, and for many who enter below this point progression is extremely slow.

3.9 Taking into account our estimates of the average awards for each tranche for the 2000 pay round we have revised estimates of progression rates.

3.10 In doing so we note that the Review Body has revised the media entry points for the year 2000. For bands 1,2,3 or 8 they ranged between 36 - 47% up the pay band, compared to 37 - 41% in 1999. For the remaining bands the median entry levels were 20 - 30% up the pay band compared with 12 - 25% in 1999. This makes a significant difference to the achievement of the progression rates, although the median figures mask the number of staff who may still be entering towards the bottom of the pay bands.

3.11 Based on:

- The progression rates given above.
- Average annual increases in band minima and maxima of 2.9%.
- Average annual awards in line with those estimated for 2000.
- The median entry-points identified by the SSRB in their cohort study.

We have estimated the number of years it would take for staff to progress from the relevant entry points, using band 1 only as an example:

**Years taken to meet SSRB recommendations on progression**

Entry point	Years taken to meet SSRB recommendations on progression				
	47%	36%	30%	20%	Minimum
Tranche 1	4	5	6	7	9
Tranche 2	8	9	10	11	14
Tranche 3	12	17	20	24	33

Note: For tranche 3 the estimates are for reaching 80% of the band max. Cabinet Office/OME figures may differ from this as they analyse all bands.)

3.12 These figures show little change from those we submitted to the Review Body last year.

3.13 They demonstrate that the Review Body target progression rates are only being met for those in tranche 1 who enter 30% up the band or higher and for those in tranche 2 who enter at 36% up the payband or higher. None of those in tranche 3 will reach the SSRB target unless they enter more than half-way up the pay band.

3.14 The significance of this is underlined by the fact that tranche 3 awards account for over two thirds of all staff in the SCS.

3.15 This would suggest that substantially greater effort must be put into improving awards for those in all tranches, but in particular tranche 3, in future years. The additional 0.4% of paybill made available in 2000 is mainly directed at higher performers in the higher pay bands, and is unlikely to impact on the majority of staff in the SCS.

3.16 These figures may explain why the high levels of dissatisfaction with progression, identified in previous years, still remain.

3.17 This problem continues to be exacerbated by the lack of transparency in the link between effort, appraisal rating and award. Our survey suggests that the proportion of staff receiving Box 1 & 2 markings rose slightly this year to 66%. Yet according to the Cabinet Office guidelines only 20-

25% of these will receive a Tranche 1 & 2 award. The bulk of them will receive awards averaging just over 4%.

3.18 It is this continued mismatch between effort, expectations and reward, which underlie the dissatisfaction with the pay system. Unless the new SCS pay system, which is currently under consideration, addresses this basic conundrum it is unlikely to be viewed any more positively than the current one.

### **Pay comparisons one — Hay survey Remuneration — private sector**

3.19 We welcome the results of the pay comparisons study carried out by Hay Management Consultants, the results of which were published in the SSRB's 22nd Report. We would like to draw attention to a number of the findings:

Total remuneration (excluding pensions) for all SCS posts is less than that for private sector equivalents.

- Although, at JESP 7 and 8 levels the median base salary of staff in the SCS is 12-14% above the equivalent private sector median, in terms of total remuneration (excluding pensions), the SCS median is 13-15% below the private sector. Moreover, the real position for individuals may be worse because there is little evidence of posts being re-JESPed when responsibilities increase.
- The lag between remuneration in the SCS and the private sector increases with job size. Civil Services salaries are 87% of the private sector median at JESP 7 but 30% for the largest permanent secretary roles.

### **Changes 1995-1999**

- In general SCS pay has fallen further behind the private sector since the introduction of the current pay system. This trend was apparent for both base salary and total cash although the drop in competitiveness was most noticeable in the more senior posts.

### **Comparison of pension arrangements**

3.20 Historically, the Principal Civil Service Pension Scheme has often been regarded as a generous one by external observers and it was suggested that the additional benefits of the PCSPS, compared with private sector schemes, provide some compensation for salaries that fared less favourably with the private sector.

3.21 The findings of the studies by the GAD and Bacon Woodrow reveal that this view of pensions for staff in the Senior Civil Service is at least highly misleading. The comparative value of pension benefits (measured as cost to employer) for all JESP levels were judged to be worth more in the private sector than the public sector. The studies also showed that pension benefits within the private sector relative to those provided in the SCS, are increasingly superior as seniority rises. As the Review Body report states:

"This confirmed the findings of our 1992 Report that the value of the PCSPS does not justify a discount in pay from private sector levels, nor does it help close the remuneration gap with external comparators." (p32, para 13)

### **Pay comparisons two — Private sector pay comparisons**

3.22 Details of increases in salaries for senior managers in the private sector are set out in Annex 1 and summarised in the table below. This shows that the estimated 5.35% average award for the Senior Civil Service is around the mid-point of relevant private sector comparators. However, these comparisons are for basic pay increases only, excluding bonuses. Although bonuses can vary considerably, for example according to level of seniority and company size, it is clear that they are an increasingly important component of remuneration for senior staff in the private sector (*see table over*).

## Private sector pay increases

Survey	Group	Increase in basic salary
National Management Salary Survey (Remuneration Economics/Institute of Management)	Directors	7.1%
	Non-board managers	5.4%
Hay Boardroom Guide: A Survey of Director Remuneration	Directors	7.0%
	Non-board managers	5.0%
Executive Directors' Remuneration (New Bridge Street Consultants)	Chief executives	9.4%
Executive Remuneration Review (New Bridge Street Consultants, Bacon and Woodrow, Deloitte and Touche)	Senior executives	6.0%
UK Survey of Executive Salaries and Benefits (Inbucon)	Senior executives	4.2%
	First level managers	4.0%
Management Pay UK (Monks)	Directors of parent companies	7.0%
	Directors of subsidiaries	4.8%
Management Salary Survey (Reward)	Managers	4.2%
Directors' Rewards (Reward and Institute of Directors)	Directors	4.5%

## Average earnings

3.23 The estimated average award of 5.35% for 2000 is above the rate of average earnings growth at April 2000. However, the fact that Civil Service pay has lagged behind average earnings for several years indicates that the deficit in relation to pay in the private sector will not be rectified quickly.

Year	Average Earnings Increase	Senior Civil Service Pay Increase
1992	5.0%	4.0%
1993	3.3%	3.0% <sup>2</sup>
1994	4.1%	2.75%
1995 - G2&3	3.8%	2.5%
1995 - G5	3.3%	2.7%
1996	4.1%	4.5% <sup>3</sup>
1997	4.2%	2.9% <sup>4</sup>
1998	5.1%	3.2% <sup>5</sup>
1999	4.4%	4.5%
2000	4.6%	5.35% (estimated)

### Notes:

1. Whole economy, seasonally adjusted.
2. Includes 1.5% paybill increase available to other civil servants.
3. Annualised value of the average 5.4% award.
4. Annualised value of average 4.76% staged award.
5. Annualised value of estimated average 5.7% staged award.

## Section 4: Working time

4.1 In our evidence last year we expressed concern at the evidence of long hours working within the Senior Civil Service. We did however welcome evidence that suggested that some progress was being made in certain departments which, in particular, led to a reduction in the percentage of members stating that they were working an extra eleven hours or more every week. Unfortunately, our 2000 survey suggests that the position has been reversed. In 1999 29% of members explained that they worked eleven hours or more extra each week (which takes them beyond the limits set by the working time regulations) but in 2000 that percentage has risen to 37%. Moreover, 77% of members considered that insufficient steps had been taken within their department to reduce excess hours working, almost identical to the 78% with the same perception last year. Only 14% of members stated that they believed sufficient steps had been taken, further, 87% of members believe that staff workloads are very demanding.

