



FDA & PROSPECT WRITTEN EVIDENCE TO THE SENIOR SALARIES REVIEW BODY

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WRITTEN EVIDENCE TO THE SENIOR SALARIES REVIEW BODY FROM THE FDA AND PROSPECT

1. Introduction
2. Response to last year's awards
3. Outstanding issues
 - Overlap
 - Internal market
 - External hires
4. SSRB evidence collection 2016
5. Central or delegated control
6. Civil service context
 - Brexit
 - Relationship with government
 - Social mobility
7. Terms and conditions context
 - Severance arrangements
 - Pensions
 - Special cases
8. Survey overview
9. Recommendations
10. Summary of responses to direct questions in FDA/Prospect SCS pay survey 2016

1. INTRODUCTION

1.1 This year has been one of exceptional upheaval for the UK civil service and the next few years will be no different. While changes of Prime Minister and departmental responsibilities are not unusual, the sheer scale of the challenge set by Brexit for the civil service is unprecedented in peacetime. Despite some claims to the contrary, no corner of the service will be unaffected by the consequences of the decision to leave the EU yet the context for the senior civil service who will be in the front line of this task is one of low morale, under resourcing and a widespread attitude of disdain from politicians who have attacked their impartiality, their professionalism and their pay for a number of years.

1.2 As in previous years the FDA and Prospect have conducted a survey of SCS members in preparation for this evidence. As before there are many issues around the market comparability of pay, the fairness of the current framework and the impact of an arbitrary approach to pension tax relief that heavily penalizes many in the SCS. Increased this year, however, are the voices highlighting the tension between what is being demanded by the government of loyal and long serving civil servants and the complete absence of a consolidated pay award for some for more than five years.

1.3 This evidence will set out some of the issues relating to:

- the civil service response to last year's recommendations from the SSRB;
- the effect of the government's response to the referendum so far and the likely issues raised for the SCS;
- SCS resourcing, redundancies and workloads;
- the obstacles to achieving the shared goal of a diverse and inclusive senior civil service;
- changes to SCS terms and conditions over the past year and the continual challenge of the current performance management approach;
- a number of issues around pension saving - the impact of tax relief policy and moves to limit the availability of pension saving for some groups in the SCS;
- the approach being taken to some 'special functions' and the absence of proper scrutiny over changes to the employment of some civil servants;
- specific pay issues in the SCS;
- the messages of the FDA/Prospect pay survey; and finally,
- the unions' recommendations for the year ahead.

2. RESPONSE TO 2016 PAY AWARDS

2.1 As ever, while pay restraint and the focus on increasing the band minima lead to some heavy limitations on departmental pay awards, the wide range of starting points for departments and the range of individual departmental approaches leads to a broader divergence in SCS pay awards than many would assume.

2.2 The FDA and Prospect have continually raised the issue of the overlap between SCS pay band 1 and the delegated pay grades for a number of years now. It is still the case that about one in three of the respondents to our survey manage individuals on higher salaries than themselves, others suspect they do but due to the lack of transparency of pay rates in some areas, they cannot be sure. This is no longer a short term anomaly. The effect of pay restraint for this group means that many will manage staff paid more than them for a significant period of time. We appreciate that the SSRB also recognizes this problem and has sought to mitigate the issue through recommending increases to the pay band minima. While this has helped address the problem in some areas, in others it has simply meant that once this is done, there is no money left for some longer service civil servants who by this point have now been denied any consolidated pay award for more than five years. This is exacerbated in departments where there is a higher target minimum for SCS1 pay.

2.3 We have highlighted repeatedly that within the government's current pay policy for the SCS it is impossible to operate an effective and fair pay framework. It is not tenable to have a motivated and enthusiastic senior civil service when a sizeable number of individuals have had a five year pay freeze and even those who receive a pay raise do so as a result of being paid demonstrably below the rate for their grade. There are no opportunities for staff to progress through the payscales, many are simply waiting for the pay band minima to catch them before they see any prospect of a pay rise. As demonstrated both by the responses to our survey questions this year, and the comments made by a number of our Grade 6 members during the year, high performing and eminently promotable Grade 6s are not seeking promotion within the service while existing SCS staff are looking to leave.

2.4 It's hard to find any benefit for the taxpayer of this pay restraint among the senior civil service aside from shared misery. Many of the savings trumpeted for this pay restraint are nothing more than a mirage. Spending on external hires, turnover and contractors is the obvious corollary of a straightjacket pay approach and demonstrates the cynical nature of the "1% pay cap". Very recently it has been recognised in the UK Export Finance department where pay restraint has been loosened in order to reduce spending on contractors. This is an issue that

exists in department after department in the civil service. UK Export Finance isn't the outlier and the flexibility afforded to that one employer should be extended to all.

