

## DFP PAY UNIT – PAY BULLETIN 3/05

### **2005 PAY OFFER**

1. In the light of recent press articles on Civil Service Pay, we felt that we should address some of the issues to which the press is giving some prominence, and circulate to all staff a reminder of the whole package on offer this year. As you may already be aware, that offer is currently the subject of a consultation exercise by Trade Union Side.

#### **The 2005 Pay Offer**

2. The package on offer this year comprises:
  - one-step progression for all eligible staff whose performance was satisfactory in the reporting year 1 April 2004 to 31 March 2005;
  - the addition of a further point at the top of the majority of pay scales to ensure that those currently on the maximum receive a consolidated increase of 2.48%;
  - the removal of the minimum point from the majority of pay scales;
  - non-consolidated bonuses for Box 2 and Box 1 performers of £200 and £400 respectively. An estimated 19,000 staff would receive one or other of these bonuses.

This leaves 0.2% of the pay remit available for revalorisation of pay scales. However, as a whole, the deal is worth between 2.2% and 6.5% to individual staff who are eligible, with a small number of staff receiving more than 6.5%.

- AAs would receive between 2.5% and 3.7%;
- AOs would receive between 2.5% and 6.1%;
- EO2s would receive between 2.2% and 6.5%;
- EO1s and SOs would receive between 2.4% and 6.5%;
- DPs would receive between 2.3% and 6.5%;

- G7s would receive between 2.7% and 5.2%;
  - PTOs would receive between 2.7% and 5.7%;
  - HPTOs and SPTOs would receive between 2.7% and 6.3%.
3. Overall, the package (excluding bonuses) is worth an earnings growth of 3.49%, and would be payable from the settlement date of 1 August 2005. The proposed new pay scales, from which you can calculate how much the offer is worth to you, are available on the pay website, [www.pay.nics.gov.uk](http://www.pay.nics.gov.uk), or from Departmental Establishment/Personnel Branches.

While the offer does not apply directly to staff in the Child Support Agency and Social Security Agency, these Agencies will mirror the NICS award in the usual way. The offer does not apply to the Northern Ireland Office pay group, which has delegated responsibility for pay and therefore carries out its own negotiations.

### **One-step Progression**

4. You will note from the above that the cost of one-step progression has been included in the overall 3.49% offer. This is because under direct rule the NICS must adhere to Treasury guidelines issued each year on civil service pay, as do all Whitehall Departments. These guidelines require Departments to include all elements of proposed pay increases in the earnings growth figure, including costs associated with progression. Many Whitehall Departments have a similar pay progression system to our own, and like us they have had to include the cost of progression within their overall pay remit. This is not therefore a requirement that is peculiar to the NICS, and there is no flexibility available from Treasury to vary it in any way.

### **Business Case for Increased Remit**

5. The issue of a business case to Treasury for a remit in excess of the 3.49% has also had some public prominence recently. The view of the Secretary of State and his Ministers is that taking all factors into account 3.49% is the very best that can be achieved for staff this year. This decision was not taken lightly, and followed a detailed consideration of all relevant issues, not least those highlighted by Trade Union Side during the course of this year's negotiations.
6. Unlike this year, Treasury will ask the NICS to present a business case to them next year in support of the 2006 pay remit. The Secretary of State has asked Trade Union Side to work with DFP officials in the development of such a business case.

7. This bulletin has been compiled by the Pay and Grading Unit in Central Personnel Group. The contact for any queries you may have on your pay is your Departmental Establishment/Personnel Branch.

A handwritten signature in blue ink, appearing to read 'Keith Jagelman', written in a cursive style.

**KEITH JAGELMAN**  
**PAY & GRADING UNIT**  
**28 November 2005**