4.2 The government has placed considerable evidence in recent months on the need to implement a more effective work/life balance in the UK economy. Working excess hours has a range of consequences both to individuals and their families and also to the efficiency of any organisation. It appears however that little or no progress is being made in the Senior Civil Service. We have now made considerable progress in implementing overtime pay for staff in the grades immediately below the Senior Civil Service. One consequence is to place financial pressure upon departments to take serious steps to rectify long hours working. As a spur to the Government to redress the problem within the Senior Civil Service we believe there is a strong argument for similar payments to be implemented for staff in these grades. Without such financial constraint, the likelihood is that statements on work/life balance will remain little more than rhetoric.

## Section 5: Equal opportunities

5.1 The Council of Civil Service Unions (CCSU) is actively engaged with the Cabinet Office and departments in taking forward the diversity agenda of the civil service reform programme.

5.2 The unions welcome the improvements in the numbers of women, ethnic minorities and disabled people in the Senior Civil Service, but recognise that this is still far from proportional. We note that Sir Richard Wilson was able to report to the Prime Minister in April 2000 that women comprised 17.7% of those holding the top 600 posts in the Senior Civil Service and that this was on course to exceed the target of 25% in 2005. Over the Senior Civil Service as a whole, projections show an increase to 22.1% in 2000 but the anticipated 28.3% in 2005 falls well short of the target of 35%.

5.3 We believe that equal pay, and a public demonstration that pay is equal regardless of gender, race and disability, is critical. However, we believe that this is an area of work virtually untouched by the Cabinet Office in respect of the Senior Civil Service. In section six of our evidence last year we argued strongly for the introduction of equality proofing of the Senior Civil Service pay system in line with the Equal Opportunities Commission Code of Practice on Equal Pay. Unfortunately, this recommendation was not considered in the Review Body Report. We therefore urge the Review Body to recommend that, as a matter of urgency, the Cabinet Office establish equality proofing of the Senior Civil Service pay system and incorporate it within any new arrangements. Equality proofing should be agreed in detail with the civil service unions and published to the Review Body automatically each year by the Cabinet Office. This submission is not the place to fully prescribe the substance of the equality proofing but we do stress the following principles:

- The Cabinet Office should declare itself committed to equality proofing of the pay system, pay related personnel policies and procedures and pay proposals put to the Review Body.
- The equality proofing should follow the principles and procedures set out in the Equal Opportunities Commission Code of Practice on Equal Pay and in civil service wide equality policies. The data which requires to be collected and analysed includes:
- Basic pay by gender, ethnicity, pay range, length of service, whether part time or full time, performance marking and departments. There may also be a case for further sub-division by specialism.
- Performance management system subject to monitoring, including an annual statistical analysis. The aim of this monitoring and statistical analysis is to determine whether the appraisal system or any pay proposals which may be based upon it could have a differential or adverse impact directly or indirectly.
- Gender, racial group, disability, and whether full time or part time.
- In the course of the annual review of Senior Civil Service pay, the Cabinet Office and the trade unions should analyse whether the outcomes are having an adverse differential impact on particular groups with a view to preventing any possible discrimination.

5.4 We are aware that the independent Equal Pay Task Force commissioned by the Equal Opportunities Commission is likely to report early in 2001. We recommend that the Review Body consider inviting the Equal Opportunities Commission in the context of the Task Force report to consider any of its implications for the civil service as a whole but in particular to examine the equality programme for the Senior Civil Service and the implications of new pay and performance management arrangements.

## **Section 6: Training and development**

6.1 We would draw the Review Body's attention to the results of the survey and questions about training and development together with the use of non pay incentives (pages 31-33). In particular, almost half of all respondents regarded training and development opportunities as being important motivators when non pay incentives were considered (Table 9). Moreover, younger respondents attached greater importance to training and development opportunities than those in middle age ranges, as did women compared to men. This would suggest that enhancement of such opportunities across the Senior Civil Service would be valued and help to motivate in the context of the Civil Service Reform Programme and its emphasis on bringing on talent and securing a 'more professional' Senior Civil Service. Properly targeted training and development would enable individuals to compete more effectively with both the private and wider public sectors through the acquisition and development of key skills.

## **Annex 1: Salary survey data**

There is no evidence from surveys of senior salaries in the private sector that awards to senior civil servants in 2000 will bridge the longstanding pay gap with the private sector. The results of our own membership survey (Annex 2) show that more than one third of respondents received an increase of 4% or less.

### **New Bridge Street Consultants**

New Bridge Street Consultants' survey of Executive Directors' Remuneration in the Top 350 UK Listed Companies shows that salaries of FTSE 350 chief executives increased by a median of 9.4% in the year to February 2000. The median cash increase over this period was 15.7%, indicating a buoyant level of bonus payments overall, though with some significant variations between companies.

A separate Executive Remuneration Review, undertaken jointly with Bacon and Woodrow and Deloitte and Touche shows that average basic salaries among a wider group of senior executives rose by 6% in the year to January 2000.

### **Remuneration Economics/Institute of Management**

The 2000 National Management Salary Survey shows that in the year to January 2000 the average basic salary increase for directors was 7.1%. The average increase in total earnings was lower, at 6.2%. For non-board managers, the average increase in basic pay was 5.4% but total earnings rose by an average of 5.6%. Analysed by industrial sector, the survey finds that engineering and public services organisations awarded the most generous rises to their directors and managers. The average increase in total earnings of directors in the public services sector was 9.6% and for managers the average increase was 6.8%.

A separate analysis of bonus payments indicates that both the coverage and value of bonus payments received by directors was slightly lower than in the previous year – 66.4% of directors received a bonus compared with 70% a year earlier. As a proportion of salary, the average value of bonuses received fell by 0.6% to 21.9%. The average cash value was £20,856. 57.9% of non-board managers received a bonus averaging 8.9% of salary or £3,243.

### **Hay**

According to Hay's Boardroom Guide, basic salaries of main board directors rose by a median 7% in the year to May 1999. The increase at the lower quartile was 3.3% and the upper quartile was 11%. The median increase in total cash was 6%. Subsidiary directors and heads of major functions not on the board received a median increase in both basic pay and total cash of 5%. At the lower quartile the base salary increase was 3% and at the upper quartile it was 9%. The report also shows that 96% of the companies surveyed operated incentive schemes for directors with maximum bonus opportunities for top executives typically worth between 40% and 60% of base salary.

### **Inbucon**

Inbucon's 1999 UK Survey of Executive Salaries and Benefits shows that senior full-time executives received a median salary increase of 4.2% in the 12 months to July 1999. The median increase for first-level managers was 4%, with a lower quartile of 2.9% and an upper quartile of 6.7%. By sector, median pay rises were highest in financial services and lowest in construction.

Company size was an important influence on the size of bonus payments, ranging from a median 15.9% of salary for senior executives in companies with a turnover of less than £5 million to 31.5% in companies with a turnover of more than £1 billion. According to Inbucon top executives were more likely than more junior colleagues to receive a bonus payment: 58% of senior managers received a bonus compared with around 25% of junior managers. In addition, the size of bonus payments was clearly linked to seniority. The median value of bonus payments received by junior managers was 4.8% of basic salary.

A separate, and more recent, Inbucon survey of FTSE 100 companies shows that directors' pay rose by 16.5% in the last financial year excluding gains made on share options and other performance related pay deals.

## **Reward**

The Reward Management Salary survey shows that median basic pay increased by 4.2% in the year to January 2000 and that total pay rose by 3.6%. The survey states that bonuses and variable pay have risen more slowly than basic pay for about two years. However, increases in some industrial sectors have been considerably higher. For example according to Reward's database, managers in electronic engineering have had an increase in pay of 8.1% since March 1999 and there has been a rise of 5.3% for managers in public administration. In functional terms, service engineers and scientific research and development staff have been among those enjoying the highest average increases.