3. OUTSTANDING ISSUES

Overlap

3.1 It remains the case that a significant number of SCS1s are paid less than Grade 6s in their department. While 32% manage staff in a lower grade who are on a higher salary (a slight increase on last year), as stated above, we do not believe the current approach of setting a minimum and retaining departmental pay discretion within that limit is going to be successful in eradicating the issue. This, we contend, can only be achieved through central management of the issue and greater flexibility in the government's pay policy.

3.2 The current SCS Band 1 minimum is £64,000. Of the main civil service employers (the Whitehall 17), 15 pay more to their Grade 6s on the maximum than the SCS1 minimum. The Grade 6 median of 8 departments is higher than the central SCS1 minimum of £64,000. The devolved administrations have made more progress with minimum salaries for SCS1 of £68,959 in Scotland and £68,150 in Wales. The effect on morale is tangible:

Member's Comment

"Failure to address the inconsistency between grade 6 and SCS pay is the major demotivation for both prospective and current SCS1s."

Internal Market

3.3 It should be evident from the overlap issue that the internal market in the SCS is flawed. There is little incentive for lower grades to seek promotion to the SCS from departments that pay Grade 6s more than the government deems appropriate to pay SCS1s. Some departments have sought to address the issue by restricting pay awards for Grade 6s and when the likely consequences of that (an overlap issue with Grade 7) become apparent there are proposals to limit the increases for Grade 7. While this may appear on paper to be a reasonable 'work around', it is not. The problem that needs to be solved is inadequate pay at SCS level. It should be noted that not one of the comments received to our survey suggested that lower graded colleagues should be paid less. In fact many comment that the financial difficulties they face as individuals increases the sympathy they have for colleagues who are paid less.

3.4 If the government wants an SCS that is coordinated, flexible and committed, it should adopt a central approach to its pay and reward. This will mean raising the minimum pay levels in some departments and reversing the current approach of creating dozens of ‘special cases’ that simply lead to a chaotic landscape, unwarranted inequalities and non-existent satisfaction ratings.

External Hires

3.5 A key factor in the divergent average salaries of the SCS between departments is the level of external hires with a pay premium recruited by departments. The structural feature of the pay framework that contributes to this could be remedied at a stroke. The practice of capping internal salaries on promotion at 10% disadvantages existing civil servants and particularly those moving from low paying departments. In contrast, those moving to the civil service from outside are all too aware that it is necessary to maximise their salary at the outset as there is limited likelihood of any increase after that. We believe that the practice of capping internal promotee salaries is unhelpful and exacerbates the discontent and unfairness in the system. The salary the job is advertised at should be the one paid to the successful applicant, regardless of whether they are an internal or external appointment.

Member’s Comment

“The pay system lacks transparency. What information is available indicates that it is unfair e.g. the current practice of advertising posts at the minimum for internal candidates but with higher salaries on offer for external candidates.”

4. SSRB’S EVIDENCE COLLECTION 2016

4.1 We strongly support the approach being taken by the SSRB to encourage greater data transparency and interrogation from the civil service in relation to the SSRB’s remit. In particular we appreciate the recognition that issues of working hours, exit interview data and pay comparisons are key to provision of comprehensive recommendations for the 2017 report.

4.2 It is to be hoped that this data will assist analysis of the external hires issue and a greater understanding of the causes, and potential solutions to, the ingrained gender pay gap that persists in the SCS.

4.3 The apparently intractable gender pay gap is a further area where detailed data analysis would be beneficial. We contend that while one of the obstacles to

remedying this (a stated government policy) is the overall pay cap applied to the SCS, the second hurdle is the lack of clarity in regard to the cause of the problem. We would support the SSRB in seeking transparent data on likely factors such as:

- starting pay rates for external hires by gender;
- starting pay rates for internal hires by gender;
- profile of SCS workforce by gender and length of service;
- profile of SCS roles that attract a pay premium by gender;
- performance management results by gender and working pattern.

All of this data would be needed by employer as well as aggregated across the civil service.

5. CENTRAL OR DELEGATED CONTROL

5.1 We have been asked explicitly this year to address the question of whether the centre (presumably Cabinet Office) or departments should determine SCS workforce policy.

5.2 We believe that given the problems caused by the inconsistent approach currently taken towards SCS workforce policy the responsibility should be centralised. This should encourage greater consistency in pay levels for comparable roles and fairness between performance assessments. It could also limit the inefficiencies of the internal market and encourage mobility and flexibility. We would also hope that this would improve engagement with the relevant employee representatives: FDA and Prospect.

