

Department of Energy & Climate Change

55 Whitehall

London SW1A 2HD

www.decc.gov.uk**Our Ref: 13/0356**

12 April 2013

Thank you for your email of 13 March 2013 where you requested information about the:

1. Names of Unions which are signatories to the main collective agreement covering pay and conditions,
2. the number of and
3. the types of staff covered by the agreement
4. the list of grades and current pay rates in DECC
5. arrangements for pay progression within pay grades and asking for a
6. copy of the latest pay settlement with a confirmation of how the 1% maximum paybill increase has been applied

Freedom of Information Act 2000

Your request has been handled under the Freedom of Information Act 2000 ('the Act'). Under the Act you have the right to:

- know whether we hold the information you have requested and;
- be provided with that information (subject to any exemptions under the Act which may apply).

I can confirm that DECC holds the information you have requested and I address these in turn below.

1. The Unions which are signatories to the main collective agreement covering pay and conditions within DECC are the Public and Commercial Services (PCS), Prospect and FDA unions.
2. The number of employees covered by the agreement as at February 2013 is 1634.4 (FTE).
3. Types of staff covered - all delegated grades as listed and SCS

Civil Servants*	Senior Civil [^] Servants	Contingents	Non-Charging	Total
1321.26	102.03	192.52	18.59	1634.4

*FTE

^SCS Pay and main terms of employment are not covered under this agreement, these are managed centrally by the Cabinet Office

4. The list of grades and current pay rates for staff in non-Senior Civil Service Grades indicating any agreed equivalence between the grade names used within the list and the below Senior Civil Service grades are detailed in Annex A.

5. Arrangements for progression within pay grades:

Staff on DECC pay terms and conditions do not have contractual pay progression. A small number of staff who transferred into DECC on its creation from DEFRA, in-line with Cabinet Office Statement of Practice guidance, retained contractual milestone payments as detailed in Annex A.

Pay progression for staff on DECC pay terms and conditions is governed by the annual pay award process.

6. A copy of the latest pay settlement with a confirmation of how the 1% maximum paybill increase has been applied is attached at Annex A.

If you are dissatisfied with the handling of your request, you have the right to ask for an internal review. Internal review requests should be submitted within two months of the date of receipt of the response to your original letter and should be addressed to:

Information and Security Rights Team (DECC Shared Service)

Department of Business, Innovation & Skills

Victoria 3, 5th Floor

1 Victoria Street

London SW1H 0ET

Email: foi@decc.gsi.gov.uk

Please remember to quote the reference number above in any future communications.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF

Annex A

DECC PAY AWARD 2012 (Delegated Grades)

1. INTRODUCTION

DECC have just exited a two year pay freeze for staff in Grades AA to Grade 6. The Government has set a limit for departments of one per cent on the increase in remuneration cost for civil service staff outside the senior civil service (SCS) for the following two years.

This means that for this year's (2012/2013) and next year's (2013/2014) pay awards are within a 1% pay remit.

The Treasury remit permits departments to continue to retain their non-consolidated performance awards pot and to use these to reward staff with non-consolidated performance payments for higher performance covering the previous reporting year 2011/2012. DECC will be awarding staff with performance ratings of 1 and 2.

The department has held constructive negotiations over the last few months with the trade unions – FDA, PCS, Prospect, on how the 1% remit and non-consolidated performance pot could be spent, taking account of the business priorities being faced and the following key strategic pay principles:

- Staff recruitment and retention
- Rewarding high performance
- Salary market.

Following these negotiations this document sets out the Department's pay award for 2012/2013.

2. SUMMARY

The key elements in the award which applies to DECC staff in grades AA – G6 are:-

- A 1% consolidated increase to basic salary to all staff except those with a box 5 performance rating, those who are paid at or above the maximum of the pay band and those who are within 1% of the maximum of the pay band.
- Those who are paid at or above the maximum of their pay band will receive a 1% non-consolidated lump sum payment. Those paid within 1% of their maximum will receive a consolidated increase to the maximum of the pay band and a non-consolidated lump sum payment for the remaining sum above the maximum.
- A 1% increase to the pay band minima of all grades. The pay band maxima will remain at their current levels.
- Pay increases of up to £350 for those earning less than £21,000 (full time equivalent).
- DECC Pay Award 2012 **2**

- Non-consolidated performance bonuses ranging between £410 and £2500 (full time rates) will be paid to higher performing staff assessed at box rating 1 (strongest contributor) and 2 (strong contributor) in the last performance year. The budget for non-consolidated performance awards remains the same as in 2011 at 1.46%, made up of 1.06% end of year performance awards and 0.4% in year awards.
- An increase to the Offshore Allowance from £74.63 to £100 per 24 hours.
- An increase of 1% to the pay enhancement for Reservoir Evaluation and Petroleum specialists. All other specialist pay enhancements will remain at current levels.
- Contractual milestone payments will continue to be paid to qualifying staff on ex-DEFRA terms and conditions.

In approaching the pay review for this year the main aims and considerations have been:

- To allocate the 1% remit available to staff in a fair and equitable manner, taking account of the business requirements and of awarding a higher percentage increase to those staff earning less than £21,000, all of which had to be met within the overall limit.
- To shorten progression time to the maximum of the pay bands.
- To continue to incentivise and recognise high performance making awards to the Department's highest performers.