A survey of directors' pay, undertaken by Reward with the Institute of Directors, shows that pay of directors in private unlimited companies rose by a median of 4.5% in the year to September 1999. Median increases were slightly higher for chairmen, chief executives and managing directors, at 5%, and for directors of smaller companies with a turnover of up to £25 million, at 4.7%.

## **Monks**

Monks' survey of Management Pay UK shows a median increase of 7% in the basic salaries of directors of parent companies and a median increase in total earnings of 7.1%. For directors of subsidiary companies basic pay rose by a median of 4.8% and total earnings by 5.7%. However, there were significant differences in increases according to company size. In companies with an annual turnover of more than £500 million, senior managers in the upper earnings quartile received an increase in base salaries of 9.7% and a rise in total remuneration of 14.2%. For companies with turnover between £50 million and £500 million the comparative increases were, respectively, 8% and 10.8%. In companies with a turnover below £50 million, the upper quartile increase in base salary was 7.5% and the increase in total remuneration was 11.8%.

## **Annex 2: Survey of members in the senior civil service FDA and IPMS - August 2000**

### **Sample**

This analysis is based on 727 returns from approximately 2,000 survey questionnaires sent to members of the FDA and IPMS employed in the Senior Civil Service (SCS).

This is the sixth annual survey of SCS members. Where applicable comparisons are made with the results of previous surveys, though it should be noted that slight changes may be due simply to differences in sample composition. Where appropriate, statistical tests have been applied to the survey data. These include factor analysis using the Anderson-Rubin method, contingency analysis using the chi squared statistic, and non-parametric hypothesis testing using the Kruskal-Wallis test statistic. Statistical data is available on request.

The respondents were employed in a wide range of Departments, Agencies and NDPBs, though the biggest groups of returns were from larger Departments. A full list of organisations from which responses were received is at Appendix 1. There were 20 or more returns from:

- Department for Education and Employment
- Department for Environment, Transport and the Regions
- Department of Health
- Department of Social Security
- Department of Trade and Industry
- Home Office
- Inland Revenue
- Ministry of Agriculture, Fisheries and Food
- National Assembly for Wales
- Scottish Executive

80.6% of respondents were male, 97.6% were white and 2.6% were disabled. None of the respondents were under 30 years of age and just 1.4% were aged 60 or over. Most respondents were in age ranges from 40-49 (39.4%) or 50-59 (54.6%).

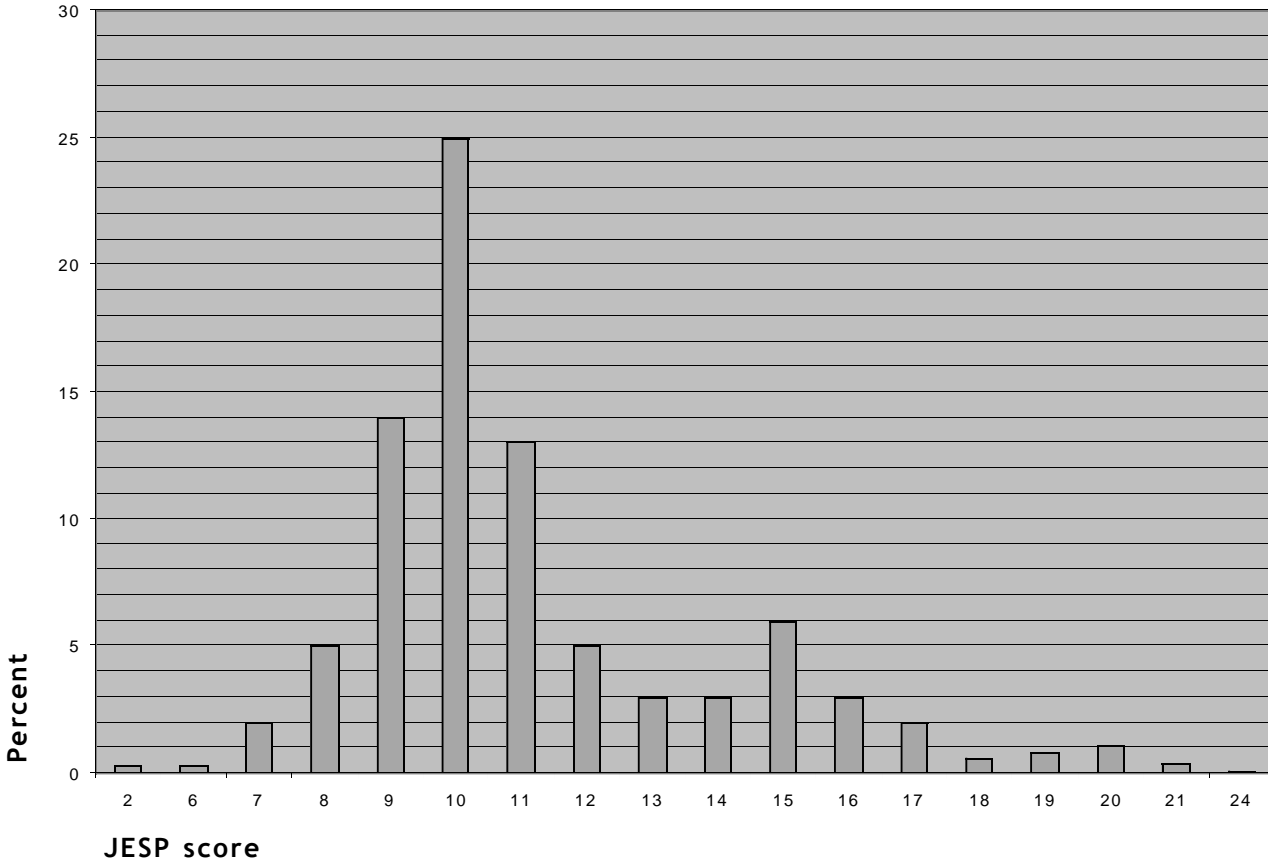
94.5% of respondents were on a permanent contract, 1.8% were on a fixed term contract and 2.6% were either on temporary promotion or had not signed a contract. 63.1% of respondents joined the SCS as one of its original cadre, 4.4% had joined as new entrants and 31.2% joined on promotion. The influx of new promotees has increased markedly over the past year: 15.2% of respondents to the 1999 survey had joined the SCS on promotion.

## JESP and SCS pay band system

### Question: What is the JESP score for your post?

52% of posts scored in a range of 9-11 JESP points, as shown in Chart 1. The overall distribution of JESP scores has changed only marginally compared with 1999.