5.3 The major caveat we would make to this is that within the limit of current public sector pay policy, this harmonisation is not possible. Extra investment will be required to resource the civil service in the year ahead otherwise the problems will remain and the costs of buying in resource from consultants and contractors will spiral. A second consideration is the position of the devolved administration who in some respects seen to have managed to address (or mitigate) some of the issues faced by the English SCS. It maybe that greater consideration of workforce policy at a devolved level should be given.

6. CIVIL SERVICE CONTEXT

Brexit

6.1 The impact of Brexit on the UK civil service is hard to underestimate but equally hard to accurately quantify. The establishment of the Department for Exiting the European Union has drawn 250 staff, predominantly senior civil servants, from other departments on loan. This means that we now have a juxtaposition of salaries and departmental reward experience working side by side throwing disparities into stark relief. It also means other departments have reduced resources as it has not been possible to confirm that all these posts have been backfilled.

6.2 Beyond this, every department now has a Brexit related agenda on top of the existing priorities and departmental 2020 plans. Concurrently assessing the implications of, and preparations for, the UK's withdrawal from the EU while continuing all the 'business as usual' public services would be a challenge if the civil service was fully resourced. It is far beyond that as senior civil servants are undertaking unsustainable workloads for pay that doesn't remotely compare with the wider marketplace. It is fair to say that the quality and interest of the work has been a key reason for many staying in the service. A passionate commitment to public service is another key motivation, but there is a growing feeling reflected in the comments to our survey that the pressure on resources undermines this as individuals find they cannot do the work to the standard they would like due to the pressure of an untenable workload and inadequate departmental resources. It should be noted that in the FDA's 2016 Working Hours survey, 23% of SCS members reported regularly working more than 15 hours a week above their contractual hours. A further 26% regularly work between 11 and 14 hours a week more than they are contracted to while 36% work between 6 and 10 hours more. That is effectively 85% of SCS staff working at least an extra day a week - for free.

6.3 This year we asked members of the SCS whether they thought their organisation had sufficient resources to achieve the objectives in place for the year ahead. Two thirds said no. Half still report recruitment and retention problems in their organisation, a figure that has been consistent for a number of years. The task of assessing what will be needed is a long way from completion but the conclusion that more resource in the civil service is needed is inescapable.

Member's Comment

“With Brexit the country needs a civil service that is optimistic, energised, proud, confident and ambitious - and what we have is a senior civil service that is thoroughly dispirited and demotivated. We speak the truth in whispers to

one another that the civil service has been critically disabled...and the saddest part is I no longer have the enthusiasm or energy to care.”

Relationship with the Government

6.4 Senior Civil Servants necessarily have an unusual relationship with the government, one that, it can be argued, relies on a distinct lack of transparency. However, some actions of government and of politicians as individuals, have significant impacts on the morale of the civil service. Accusations around impartiality are not new for the civil service, even if they are rarely if ever substantiated. More insidious though are the claims, made without evidence, that the civil service lack x or y capability or a or b skills. Unless a comprehensive assessment of skills has been undertaken (and there is little evidence that it has) it is impossible to reach this conclusion. Even less justifiable as it seems there is a distinct lack of clarity over what the necessary skills might be. We understand that some processes are underway to make this assessment but we have reservations about its effectiveness given the lack of data available and the different perceptions of skills held in different departments.

6.5 The second issue to be highlighted is the decision taken by the outgoing Prime Minister with regard to the pay and severance arrangements of his and other special advisors. There is significant anger, reflected in the comments in our survey and from other comments made by civil servants in the last few months. At a time when the government was consulting on reductions to the severance arrangements available to civil servants (and other public servants), to enhance both the salaries and severance terms for this group was seen as disrespectful and insulting by many senior civil servants.

Social Mobility

6.6 We share the civil service objective of a diverse and inclusive civil service that is open to all and develops individuals throughout their careers in the civil service. We are keen to engage with the Cabinet Office on the steps they are taking to address the issues of lack of diverse representation in the SCS. Social mobility is a key part of this, as is the work undertaken by union equality officers and civil service networks.

6.7 In this year's survey we added a question regarding the occupation of the main income earner in the respondent's childhood, reflecting the traditional approach to socio economic classification. While it will take some time to process all the data from this question, it is very clear that a substantial number of those surveyed are from families of public servants. In regard to the conventional

equality monitoring, the profile of those responding to the FDA/Prospect survey was close to the wider profile of the civil service although more inclined to be longer service and slightly older.

7. TERMS AND CONDITIONS CONTEXT

Severance Arrangements

7.1 2016 has seen no let-up in cuts to the terms and conditions of civil servants and this has been disproportionately felt by the SCS. In addition to the continuation of the 1% pay cap, there have been further restrictions around exit payments. Some of these have been instigated by the Cabinet Office but others have been part of Treasury policy for all public sector workers and have simply been imposed on the SCS with little if any discussion of the practicalities of the policies and their consequences.

