

2018/2019/2020 CIVIL SERVICE PAY REVIEW

Formal Offer to Civil Service Staff Side – 23 May 2019

1. Terms of the Employer's pay offer to Civil Service Staff Side

This offer comprises the following:

- Pay increases and non-consolidated payments implemented in respect of 2018 and 2019 remain unchanged;
- Pay will be increased from 1 January 2020 by the value of the September 2019 Retail Prices (All Items) Index plus 1.3%. This increase will be consolidated. The current forecast from the September RPI figure is 3.1% which would result in a consolidated increase of 4.4% although the actual RPI figure at that time will be used regardless of whether it is higher or lower. Consequently Civil Servants are guaranteed an increase that will be 1.3% above the rate of inflation;
- SEB acknowledges the situation faced by individuals who are on pay protection following roll-out of the Target Operating Model (TOM) for their area, or who may face uncertainty because TOM has not yet been rolled out in their area. The 2020 pay increase set out above will be paid to all individuals who, as a result of TOM, are on pay protection, or who go onto pay protection at any point up to and including 1 January 2020. This increase will be applied to individuals impacted and at their pay level in place as at 1 January 2020;
- Individuals who go onto pay protection for any reason after 1 January 2020 will do so based on their salary in force at the time they enter pay protection ie after application of the 1 January 2020 pay increases;
- Civil Servants who are paid £100k or above do not qualify for this pay increase. The SEB is conducting a separate review of salaries for all Government employees paid at this level. The SEB warmly invites Civil Service Staff Side to contribute to this review and will be pleased to receive written or oral submissions in respect of this section of the unions' membership. This review will be concluded by 30 November 2019;
- With effect from 1 July 2019, holiday allowances will be improved in line with the following table:

	On appointment	5 or more years of service	10 or more years of service
Annual Leave	25 days	28 days	31 days

- With effect from 1 July 2019, the contracted working week for Civil Servants will increase from 37 hours to 37.5 hours for full-time employees. The contracted hours for part-time employees will be increased on a pro-rata basis to preserve their earnings given the consequential impact on the hourly rate of pay;
- A steering group will be established immediately comprising appropriate senior managers and union officials to progress discussions aimed at agreeing gain share arrangements. This group will agree its terms of reference at an early stage; the group's activity will focus on identification of tangible and measurable savings against a confirmed base-point over and above those identified through the Government's efficiencies programme. The work of the efficiencies programme will be scoped out and shared with the steering group so a genuine and transparent baseline can be demonstrated against which further additional savings will be benchmarked. The agreed baseline will not be changed retrospectively. Resultant savings will be split on a 50:50 basis. The clear intention of all parties is to identify sufficient additional recurring savings which can be used to increase the consolidated pay offer made to Civil Servants with effect from 1 January 2020. All parties aspire to achieve a further self-financing increase of up to 0.8%. This is not a firm target and is not subject to a cap but will reflect the recurring savings actually achieved. It is also recognised that the steering group may identify additional one-off non-recurring savings which would be shared as a bonus payment and not consolidated into pay;
- **It is important that communications on this offer are open and transparent and that all parties to any agreement recognise that the quantum of any potential award derived through the gain share is entirely dependent on the level of savings identified by the steering group;**
- The steering group will complete its work by 31 December 2019. Savings and efficiencies, including money derived from implementing more efficient use of the Government's assets, will be subject to joint quarterly audit across 2020. The gain share will be based on actual results achieved and included in pay backdated to 1 January 2020;
- The steering group will also seek the involvement of Civil Servants in identifying savings in a way that reflects the fact that people who work in the Civil Service at all levels are closest to, and therefore able to identify, savings opportunities from all sources. It is expected that savings will be drawn from reforming a range of activities including avoidable expenditure which is not simply from the pay bill;

- Some areas for potential reform have already been identified which will be subject to further discussion, including:
 - Achievement of consistent and fair shift pay arrangements across the Civil Service;
 - Introduction of contractual standby and callout arrangements where that makes operational sense;
 - Development of the teaching assistant role so that it better supports educational outcomes within the teaching pay family, whilst respecting existing union representation arrangements;
 - Establishment of a new clinical group enabling those who work in health roles to have pay and grading arrangements that reflect the broader Health and Community Services arrangements, again whilst respecting existing union representation arrangements;
 - Harmonisation of the various flexitime arrangements which exist across the Civil Service, preserving this valuable benefit to employees whilst supporting the movement of individuals between and across teams in a way that fulfils operational and, wherever possible, individual requirements.

2. Next steps

- This is a firm offer made by the Employer on the basis that Civil Service Staff Side will ballot members;
- During the ballots, Civil Service Staff Side have agreed to suspend all industrial action pending the outcome of the membership ballots;
- Civil Service Staff Side and the Employer will liaise on communications of this offer to all interested parties;
- The steering group to be established immediately to discuss and agree terms of reference in conjunction with SEB to enable its work, subject to union membership agreement, to be concluded by 31 December 2019;
- Resultant recurring additional savings to be split 50:50 between the parties with further consolidated increases to pay being applied with effect from 1 January 2020 as set out above, with potential for additional bonus payments being made in respect of further one-off savings identified through the process.

This enables resolution of the pay dispute whilst also importantly putting in place a collaborative process for discussing and agreeing reforms to achieve progress on matters of mutual benefit.