**Chart 1 — What is the JESP score for your post?**



### Question: Which SCS salary band are you in?

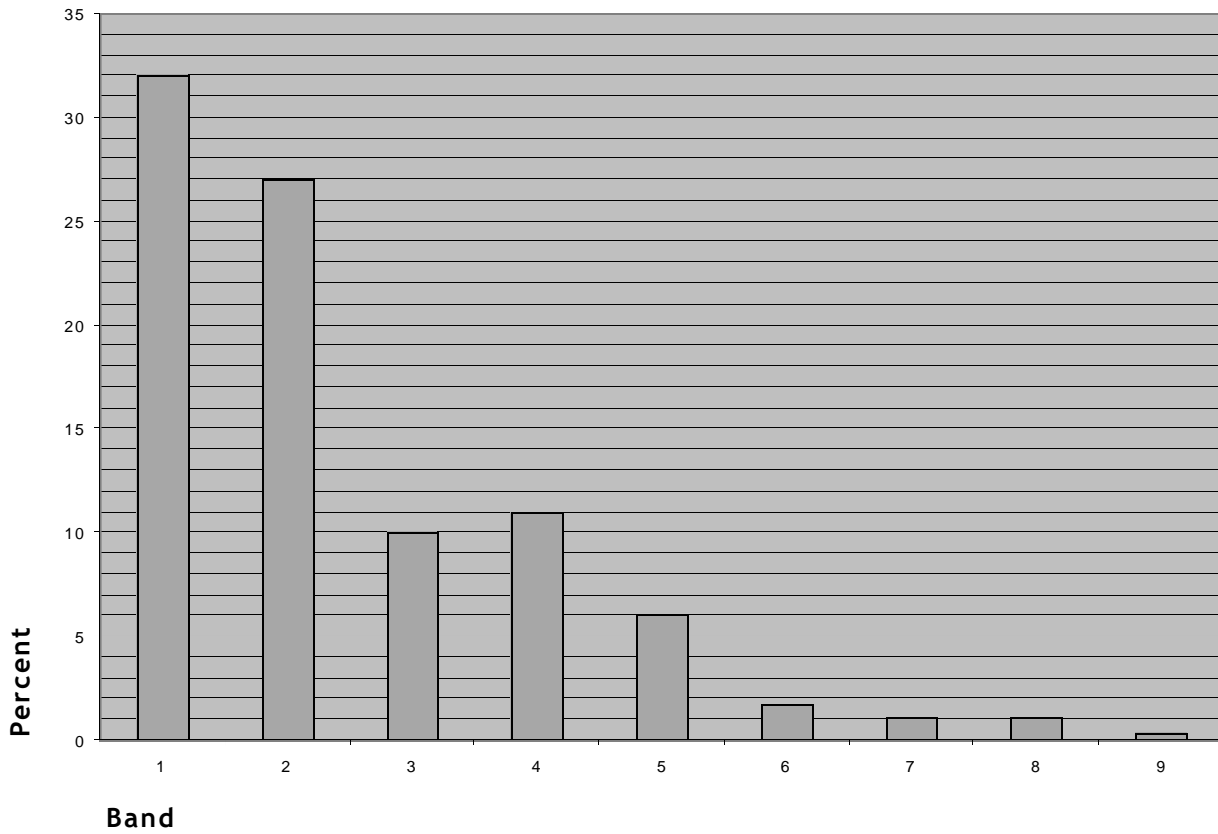
The proportion of respondents in Band 1 has dropped to 32% from 37% in 1999 and there has been an increase in the proportion of respondents in Band 2, from 25% to 27%, and in Band 3, from 8% to 10%. Similarly, the proportion of respondents in Band 4 has fallen from 12% to 11% but the proportion in Band 5 has risen from 5% to 6%.

Chart 3 (over page) confirms there has been a small amount of movement up the pay structure. 25% of respondents in 1999 had changed salary band since joining the SCS and 72% had not.

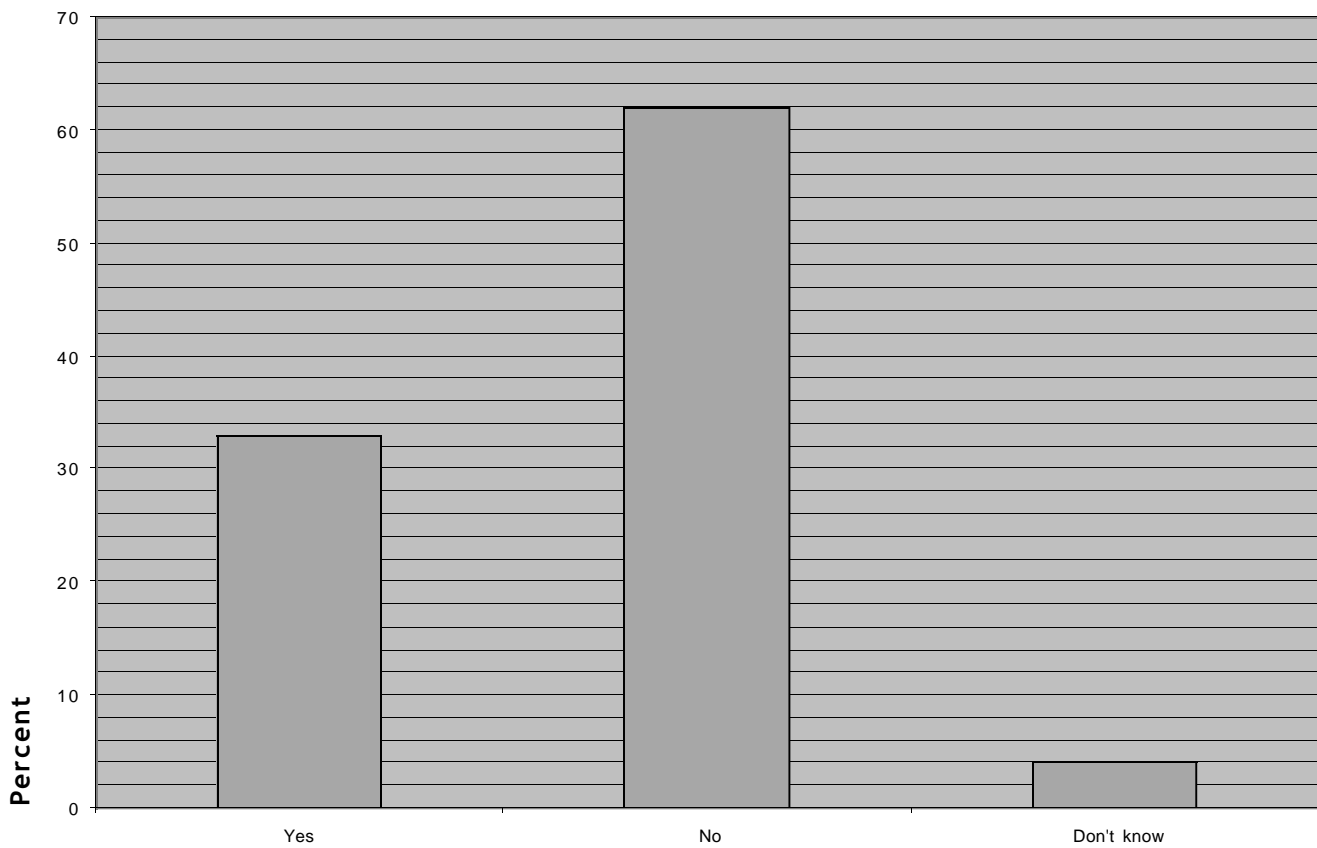
### Question: Have you received your 2000 pay increase (w.e.f. 1 April 2000)?

57% of respondents had received their pay increase, down from 61% in 1999. 40% had not received their pay increase, compared with 36% in 1999, and 3% were unable to say whether they had received an increase or not.

**Chart 2 — Which SCS band are you?**



**Chart 3 — Change of salary band since joining SCS?**



**Question: What pay increase did you receive in % terms?**

**Size of 2000 pay increase**

<b>% Pay Increase</b>	<b>% of Respondents</b>
No increase	18.4
2 - 3	4.7
3 - 4	14.5
4 - 5	11.9
5 - 6	12.2
6 - 7	5.8
7 - 10	5.7
10 - 11.5	0.8