7.2 This year there have been three particular areas of change that have affected the SCS:

- the formal introduction of the £95k cap on exit payments into legislation
- the extension of the exit payment recovery policy
- changes to the Civil Service Compensation Scheme

7.3 It isn't credible to examine the pay and reward of the SCS without appreciating the devaluation of other parts of the remuneration package. Compensation for redundancy is a key part of that package and we therefore urge the SSRB to take account of the reduction in the value of the CSCS to senior civil servants as a result of recent reforms.

£95k Cap

7.4 At its final stage of legislative implementation, the limit on severance payments of £95,000 has been a policy fixture in the civil service for over a year now. In future this will hit further, preventing many from accessing the early pension to which they would otherwise be entitled to under the rules of the civil service compensation scheme.

Exit Payment Recovery

7.5 While this provision is in legislation, it is yet to be enacted and it remains unclear how it can possibly operate without the introduction of a considerable amount of time-consuming bureaucracy. The premise is that all public servants

earning over £80,000 a year - so in the civil service that is a proportion of the SCS - would have to repay an exit payment received for their work in the civil service should they secure any employment (on whatever salary) in the public sector. Not only will this discourage public servants from other sectors from applying for jobs in the civil service but similarly it limits the viable options for work for civil servants who are made redundant.

7.6 Aside from the flawed policy intention, the practical enforcement of this provision seems disproportionate. Recruiting public sector employers will have to check whether a successful applicant has received an exit payment from another public sector employer in the previous 12 months. If so that employer must arrange for the relevant proportion of the payment to be returned by the individual before the new employer can actually hire the individual. At best this is cumbersome but when it is considered that there are thousands of public sector employers and no definitive list of them (and any list that does exist is out of date almost as soon as it is published), it is questionable whether the policy is implementable at all.

7.7 Notwithstanding the impracticality and questionable purpose of this policy, the impression it conveys is that higher paid public servants require byzantine regulations to control their actions and that a career devoted to public sector work is to be discouraged. In particular it is this latter point that we would highlight for consideration by the SSRB.

CSCS

7.8 Cabinet Office estimates suggest that overall the cost of the CSCS will reduce by around a third as a result of the changes introduced. The FDA and Prospect are sceptical of this assessment as so much relies on discretion exercised by employers but unquestionably the value of the scheme has been reduced.

7.9 Reducing the tariff from a month to three weeks per year of service is a significant hit for those with shorter service while the reduction in maximum payments from 21 months to 18 necessarily hits those with long service hardest.

7.10 It is important to note that not all the changes were negative. The FDA and Prospect were successful in securing an approach to redeployment as part of the Protocols on managing surplus staff that covers the SCS for the first time and we negotiating increased pension flexibility on redundancy to mitigate the unfair effect of the £95k cap on early retirements

7.11 When pay is so restricted people understandably look to other elements of their reward package for solace; for senior civil servants that is increasingly more depressing than looking at the pay alone.

Member's Comment

“Few of us came into public service to maximise, or even enhance, our salaries but the total reward package (pay, pension, recognition, job satisfaction) needs to be broadly commensurate. In the past it has been, increasingly it is out of kilter.”

Pensions

7.12 We have raised in previous years the problems caused by the current system of pension tax relief, in particular the impact of the annual and lifetime allowances on long serving, higher paid members of the SCS. This remains a very real problem for many. Ironically, the application of the £95k cap limits the value of the compensation scheme as a reason for some to retain membership of the civil service pension scheme in the wake of the current tax regime.

7.13 We have repeatedly offered to discuss other options for dealing with the issues presented and it is regrettable that Cabinet Office appear to have decided that good quality pension saving is not to be a long term feature of the remuneration package. Proposals for a new remuneration package for the commercial function exclude a group of civil servants from the Civil Service Compensation Scheme completely and downgrade the pension offer to basic auto-enrolment compliance levels, crudely this is a reduction in value of 21.5% given the employer contribution being proposed (3%) compared with the current employer contribution to the civil service pension scheme (24.5%), in reality the loss is more complicated and more significant than this. In exchange for giving up these benefits we understand there is to be a 20% salary premium for civil servants who opt out of the defined benefit arrangements in this context. The 20% figure seems very much dependent on which department and individual is based in as the divergence in commercial salaries across the civil service means that for some the increase in base salary will be significantly limited.

7.14 There are two obvious and reasonably simple changes that could be introduced that would assist in mitigating the identified problem without jeopardizing the shared understanding that pension arrangements should cover entire workforces not just ‘certain sections’ of workforces. Firstly, access to the Partnership section of the civil service pension scheme should be open to all civil servants, not restricted as it is now. Secondly, we would advocate the introduction of a ‘50-50’ section of the defined benefit pension scheme as is a

feature of the Local Government Pension Scheme to enable higher earning civil servants to take steps to manage their pension saving without encouraging them to stop saving completely.

