

## **DFP PAY UNIT – PAY BULLETIN 3/06**

### **2006 PAY OFFER WORTH 12% OVER THREE YEARS**

1. Pay Bulletin 2/06 recorded the commencement of negotiations with Trade Union Side on the 2006 pay round. This followed protracted and complex negotiations between DFP and HM Treasury at both official and Ministerial levels on the value of the 2006 pay remit for the Northern Ireland Civil Service.
2. Management and Trade Union Sides have been engaged in intensive negotiations on the terms of this year's pay deal. As a result, Management Side has now made a formal pay offer to Trade Union Side covering the three year period from 1 August 2006 to 31 July 2009. This bulletin sets out the details of the offer, and the rationale for it.

#### **Terms of the offer**

3. The overall package is worth an increase for staff in post (previously "earnings growth") of 4.0% for each of the three years from 2006/07 to 2008/09, and is in respect of the reporting years 1 April 2005 to 31 March 2006; 1 April 2006 to 31 March 2007; and 1 April 2007 to 31 March 2008. The deal also includes a transfer of 0.56% of pay bill from the non-consolidated bonus pot to the consolidated pay bill, to support the pay system restructuring. The award is payable at 1 August each year following the end of the respective reporting period. The first year's elements would therefore be payable from 1 August 2006.
4. The pay deal has been designed specifically to address three strategic objectives relating to low pay, equal pay, and pay progression, as agreed with Trade Union Side in informal discussions during the course of last year. A three year deal was required to allow us the flexibility necessary to address these significant issues – flexibility which a one year deal simply would not have provided. Because a three year deal represents a departure from the terms of the 2002 Pay Agreement, Trade Union Side's agreement is required before it can be awarded. In the absence of such agreement, the alternative will be a one year deal which would not be capable of supporting the pay system restructuring now proposed, and this factor would be reflected in the remit which might be available from Treasury in such a scenario.

5. The main features of the offer include:

- a restructuring of the pay scales, including shorter pay scales for the majority of staff over the 3 year period and a substantial reduction in overlaps between adjacent pay scales;
- increases to the band minima and maxima;
- one-step progression for all eligible staff whose performance is satisfactory or better in the respective reporting year;
- improved annual leave entitlements;
- increased pay on promotion provisions; and
- quicker entitlement to pay increases in special circumstances, for example for recent entrants, promotees and those returning to work (change of six month rule to three month rule).

6. Details of the deal are attached for ease of reference, along with revised pay scales and progression charts based on satisfactory or better box markings. The latter include details of the total effect of the pay increases payable at all scale points over the three year period. These increases can be substantial, for example:

19.7% cumulative increase over the three year period for an Administrative Officer on Point 2

13.0% cumulative increase over the three year period for an Executive Officer II on Point 4

11.7% cumulative increase over the three year period for a Deputy Principal on Point 7

16.5% cumulative increase over the three year period for a Professional & Technical Officer on Point 5.

7. Staff will be aware of the increasingly difficult public sector pay environment in which this year's pay round has been conducted. In this context, you should consider the overall package carefully, and specifically how it will impact on your individual circumstances. **The attached progression charts have been constructed to allow you to do that easily.**
8. 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.

## **The way forward**

9. Management Side believes this offer to be a very good one, and we now await Trade Union Side's formal response to it. If accepted, Departments will make payment to staff as soon as is practicable. We will keep you informed of further developments.
10. The new pay scales and progression charts detailing how eligible staff with satisfactory or better box markings will progress along those scales are also available on the pay website [www.pay.nics.gov.uk](http://www.pay.nics.gov.uk) or from Departmental Establishment / Personnel Branches.
11. This bulletin has been compiled by the Pay and Grading Unit in Central Personnel Group. The contact point for any queries you may have on specific aspects of your pay remains your Departmental Establishment / Personnel Branch.



**KEITH JAGELMAN**  
**PAY & DEVELOPMENT DIVISION**  
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**ELEMENTS OF FORMAL PAY OFFER 2006**

- Restructuring of the Pay system.
- One-step progression for all eligible, fully satisfactory or better performers.
- Removal of redundant pay scales.
- Quicker entitlement to pay increases in special circumstances, for example for recent entrants, promotees and those returning to work (change of six month rule to three month rule).
- Annual Leave changes:

**Year 1** - Staff with less than 1 year's service at 1 February 2007 receive 25 days

New entrants after 1 February 2007 receive 25 days on entry;

At 1 February 2007 AA-EO1 receive 30 days after 17 years;

**Year 2** - At 1 February 2008 AA-EO1 receive 30 days after 16 years;

**Year 3** - At 1 February 2009 AA-DP receive 30 days after 10 years.

- Non-consolidated payments for staff receiving less than 2% consolidated pay increase. These non-consolidated payments will be reckonable for pension purposes for those affected staff who retire during the course of the remit period (ie 1 August 2006 to 31 July 2009 inclusive).
- London weighting allowance increased by £2,224 and residual pay leads removed.

- Cleaners moved onto AA pay scale.
- Graduate trainee linked to EO1 pay scale.
- Forest Officer pay leads restored at all levels:

Forest Officer 1 - DP scale plus 7.5%

Forest Officer 2 - SO scale plus 12.5%

Forest Officer 3 - EOI scale plus 17.5%.

- Auditor SO pay leads re-set at:

£1,100 for Auditor SO (MIIA or BATS)

£2,200 for Auditor SO (MIIA and BATS)

£4,000 for Auditor SO IT (MIIA or BATS)

£5,000 for Auditor SO IT (MIIA and BATS).

- Pay leads re-set on EO11 and EO1 Accountant scales, at £3,000.
- Pay lead re-set on Accountant Staff Officer scale, at £3,000.
- Remains of DP Accountant & Auditor pay leads removed, to be replaced with an arrangement that allows the SO Accountant/Auditor pay lead to be taken into account in pay on promotion calculations.
- Performance Bonus levels set at Box 1 £150; Box 2 £50 for Year 1.
- Pay on Promotion increased to 8% in Year 2, and 9% in Year 3; and
- Deputising Allowance increased to 9% in Year 3.