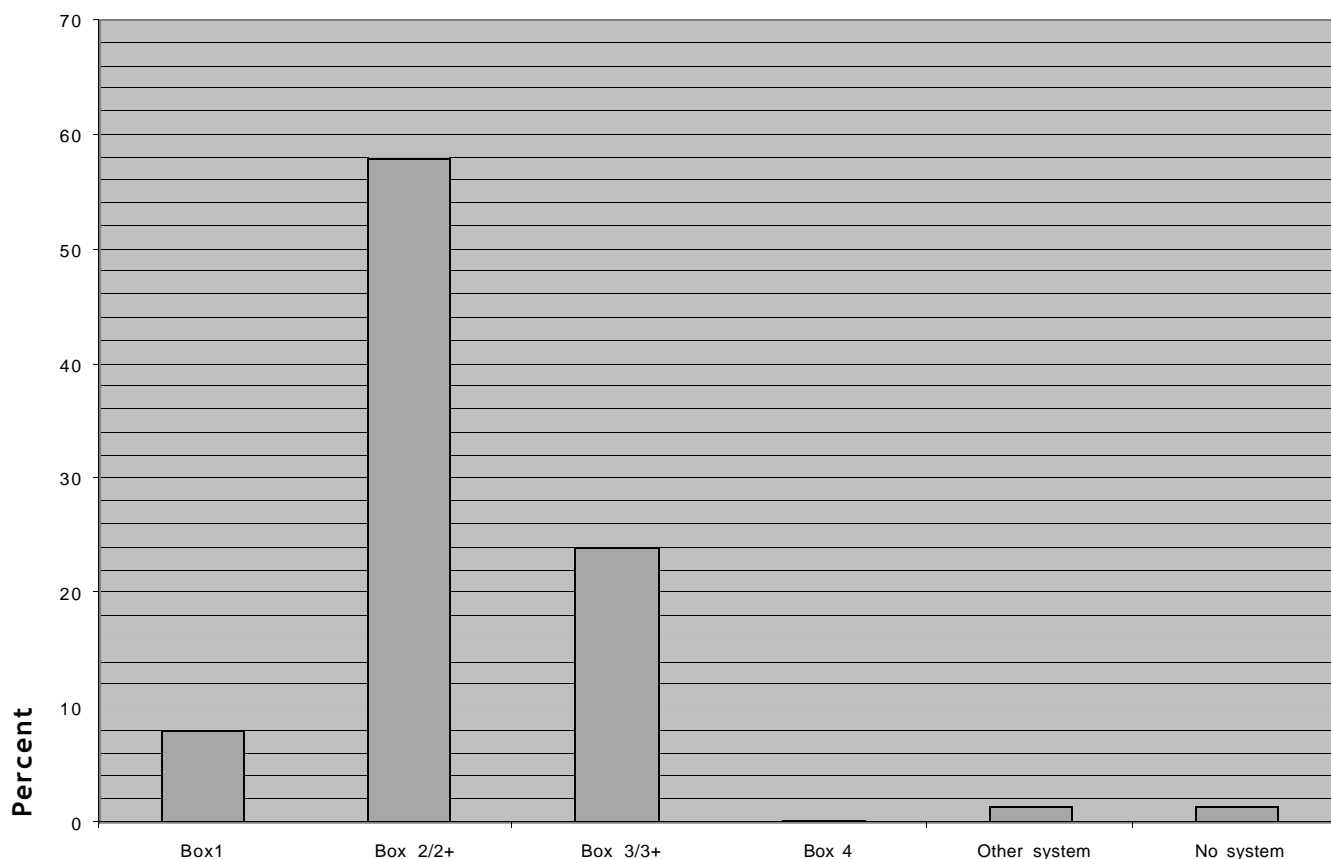
**Notes:**

1. Figures do not round to 100% due to missing responses.
2. The percentage of respondents receiving no annual increase includes a number who indicated that they had received a promotion increase.

**Question: Which box marking did you receive?**

The proportion of Box 1 and 2 markings has increased slightly compared with last year, when 7% of respondents received a Box 1 and 56% received a Box 2 or 2+. The number of Box 3/3+ markings has fallen from 28% in 1999. Small minorities of respondents indicated either that their performance had been rated by a different system or that there was no system for rating performance in their organisation.

**Chart 4 — Which box marking did you receive?**



**Question: Into which performance category did you fall?**

5% of respondents had received a Tranche 1 assessment, 18% were in Tranche 2, 46% in Tranche 3 and 2% in Tranche 4. However like the box marking process, the tranche allocation is as yet incomplete.

## Pay satisfaction

Respondents were asked about their level of satisfaction with their pay. As shown in Table 2, there is a very strong level of dissatisfaction with pay increases relative to increases paid to staff in private sector organisations. Over three quarters of respondents were either dissatisfied or very dissatisfied with their pay increase in this respect compared with just one in twenty who expressed satisfaction. The way in which pay increases are determined and slow rate of progress towards pay band maxima are also significant causes of dissatisfaction. Around two thirds of respondents were dissatisfied or very dissatisfied with both these aspects of pay compared with around one in ten who were satisfied. Around one quarter of respondents were either satisfied or very satisfied with their most recent pay increase and with their increase in pay relative to inflation. However, more than four in ten were dissatisfied on both counts and between one quarter and one third were not prepared to express any positive view.

### Pay Satisfaction (% of respondents)

	Very Dissatisfied	Dissatisfied	Neither	Satisfied	Very Satisfied
Your most recent pay increase	16	27	25	22	5
How your increases are determined	22	41	23	11	1
The rate at which you progress towards your band maximum	32	34	21	10	1
The increase in your pay relative to inflation	13	31	30	23	2
The increase in your pay relative to increases paid to staff in private sector organisations	43	34	16	5	0

## Pay and performance

Respondents were asked for their views on a range of statements about pay and performance. Analysis of their responses identified five factors with statistically significant values which together explained 60.6% of the total variance:

### 1. Communication about pay calculations

Less than half of respondents had a clear understanding of the way their pay is administered or considered that they were clearly informed about the way in which their pay is calculated. Respondents aged over 50 were most positive in their responses to the statements set out in Table 3 whereas those in the age groups from 30-49 were more likely to disagree that communications about pay calculations are clear. The relationship between age and attitudes to this factor is not statistically significant but it is close to being so (Chi square = 0.061). See table over page.

### Communication about pay calculations (% of respondents)

	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
I understand the criteria my organisation uses to administer pay	12	30	16	37	5
The way my pay is calculated is clearly communicated to me	16	28	18	32	6
I am informed of how my pay is calculated	12	22	17	40	7

## 2. Reward for performance

Despite overwhelming agreement about the demanding nature of workloads and agreement by just under two thirds of respondents that their last performance appraisal accurately reflected performance, three quarters of respondents did not agree that their pay increases motivated them to work harder. There was no clear view on the assertion that highest performing staff get the highest pay increase: 33% of respondents disagreed with this statement, 35% agreed and 31% neither agreed nor disagreed.

### Reward for performance (% of respondents)

	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
The pay increases that I receive motivate me to work harder	38	36	15	9	1
The highest performing staff get the highest pay increase	8	25	31	31	4
The pay increase I receive is clearly related to my performance	16	35	21	26	1

## 3. Links between pay and performance

Respondents were asked for their views on new ways of assessing performance for pay purposes, along the lines set out in the Bichard and Makinson reports. As shown in Table 5, there was neither strong agreement nor strong disagreement with the proposal to link more of pay to team performance. Views were also divided on whether more of pay should be linked to organisational performance, though the level of support for an organisational link was lower than for a team-based link. However, the fact that around one third of respondents were unable to express a view either about these proposals indicates a lack of clarity about the practical implications. Our assessment, based upon experience to date, is that staff will make a firmer judgement on the basis of more specific and detailed information about how such systems will actually operate.

### Links between pay and performance (% of respondents)

	Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
More of my pay should be linked to the performance of my work team	8	27	32	30	2
More of my pay should be linked to the performance of my organisation	15	36	28	19	2

## 4. Non-consolidation

By comparison, it is much more straightforward for respondents to assess the impact of making more of their pay increase non-consolidated and not surprising that non-consolidation only becomes slightly more acceptable if non-consolidated awards are well above those currently being received. Although not statistically significant (Chi square = 0.074), there is some relationship between the age of respondents and attitudes to this factor. Those aged over 50 are more likely to disagree that a greater proportion of pay should be paid on a non-consolidated basis. An obvious explanation for this is that non-consolidated payments are not reflected in pensions. See table over page.