7.15 Aside from the specific concerns around what is proposed for the Government Commercial Organisation, we are deeply concerned that the move towards allowing or encouraging senior civil servants to forgo pension saving undermines the concept of one civil service pension scheme for all. Civil Service pension provision was very recently overhauled after detailed consideration by the Independent Public Service Pension Commission with a new scheme subsequently agreed by the FDA and Prospect following ballots of union members, including those in the SCS and those likely to be considered commercial specialists. Each public service scheme has for many decades covered all those in the relevant sector, regardless of salary level. This has been an important unifying feature in the workforce and reflected successive governments' commitments to encouraging pension saving. We urge the SSRB to consider very carefully whether it supports the view that removal of pension saving as a key part of the reward offer is the appropriate response to the current situation or whether alternative options - such as the introduction of flexibility to the civil service pension scheme (as has been a feature of other public sector schemes for several years) - could be a better option.

Special Cases

7.16 We refer above to additional flexibility that has been provided to UK Export Finance in order to remedy the issue of their contractor expenditure. We are supportive of any move to allow greater freedom from the strict restraints of the Treasury's pay policy although we believe they should be relaxed across the board rather than on a case by case basis which will take decades to realise.

7.17 There are very few areas that are genuinely 'special cases', the SCS pay system is riven with flaws and failings, to say only one employer or one function is affected is to woefully understate the scale of the problem.

7.18 We urge the SSRB to consider the approach being taken to special cases, in particular where it relates to functions such as commercial or digital. The lack of a strategic approach to pay for the whole SCS, beyond simple restraint, is leading to the break-up of the SCS and increasing the fragmentation, inequality and inconsistency that we and the SSRB have identified as problems in the current framework.

7.19 Some of the concerns relating to the proposals for a new remuneration package for the Government Commercial Organisation have been outlined above.

7.20 While we are prepared to discuss alternative arrangements, what is proposed for this group sacrifices some crucial employment benefits for a limited cash incentive. The evidence does not suggest that the overall package is worth more than the current civil service reward framework, rather it sends a message to staff that the only way to secure a pay rise of any note is to trade all the other fundamental elements of their terms and conditions, most notably their deferred pay by giving up on adequate pension saving.

7.21 The setting of pay and pay awards for this organisation is also an area of concern. It seems that the SSRB is to have no role in the pay determination for the new organisation despite the SCS coverage of those on the terms, their awards are to be set by a separate remuneration committee. It is not clear how this would be constituted nor what interaction there would be with the SSRB. The involvement of the unions representing staff in this organisation: FDA and Prospect also seem to have minimal involvement in the process. The concern this generates is exacerbated by the fact that those on GCO terms will be working alongside staff who have remained on standard civil service pay, terms and conditions. The additional bureaucracy and fragmentation of pay award setting that is proposed cannot resolve the central problems around SCS pay and is very likely to cause many more.

8. FDA-PROSPECT SURVEY OVERVIEW

8.1 Around 450 responses were received to the online survey conducted in September-October 2016. 70% were SCS1 and their performance management markings broadly match the set distribution (27% top, 66% achieving and 7% low). Around one quarter have been in their pay band for three years or less while a third have been in their payband for a decade or more.

8.2 For the first time this year we have asked when individuals last received a consolidated pay award rather than whether they received one in the last year. This showed that while 60% had received a consolidated award in the last year, more than one in ten had not had a consolidated award in over five years. Unsurprisingly 92% are either dissatisfied or very dissatisfied with the overall pay arrangements in the SCS with over half being very dissatisfied. This is a similar figure to last year although there is a slight increase in the dissatisfaction among top performers.

8.3 An overwhelming 94% believe the current SCS reward framework is not fit for purpose. As in previous years the performance management approach is failing to motivate staff with 83% not seeing a clear link between their performance and their pay outcome. Even among top performers over half see no clear link.

8.4 The lack of a mechanism to progress through pay ranges is evident in both the survey responses and the comments provided. 94% are dissatisfied with the pace with which they are progressing in their pay band a feature of a system that has long pay ranges but no means of moving within them. This frustrates moves to address the gender pay gap and exacerbates the external hires issue as internal promotes have their pay capped while external appointees would sensibly maximize their starting salaries as they are all but fixed on entry to the service. Overall less than 7% believe the results produced by the SCS pay system are fair and equitable.

8.5 Comparability with the market has become little more than a theoretical exercise for the most part as the gap between civil service remuneration and comparable salaries in the private sector is so wide. Unsurprisingly no respondents to the survey said they thought civil service pay was higher than in the private sector. Many providing comments on this question pointed to benchmarked roles showing gaps ranging from 30% to over 100%. This suggests that departments have been looking more closely at some comparability issues and we would hope that this data would be available to the SSRB.

