



CABINET
OFFICE

Senior Civil Service Pay and Performance Management

NEWSLETTER

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To all SCS members

The SSRB Annual Report 2003

We are pleased to let you know that on 7 February the Government published its response to the 25th Annual Report by the Senior Salaries Review Body (SSRB). It has accepted all the Review Body's recommendations for SCS pay.

This Newsletter contains a summary of the recommendations made by the SSRB and explains what they mean for you.

Summary of the recommendations

The main recommendations relating to SCS pay are:

- all points on the SCS pay ranges are to be revalorised by 2.25% with effect from 1 April 2003;
- individual base pay awards will range from 0% for those making the least contribution to 9% for the best performers;
- the minimum non-consolidated bonus payment will be 3% of salary or £2,500, whichever is the higher; and
- the Permanent Secretaries' new pay range is £118,750 to £251,500.

Pay Bands

From 1 April 2003 the new pay ranges and target rates will be :

Pay Band	Minimum £	Progression Target Rate (PTR) £	Higher Performance Target Rate (HPTR) £	Recruitment & Performance Ceiling (RPC) £
1	52,403	72,841	81,749	110,047
1A	60,788	81,749	91,181	120,527
2	72,316	97,470	116,335	151,969
3	89,085	126,816	148,825	188,651

Figure 1: SCS pay ranges at 1 April 2003

Where departments offer a higher **London target rate** the pay band minima and PTR for bands 1 and 1A will be £3,500 higher than shown above. The HPTR and RPC remain unchanged.

Base Pay

The SSRB recommended that the range of individual performance awards for SCS members should lie within the range of 0% to 9%. In the light of this and the uplift to the pay ranges, the Cabinet Office has produced the pay matrix shown below in Figure 2. This is designed to ensure higher awards for those contributing most to departmental objectives and pay progression towards target rates for all performers in tranches 1 and 2.

This pay matrix will be used to calculate your annual performance award. It shows the percentage pay rise you will be entitled to based upon your position in the pay range and your performance tranche allocation. Position in the pay range is calculated with reference to the April 2002 ranges and not those applicable from April 2003.

Performance Tranche	Position in Pay Range				
	Lower Zone	Upper Zone	Premium Zone	Upper Premium Zone	Above RPC (*)
Top Tranche (25%):	9%	8%	5%	4%	4%
Middle Tranche (65-70%):	5%	4%	2.25%	2.25%	2.25%
Bottom Tranche (5-10%): Satisfactory	0 to 2.25%	0 to 2.25%	0 to 2.25%	0 to 2.25%	0 to 2.25%
Bottom Tranche (5-10%): Unsatisfactory	0.0	0.0	0.0	0.0	0.0

(*) Pay awards above the Recruitment and Performance Ceiling are non consolidated

Figure 2: SCS Pay Matrix 1 April 2003

The values set out in figure 2 will result in progression to target pay levels of about 3-4 years for consistent tranche 1 performers and 9-10 years for those in tranche 2 for Pay Bands 1, 2 and 3.

Your Personnel Unit can provide further information on how your pay award is calculated.

Bonuses

The bonus pot in your Department will increase to 3.8% of the SCS paybill from 2.3% last year. Ministers decided that the bonus pot would be phased in over three years and it will reach its full size of 4.9% in 2004.

Your Department will already have decided its strategy for distributing bonuses. This year there will be greater differentiation in the size of bonuses based on individual performance and contribution to organisational goals.

The minimum bonus payment will be 3% of salary or £2,500 whichever is the higher. The maximum bonus that can be given to outstanding performers is 20% of base pay. Bonuses are non-consolidated.

Equal Pay Audit

Last year the SSRB recommended that the Cabinet Office should undertake an equal pay audit of the SCS pay system. This work is progressing well in consultation with the Trade Unions. We expect to be able to report findings to the Review Body and to Departments by April.

Permanent Secretaries' Pay

Permanent Secretaries' pay is determined by the Permanent Secretaries Remuneration Committee on broadly the same basis as for the SCS. The pay range will increase to £118,750 to £251,500 from April.

Evaluation of the SCS pay and performance management systems

The Cabinet Office has now completed an evaluation of the first year of operation of the SCS pay and performance management systems with the help of consultants. We are examining the lessons for the 2003 pay round and beyond and will let you know the findings in a further Newsletter shortly.

Further information

Further information about the SCS pay and performance management systems can be obtained from <http://www.cabinet-office.gov.uk/civilservice/scs/index.htm> .

If you have any queries you should speak, in the first instance, to your local SCS pay contact or your Personnel Director.

Cabinet Office