**Non-consolidation (% of respondents)**

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly Agree</b>
More of my pay should comprise non-consolidated bonuses	35	34	18	8	4
I would welcome a higher award even if more of the increase took the form of a non-consolidated bonus	14	26	19	33	7

**5. Workloads and progression**

Over 80% of respondents agreed both that staff workloads are very demanding and that the pay system should provide measurable progress up the pay band – see Table 7. (To be clear, we are not suggesting that the issues of workloads and pay progression are in any way linked). White respondents were more likely to agree with these statements and non-white respondents either to disagree or to have no clear view. Although the relationship between ethnicity and attitudes to this factor is clear, it is not statistically robust due to the small sample size of non-white respondents. There is however, a statistically significant relationship based on gender. Males were more likely to disagree with the statements and less likely to have no clear view or to disagree, whereas females were more likely to have no clear view or to agree (Chi square = 0.03).

**Workloads and progression (% of respondents)**

	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly Agree</b>
In general, staff workloads are very demanding	1	11	44	43	
The pay system should provide me with measurable progress up my pay band	1	2	11	52	33

**Hours of work**

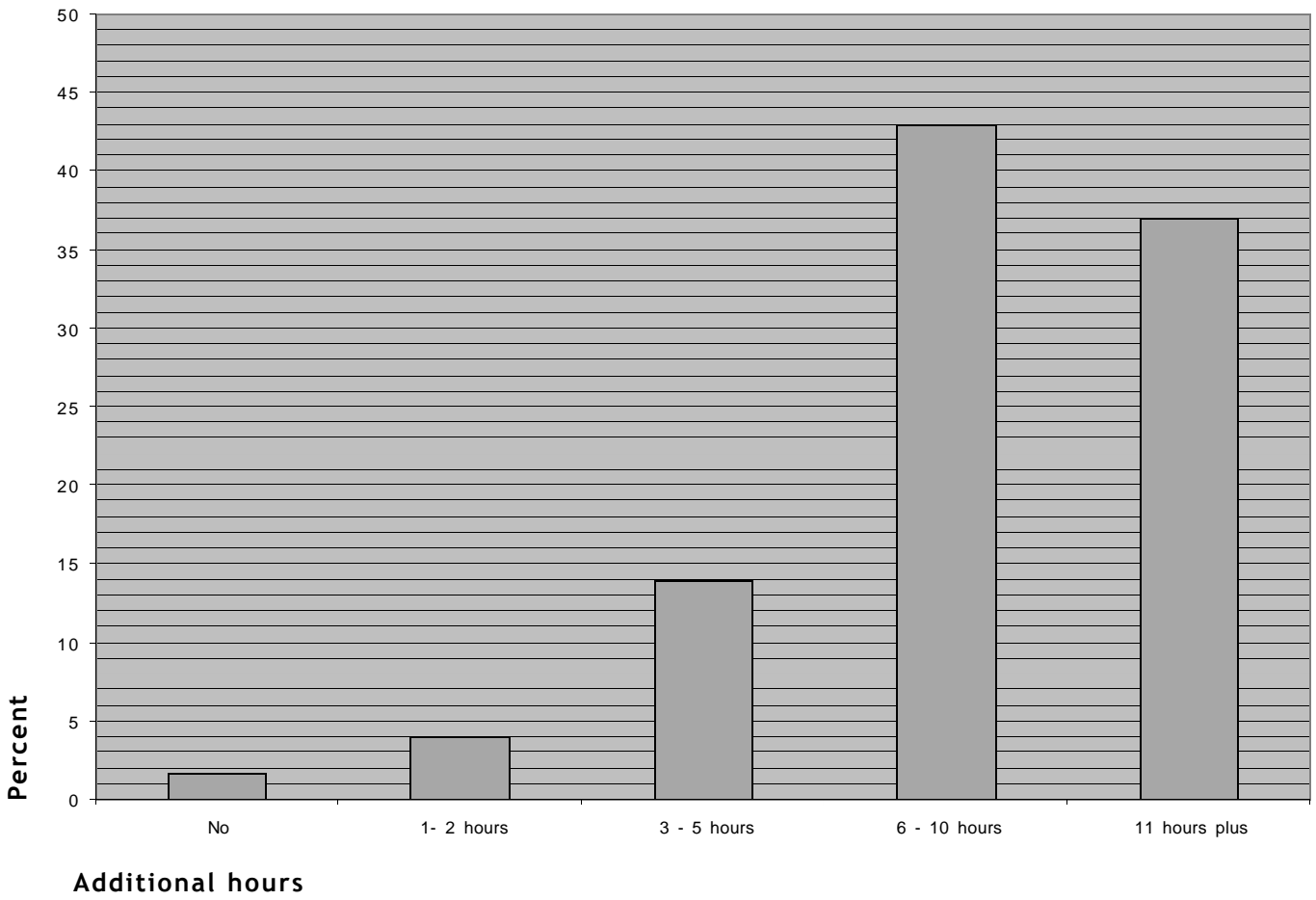
**Question: Do you work more hours than you are contracted to work?**

Only 2% of respondents did not work more than their contracted hours, down from 8% in 1999. Despite the Working Time Directive the proportion working very long additional hours has increased, from 29% in 1999 to 37% currently, as shown in Chart 5 (over page). In 1999, 2% of respondents worked 1-2 hours extra, 17% worked 3-5 hours more than contracted and 44% worked an additional 6-10 hours.

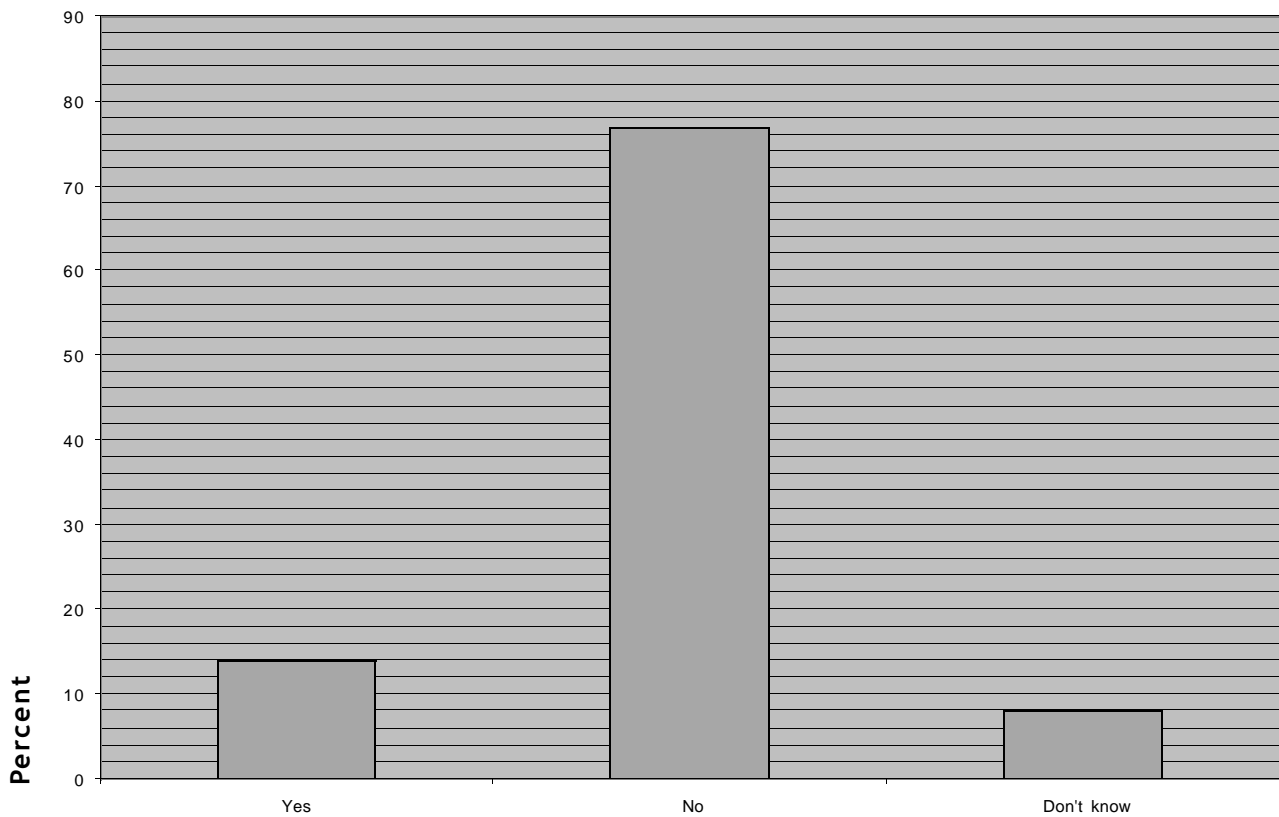
**Question: Has your Department/Agency taken sufficient steps to reduce excess hours working?**