8.6 As in previous years, around half of respondents in each case report recruitment and retention issues in their organisation. For recruitment a number specifically highlighted the difficulty in securing applications from within the service. When asked which functions or posts are affected by recruitment difficulties in their organisation, one respondent answered:

Member's Comment

“All levels. Can't attract good quality candidates. In particular, almost nobody ever applies for a move on level transfer because regardless of additional stretch/challenge, pay always remains exactly the same, and a high performer is very likely to lose the performance bonus for the year they move between departments.”

8.7 Others highlighted the “reticence of Grade 6 colleagues to apply for SCS promotion.” There was also anecdotal evidence from a number of departments of unfilled vacancies and repeated recruitment exercises due to the failure to recruit.

8.8 On the retention side, the loss of staff to DExEU was mentioned by several respondents. In terms of functions and posts, most commonly listed roles were: lawyers, specialists covering areas such as tax, IT and procurement, policy roles and analysts.

8.9 Performance management remains a thorn in the side of effective reward in the SCS. Nearly a quarter don't understand the pay and performance management arrangements in the SCS and over half say the system seriously affects their morale. We are aware that reviews of the performance management system in the delegated grades are underway in a number of departments and we are keen to pursue a similar review for the SCS. We have also sought, though not yet received, an equality analysis from the Cabinet Office to assess whether the results of system in the SCS produce similar issues as they do in many departments at the delegated level.

8.10 Morale continues at rock bottom levels. 58% say their morale has decreased in the last year while a further 35% say it has stayed the same. The top two influences on morale are pay and progression.

Member's Comment

"I feel very angry about external recruited being hired at £30k a year more than me for doing the same job. This just seems totally unfair!"

8.11 On the positive side people cite the inherent interest of the job and their colleagues but many on the negative side highlight the devaluing of work quality they have experienced.

Member's Comment

"I am leaving the civil service soon. I have enjoyed my career and am grateful for the opportunities it provided. However, amongst the reasons I decided to leave were increased workloads and reduced morale of staff; and frustration with the constant attacks to pay, pensions and working conditions. I would still recommend the civil service as a career but unfortunately less wholeheartedly than I would have ten years ago."

8.12 Pay restraint is listed as the single most negative impact, by 47% of respondents, others highlighted poor leadership and pension changes. Only a little over half would recommend the civil service as a career choice to a friend or relative. This could have become a significant recruitment obstacle as when we asked respondents what occupation was held by the main income earner in their household when they were children a substantial number said the civil service. "I would never encourage my sons to join the civil service given the de facto pay and progression ceiling which now applies."

8.13 More than one in four respondents agreed with the statement ‘I would like to leave the civil service as soon as possible’. 60% feel less optimistic than they did 12 months ago and two thirds are more inclined to look for a job outside the civil service than they were 12 months ago while three quarters have seriously considered leaving in the last year.

9. RECOMMENDATIONS

9.1 Our recommendations are consistent with previous years as the fundamental issues with the SCS remuneration approach remain. While we welcome signals from the Cabinet Office that they are prepared to engage with us on these points, there has been very little progress to date.

Central control - in answer to the SSRB’s specific question, we believe greater central control, in consultation with employers, will be necessary to resolve the issues of fragmentation and to achieve a genuinely coordinated workforce policy.

Multi-year approach - we maintain that the 1% cap on pay awards precludes proper action being taken to address the inequalities, inefficiencies and recruitment and retention issues in the SCS. More flexibility is needed around the 1% and we urge the SSRB to make recommendations on this point. Pragmatically it seems that the best way of magnifying the money available to address some of the issues that prevail in the civil service reward framework is to engage in a negotiated multi-year settlement.

Removal of capped pay on promotion - the current practice of capping the salaries of internal promotees is divisive and flawed. We invite the SSRB to recommend the removal of this practice allowing all applicants to apply for roles on an equal basis.

Transparency of salaries and recruitment approaches - linked to the capped pay on promotion issue, we believe there should be much greater transparency about the recruitment practices operated by different organisations. This is another area where central control of the process would be an advantage.

Realism on resourcing - Brexit is a major challenge to a civil service that is already struggling with excessive workloads and a shortage of resources. We urge the SSRB to make a strong recommendation about the need to ensure civil service organisations have the resources they need to meet the challenges of the years ahead and are not stretched to breaking point.

Engagement - while there are signs that the Cabinet Office is intent on improving levels of engagement, progress is very slow and we would encourage the SSRB to reiterate its view that engagement should be a priority for the Cabinet Office.