Just 14% of respondents stated that sufficient steps had been taken to reduce excess hours working, down from 17% in 1999. 77% considered that insufficient steps had been taken compared with 78% in 1999 – see Chart 6 (over page). Respondents were more likely to agree that steps had been taken to reduce excess hours if they were not themselves working extra hours or were doing so at a level up to 5 hours a week. Those working very long additional hours (i.e. 11 or more per week) were least likely to agree that sufficient steps had been taken by their organisation to reduce excess hours working.

**Chart 5 — Do you work more than your contracted hours?**



**Chart 6 — Steps taken to reduce excess hours?**



## Training and development

### *Question: What type of training have you personally received in the last year?*

Off the job training was the most popular type of course, though the proportion of respondents participating in such a course was slightly lower than in 1999. With the exception of computer-based learning, participation in other types of training had increased slightly though, in absolute terms, involvement in coaching/mentoring schemes and distance learning is still very low.

#### Types of training and development received

Type of Training	% of Respondents	% of Respondents 1999
Off the job training (short course)	62	65
Residential training	33	31
On the job training	29	24
Coaching/mentoring	12	11
Distance/open learning	6	4
Computer-based learning	20	22

Note: Percentages add to more than 100 because of multiple responses.

Participation in residential training tends to decline with age, though this relationship is not statistically significant. Respondents aged over 50 were also less likely than younger respondents to have had the opportunity to participate in coaching/mentoring relationships. This relationship is statistically significant (Chi square = 0.001). Respondents aged over 40 were significantly less likely to have engaged in distance / open learning (Chi square = 0.022).

## Non-pay incentives

Respondents were asked about the motivational value of various forms of non-pay incentives. Greatest overall importance was attached to better career prospects, though over half of respondents also attached importance to an improved working environment, flexible working and family friendly policies. National awards/honours were rated as of lowest importance overall, though over half of respondents also considered that opportunities for career breaks and benefits in kind were of limited value or not at all important.

#### Motivational value of non-pay incentives by % of respondents

	Not at all important	Limited value	No effect	Some importance	Very important
Training and development opportunities	9	26	16	39	9
Better career prospects	4	11	11	44	29
Opportunities for career breaks	28	21	20	24	7
Improved working environment	5	19	20	47	8
Flexible working	15	18	20	35	11
Family friendly working practices	14	19	17	33	17
National awards/honours	53	17	14	14	2
Benefits in kind e.g. medical insurance, gift vouchers	28	24	15	27	6

However, responses did vary significantly by age and gender and disabled respondents attached a high priority to the introduction of family friendly working practices (Kruskal Wallis = 0.026).

Analysing responses by age:

- Younger respondents (aged 30-39) and those over 60 attached greater importance to training and development opportunities than those in middle age ranges.
- Better career prospects and opportunities for career breaks were most important for those

- aged 30-39 but also of importance to those in the 40-49 age range.
- An improved working environment was most important to respondents aged 60 or over. It was also of importance to younger respondents but regarded as least important by those in the 50-59 age range.
- The importance of flexible working opportunities and of family friendly working practices declines with increasing age.
- National awards and honours were viewed with greater importance by respondents aged over 50.
- The importance of benefits in kind increases steadily with age.

Most of these relationships are statistically significant. (Kruskal Wallis: better career prospects 0.000, opportunities for career breaks 0.010, improved working environment 0.019, flexible working 0.000, family friendly working practices 0.000.)

Considered by gender:

- Females attach more importance than males to training and development opportunities, better career prospects, opportunities for career breaks, an improved working environment, flexible working, and family friendly working practices.
- Males attach more importance than females to national awards and honours and to benefits in kind.

Most of these relationships are statistically significant. (Kruskal Wallis: training and development opportunities 0.001, better career prospects 0.008, opportunities for career breaks 0.000, improved working environment 0.013, flexible working 0.000, family friendly working practices 0.003.)

## **Other comments**

Respondents were invited to add further comments on any aspect of the Senior Civil Service. A selection of these comments is at Appendix 2.

## Appendix 1: Organisations from which responses were received

Attorney General  
Benefits Agency  
Biotechnology and Biological Sciences Research Council  
British Library  
British Museum  
Cabinet Office  
Charities Commission  
Competition Commission  
Court Service  
Crown Office and Procurator Fiscal  
Customs and Excise  
Crown Prosecution Service  
Defence Evaluation Research Agency  
Defence Logistics Organisation  
Defence Procurement Agency  
Department for Culture, Media and Sports  
Department for Education and Employment  
Department of Environment, Transport and the Regions  
Department of Health  
Department of International Development  
Department of Social Security  
Department of Trade and Industry  
Employment Service  
English Nature  
Exports Credits Guarantee Department  
Food Standards Agency  
Foreign and Commonwealth Office  
Forest Enterprise  
Forestry Commission  
Further Education Funding Council  
Government Offices in the Regions  
Health and Safety Executive  
Highways Agency  
Historic Scotland  
H M Treasury  
Home Office  
House of Commons  
IBEA  
Inland Revenue  
Land Registry  
Lord Chancellor's Department  
Low Pay Commission  
Medicines Controls Agency  
Meteorological Office  
Metropolitan Police Service  
Ministry of Agriculture, Fisheries and Food  
Ministry of Defence  
National Assembly for Wales  
National Audit Office  
National Lottery  
National Maritime Museum  
National Museum of Wales  
NHS Executive  
Northern Ireland Civil Service  
Office of Fair Trading  
Office of Gas and Electricity Markets  
Office of National Statistics  
Office for Standards in Education  
Ordnance survey  
Parliamentary Counsel Office  
Parliamentary Ombudsman  
Patent Office  
Prison Service  
Privy Council Office  
Science Museum  
Scottish Executive  
SERAD  
Serious Fraud Office  
Shadow Strategic Rail Authority  
Sport Scotland  
Treasury Solicitor's Department  
Valuation Office

## Appendix 2: Further comments by respondents

Set out below is a selection of the additional comments made by respondents.

### Pay and performance

- There is some lack of transparency about the terms on which Box 1s are allocated between Tranches 1 and 2.
- Whilst I understand how the pay system works, I do have concerns about relative reporting standards across the organisation. I thought my performance mark was reasonable until I saw the distribution for the SCS in the office – it was highly skewed to the higher marks.
- I have no clear idea how performance pay works; I find the system does not help to increase performance; performance turns largely on professional pride.
- If a performance pay system is to be acceptable, box markings must be seen to reflect fairly across the civil service. They do not.
- I feel that sustained high performance has had much less impact on my pay level (and hence the cash value of % increases) than if I had inherited a high base from pre-performance pay days
- Performance pay is a cause of resentment.
- In reality PRP stands for perception related pay rather than performance related pay.
- In spite of being asked, my manager never explains as to how I can achieve higher pay award.
- The difference between Box 2 and Box 3 this year was 0.7%, worth about £4 a week for me after tax. Was it worth it?
- This year my mark was 2+. I got a discretionary award of £300 which on careful reflection has virtually been a source of demotivation.
- I am still very angry that a Box 2 merits a below-average award in my department – not renowned for over-marking. It is not just the result, but also the process which seems wrong: complete lack of transparency, and apparent second-guessing at the performance marks.
- I worked very hard last year. My team and I delivered an improved performance. I convinced my Director and he assured me that a Box 2 was merited. But in Band 1 zone 4 I got £1930 against a Box 3 of £1790 which after tax etc. works out at £7 a month. It is not going to motivate me or make progress.
- My department has just announced that this year most Box 2 performers will receive virtually the same increase as Box 3. Having been awarded my first Box 2 for some time on the basis of an exceptionally demanding year's work, I feel very let down and demotivated.
- I write this having just been informed that my pay increase will be less than 3.5% despite my receiving a Box 2+ in my annual appraisal. This is near the bottom of tranche 3. It is £160 pa (£96 after tax) more than someone in the same pay band with a straight Box 3.

### Pay progression

- In eight years as a grade 5 senior civil servant, I have made no progress and remain stuck at 40% of my payband minimum.
- There is negligible movement towards a rate for the job. Every year the SSRB pays lip service to the need to move in this direction, but every year nothing happens.
- I have little idea on what basis decisions are made to shift people to a higher pay band.
- The most demotivating aspect of the pay arrangements for me is my apparent inability, despite high performance markings, to make any substantial progress through the pay band. After eight years in the grade I have managed something like 20% above the minimum.
- I want a pay system that is fair and allows satisfactory progress through the pay band.

### Pay system

- I have been at the top of my scale for ages. I have recently been given extra responsibility but there is no way that this can be properly reflected in my pay as all increases (other than cost of living) are unconsolidated. I resent this.
- I feel badly treated compared with the wider public sector
- Poor pay conditions and prospects are killing us below the SCS, which affects the SCS's work and position.
- The salary structure below Grade 5 was difficult to understand, the SCS is completely opaque!

- The pay system is closed and secretive. We all want better pay but it isn't a motivational factor.
- The way we are treated over pay is a disgrace.
- I dislike the fact that others doing a job of equal weight to an equal standard are paid more because of historical pay systems.
- Overlapping pay with Grade 6 and Grade 7 means that a young entrant to the SCS will take many years to catch up with average but long serving Grade 6s.
- The pay system is obscure and provides the opportunity for much mutual back-scratching at the top.
- I earn up to £20k pa less than men doing similar work, partly because they had been longer in lower grades before they reached the SCS. I reached the SCS despite a career break of ten years but am penalised on salary.
- My main complaint about MOD pay determination is that performance seems to be assessed relative to peers, whilst attribution to pay tranches seems to be based on the whole SCS community in MOD. Thus as an average to good Under Secretary I invariably get paid less than my good to very good Assistant Secretary subordinates, who have smaller jobs than me, which I could do as well as them if I could reverse my promotion. So promotion in MOD means impoverishment!
- Most of all, I would welcome an entirely transparent pay system.
- The pay system needs an overhaul – the present approach is a curious amalgam of objective and subjective factors which are complex and non-transparent. But there are dangers too in allowing reporting officers, even under guidance to determine awards.
- SCS pay has become a joke. Everybody that I know in the private sector of comparable age, experience, seniority earns two to five times as much as me. I am not asking for parity. There are advantages working in the CS: the bonhomie of most colleagues, the fascinating work in most cases, proximity to power, London-base. I am prepared to accept less than parity for these, but not for that much less. The first chance that I get, I will leave.
- Under the incremental system, the deal was 4.5% plus an inflation allowance each year. My department's median and mode pay award this year was 4% to include both elements. We were sold down the river when the current system was introduced: at least more junior members of the SCS were.
- The present system gives too much power to reporting officers who may resort to bullying and intimidation to achieve personal recognition.
- The allocation of pay rises to SCS members in DTI agencies warrants serious investigation. There is a strong suggestion that SCS staff in DTI agencies are not being treated equally with their Headquarter equivalents.

## Modernising agenda

- I have reservations about linking pay to organisational performance in the civil service since Ministers can easily damage such performance by media-obsessive behaviour which is inimical to efficiency and effectiveness.
- I am disturbed by proposals to award some pay as non-pensionable.
- The career structuring in the technical/professional areas of the SCS is very limited, and especially so in the departments/functions removed from London. The allowances system, combined with house prices, and family constraints increasingly means that London posts are practically denied to those working away, except at great disruption.
- Major questions need to be asked about the deluge of self-defeating central initiatives, and the core-business of departments.
- Generally we expect people to be able to do everything. We do not play to strengths. We regard pushy people who do not listen, who take action (which often turns out badly) as more useful than those who work as part of a team.
- We (and our organisations) need space for thinking and evidence-based capacity-building. We cannot be creative, or provide inspired management to meet all the demands of Better Government, etc, if we are constantly working excessive hours on a policy agenda which is moving very fast (and in a dynamic political climate where uncertainty is prevalent). People are tired: long hours are not family friendly. If they really believe in equality of opportunity, we must tackle these issues as urgently as dealing with pay.
- There is every likelihood that a hidebound civil service, which is still living in the 19th century, class conscious and not really prepared to modernise itself, will go down the trail of foisting all sorts of gimmicky so-called incentive schemes on staff. One of the few 'perks' we have is a reasonable pension scheme. Non-consolidated benefits, non pay

incentives are a 'con' – a way of denying pensions.

- Will the new system be any better? Will there be any reparation for the unsatisfactory pay arrangements operating over the last few years? – doubt it very much. As we inch towards better progression up pay scales, what justice will be done to those for whom it is becoming almost too late?
- In an effort to produce a more business like approach, the SCS seems to pick some things out from the private sector, but reject others which very often are designed to go hand in hand. The service is almost completely devoid of benefits which motivate people.
- There are insufficient mechanisms to stop cronyism in appointments, appraisals and promotions in the SCS.

## **Motivation**

- Performance pay does not motivate but it can certainly demotivate.
- Pay is the basic motivator, unless people feel they are adequately rewarded non-pay incentives are worthless.
- Recognition is a very important motivator for me and many of my colleagues.
- Our rewards are a disgrace and reflect abject weakness by very senior civil servants over the last decade or more. Despite the attractions of the work we do, I would never recommend any friends to consider a permanent career in the Civil Service, and I would strongly dissuade my children from doing so.
- I do not want management by fear.

## **Hours and workload**

- I work 60+ hours at times and the reward is the same as if I had done 37 hours and half the work.
- Differentials with Grade 7s at the top of their scale do not in any way match the differing levels of responsibility and workload.
- The attempts to tackle long hours culture are well meaning but will always seem feeble and after the event so long as there is no serious attempt to address the serious imbalance between what's expected of us and the resources made available to do it, and no effective prioritisation.
- We need to be given sufficient resources for new initiatives.
- There seems to be a growing expectation that staff at all levels will simply work harder. The intense pressure is becoming increasingly counter-productive. I doubt that I will be able to cope with this pressure through to normal retirement age – I have eight years to go.
- Workloads are quite unreasonable

## **JESP**

- Because the pay bands are relatively wide, and the top of scale is somewhat academic, the organisation pays no attention to the JESP scores, or to how these could have increased due to flatter organisations with wider responsibility spans. My JESP score has remained unchanged since the SCS was formed, despite several increases in responsibility. The organisation seems to have a fixed notion of JESP score for each grade.
- The link between JESP score and pay is weak – my starting pay as a Grade 5 won't be affected by the score when they get round to weighting by job nor will it affect the rate of progression.