Pension reform - arguably this is the area where engagement is key and could be most positive. We believe there are ways of ensure all civil servants can benefit from membership of the Civil Service Pension Scheme and we would hope the government, following its own occupational pension policy, would seek to achieve this.

9.2 We conclude with our major concern that the morale of the SCS is extremely low and this must be addressed if the civil service is to make full use of the talent it contains.

10. SUMMARY OF RESPONSES TO DIRECT QUESTIONS IN FDA/PROSPECT SCS PAY

10.1 Other questions asked in the survey warranted free text answers or were for the purposes of equality monitoring.

| Question | Response | All Responses (%) | Top Performers (%) | External Hires (%) |
|---|-------------------|-------------------|--------------------|--------------------|
| What is your pay band? | 1 | 71.1 | 66.4 | 65.7 |
| | 1A | 2.9 | 4.8 | 6 |
| | 2 | 23.4 | 26 | 20.9 |
| | 3 | 3.6 | 2.9 | 7.5 |
| How satisfied are you with the overall pay arrangements in the SCS? | Very satisfied | 0.2 | 0 | 0 |
| | Satisfied | 7.8 | 7.6 | 8.1 |
| | Dissatisfied | 35.3 | 36.8 | 39.2 |
| | Very dissatisfied | 56.6 | 55.7 | 52.7 |
| Have you received a non-consolidated pay award this year? | Yes | 26.9 | 60 | 21.9 |
| | No | 73.1 | 40 | 78.1 |
| Do you believe the current reward framework for the SCS is fit for purpose? | Yes | 5.6 | 6.7 | 7.9 |
| | No | 94.4 | 93.3 | 92.1 |
| Do you see a clear link between your performance this | Yes | 17.5 | 44.9 | 12 |

FDA & PROSPECT WRITTEN EVIDENCE TO THE SENIOR SALARIES REVIEW BODY

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| year and the pay outcome for you? | No | 82.5 | 55.1 | 88 |
| Do you manage anyone on a lower grade who has a higher salary than you? | Yes | 31.9 | 36.4 | 23.9 |
| | No | 68.1 | 63.6 | 76.1 |
| Are you satisfied with the pace with which you are progressing in your band? | Yes | 6.2 | 4.7 | 8 |
| | No | 93.8 | 95.3 | 92 |
| How do you think that your pay compares with similar jobs in the private sector? | Better | 0 | 0 | 0 |
| | Similar | 2.6 | 1.9 | 5.3 |
| | Worse | 89.2 | 93.5 | 82.9 |
| | Don't know | 8.2 | 4.6 | 11.8 |
| How do you think that your pay compares with similar jobs in the public sector? | Better | 3.8 | 0.9 | 5.3 |
| | Similar | 32.2 | 35.2 | 31.6 |
| | Worse | 54.6 | 56.5 | 50 |
| | Don't know | 9.4 | 7.4 | 13.2 |
| Are you aware of recruitment difficulties in your organisation? | Yes | 48.6 | 53.9 | 64.9 |
| | No | 51.4 | 46.2 | 35.1 |

FDA & PROSPECT WRITTEN EVIDENCE TO THE SENIOR SALARIES REVIEW BODY

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|--|------------|------|------|------|
| Are you aware of retention difficulties in your organisation? | Yes | 53 | 55.3 | 50.7 |
| | No | 47 | 44.7 | 49.3 |
| Do you believe your organisation has sufficient resources to achieve its objectives in the year ahead? | Yes | 21.3 | 18.9 | 23.7 |
| | No | 66.8 | 70.6 | 68.4 |
| | Don't Know | 11.9 | 10.4 | 7.9 |
| Do you consider that the results produced by the pay system are fair and equitable? | Yes | 6.7 | 9.3 | 8.1 |
| | No | 93.3 | 90.7 | 91.9 |
| Are you aware of any equal pay issues in your organisation? | Yes | 36.5 | 39.6 | 32 |
| | No | 63.5 | 60.4 | 68 |
| Which performance group do you fall into this year? | Top | 27.3 | 100 | 29.7 |
| | Achieving | 65.7 | 0 | 62.2 |
| | Low | 7.1 | 0 | 8.1 |
| Do you understand the pay and performance management arrangements? | Yes | 77.7 | 75.9 | 68.4 |
| | No | 22.3 | 24.1 | 31.6 |
| Do you consider that you have received adequate opportunities for | Yes | 58.3 | 63.9 | 42.1 |

FDA & PROSPECT WRITTEN EVIDENCE TO THE SENIOR SALARIES REVIEW BODY

| | | | | |
|---|-----------------------|------|------|------|
| personal development to enhance your SCS competencies? | No | 41.7 | 36.1 | 57.9 |
| If No, what was the reason/s - tick all that apply | Lack of time | 79 | 72.5 | 79.6 |
| | Budget | 31 | 30 | 36.7 |
| | Lack of opportunities | 44.4 | 37.5 | 59.1 |
| | Management refusal | 11.1 | 7.5 | 15.9 |
| | Other | 9.9 | 10 | 4.6 |
| Are the processes for promotion into and within the SCS clear and transparent? | Yes | 56.7 | 56.1 | 43.2 |
| | No | 43.3 | 43.9 | 56.8 |
| Have you and your manager agreed an annual performance agreement for 2016-7? | Yes | 61.7 | 67.9 | 67.6 |
| | No | 38.3 | 32.1 | 32.4 |
| Do you consider that your objectives are sufficiently comprehensive to reflect your performance in the year 2015-6? | Yes | 72.2 | 79.4 | 69.9 |
| | No | 27.8 | 20.6 | 30.1 |

FDA & PROSPECT WRITTEN EVIDENCE TO THE SENIOR SALARIES REVIEW BODY

| | | | | |
|---|------------------------|------|------|------|
| Do you believe the current core competencies adequately reflect the main responsibilities of your role? | Yes | 69.3 | 68 | 63.5 |
| | No | 30.7 | 32 | 36.5 |
| Does your post require a specialist qualification? | Yes | 39.5 | 37.4 | 54.7 |
| | No | 60.6 | 62.6 | 45.3 |
| If yes, do you have CPD opportunities in your specialism? | Yes | 69.3 | 58.9 | 68 |
| | No | 30.7 | 41.1 | 32 |
| Do you have any contact with your Head of Profession? | Yes, nationally | 28.3 | 33.3 | 14.5 |
| | Yes, departmentally | 51.1 | 58.1 | 53.6 |
| | No | 36.9 | 33.3 | 39.1 |
| In the last year has your morale: | Increased | 7.1 | 11.1 | 4 |
| | Decreased | 57.9 | 44.4 | 63.2 |
| | Remained the same | 35 | 44.4 | 32.9 |
| Which issues affect your morale the most - tick all that apply | Pay | 81 | 83.7 | 78.4 |
| | Terms and conditions | 37.1 | 34.6 | 37.8 |
| | Pensions | 57.4 | 63.5 | 52.7 |
| | Performance management | 52.5 | 34.6 | 55.4 |

FDA & PROSPECT WRITTEN EVIDENCE TO THE SENIOR SALARIES REVIEW BODY

| | | | | |
|---|--------------------------------------|------|------|------|
| | Job cuts | 16.5 | 20.2 | 21.6 |
| | Outsourcing | 3.6 | 4.8 | 4.1 |
| | Career prospects | 49 | 48.1 | 63.5 |
| | Civil Service Reform | 20.8 | 14.4 | 23 |
| | Pay progression | 68 | 68.3 | 66.2 |
| | Pay comparability | 54.3 | 55.8 | 58.1 |
| | Increased workload | 45.7 | 50 | 50 |
| Which of the following has had the most negative impact on you? - select one | Pay restraint | 46.7 | 43.5 | 42 |
| | Pension changes including tax relief | 23.8 | 27.8 | 21.6 |
| | Exit payment restrictions | 3 | 0.9 | 5.4 |
| | Increased working hours | 13.7 | 17.6 | 14.9 |
| | Other | 12.9 | 10.2 | 16.2 |
| Would you recommend the civil service as a career choice to a friend or relative? | Yes | 54.3 | 61.9 | 44 |
| | No | 45.7 | 38.1 | 56 |

FDA & PROSPECT WRITTEN EVIDENCE TO THE SENIOR SALARIES REVIEW BODY

| | | | | |
|--|---------------------------|------|------|------|
| Do you agree with the following statement: I would like to leave the civil service as soon as possible | Agree | 26.1 | 17.8 | 29.3 |
| | Disagree | 36.6 | 44.5 | 24 |
| | Neither | 37.3 | 40.6 | 46.7 |
| Do you agree with the following statement: I feel more optimistic about my job than I did 12 months ago | Agree | 13.9 | 18.5 | 14.9 |
| | Disagree | 60.8 | 52.4 | 60.8 |
| | Neither | 25.3 | 29.1 | 24.3 |
| Do you agree with the following statement: I am more inclined to look for a job outside the civil service than I was 12 months ago | Agree | 65.8 | 61.1 | 68 |
| | Disagree | 15.4 | 17.6 | 9.3 |
| | Neither | 18.8 | 21.3 | 22.7 |
| Have you seriously considered leaving the SCS in the last 12 months? | Yes | 73.9 | 70.4 | 77.6 |
| | No | 26.1 | 29.6 | 22.4 |
| From where were you recruited to the SCS? | Within the civil service | 81.1 | 78.9 | 0 |
| | Outside the civil service | 18.9 | 21.2 | 100 |