3. PAY RANGES

The pay ranges are effective from 1 August 2012 are shown in the tables below.

Grade			London	
2011/2012			2012/2013	
	Min	Max	Min	Max
AA	18,567	19,712	18753	19,712
AO	21,250	22,646	21463	22,646
EO	24,992	29,060	25242	29,060
HEO	29,261	34,424	29554	34,424
SEO	34,713	41,851	35061	41,851
Grade 7	46,975	56,597	47445	56,597
Grade 6	56,707	68,322	57275	68,322
Fast Stream	27,000	33,654	27270	33,654

Grade			National	
2011/2012			2012/2013	
	Min	Max	Min	Max
AA	14567	15712	14713	15712
AO	17534	19146	17710	19146
EO	21250	25060	21463	25060
HEO	25261	30424	25514	30424
SEO	30713	37851	31021	37851
Grade 7	42975	52597	43405	52597
Grade 6	52707	64322	53235	64322
Fast Stream	25000	29654	25250	29654

The pay band minima have been increased by 1% for all grades and the maxima have been kept at current levels. The band width has been shortened and we will look to continue this approach where we are able to in future years.

4. SALARY INCREASES

To keep things clear, simple and flexible the DECC pay ranges consist of just a minimum and a maximum. **There are no DECC milestones, “target salaries” below the maximum and no step values. Salary increases are decided each year as part of the pay negotiations with the trade unions.**

- a. The increases will be backdated to 1 August 2012.
- b. The 1% increase will apply to all staff ,subject to the rules on eligibility set out in Appendix 1.
- c. The 1% consolidated pay increase will apply to existing salaries. For those staff who are paid at or above the maximum of their pay band they will receive a 1% non-consolidated lump sum payment. Those paid within 1% of their maximum will receive a consolidated increase to the maximum of the pay band and a non-consolidated lump sum payment for the remaining sum above the maximum.

Examples:

A London EO on a salary of £26,000 would receive a consolidated increase of £260 to take their salary to £26,260.

A London EO on the maximum of their pay grade on a salary of £29,060 would receive a lump sum non-consolidated payment of £290.60 and their basic salary remains at £29,060.

A National EO on a salary of £25,000 would receive a consolidated increase of £60 to take their salary to £25,060. The remainder of the award will be paid as a non consolidated lump sum payment of £190 as the pay band maximum of £25,060 has been reached.

Those staff whose salary is less than £21,000 will receive an increase of up to £350 consolidated up to the maximum of the pay band. The remainder of any award above the maximum will be paid as a non-consolidated lump sum payment.

Examples:

A National AA on a salary of £14,567 would receive a consolidated increase of £350 to take their salary to £14,917.

A National AO on a salary of £18,896 would receive a consolidated increase of £250 to take their salary to the National AO Maximum of £19,146. They would then receive the remaining £100 of their award as a non consolidated lump sum payment.

5. PERFORMANCE AWARDS

The budget for performance awards is rolled forward from the amount accumulated in previous years. This has produced a non-consolidated award pot of 1.46%. A pot of 0.4% has previously been allocated to in-year awards giving a pot for the end of year performance awards of 1.06%.

It has been decided that this year we will again award non consolidated end of year performance awards to those rated as 1 – Strongest Contributor and 2 – Strong Contributor.

For 2012 the value of the awards for those with a rating of 1(Strongest Contributor) equate to approximately 4.4% of the pay band minimum. The value of the awards for those with a rating 2 (Strong Contributor) is half of that for those with a rating 1. The amount of the awards are shown in the table below:- Grade

	1- Strongest Contributor	2 – Strong Contributor
AA	£820	£410
AO	£940	£470
EO	£1,100	£550
HEO	£1,290	£645
SEO	£1,530	£765
Grade 7	£2,070	£1,035
Grade 6	£2,500	£1,250
Fast Stream	£1,190	£595

6. SCOPE OF ARRANGEMENTS FOR SALARY AND PERFORMANCE AWARDS

The arrangements for salary increases and performance awards are intended to apply for this year only.

7. SPECIALIST PAY ENHANCEMENTS

DECC operates a system where market related pay is used in the case of roles:

- which require particular skills or qualifications

- for which the rate of pay in the market is generally significantly higher than the Department's rates of pay, and
- where this results in the Department having demonstrable recruitment and / or retention issues

The designation applies to the role rather than the individual. To qualify for the additional payment, a person needs:

- a) to be appointed to a designated specialist role and remain in that role, and
- b) to have the skills, qualifications and experience specified.

The payments are made as an allowance paid in addition to the normal rate for the grade. The allowances are pensionable and included in pay for the purpose of overtime and travel time calculations. They are paid pro rata for part time staff.

The value of the allowances are set on the basis of the market rate for the job and the Department's ability to recruit and retain staff. They are reviewed annually as part of the pay review but do not move automatically with changes in the general pay bands.

For the year 2012/2013 it has been decided to increase the pay enhancements for Reservoir Evaluation and Petroleum Specialists by 1%.

All other allowances remain unchanged. A full list of the specialist allowances payable in DECC can be found in Appendix 2.

8. ALLOWANCES

There will be an increase to the Offshore Allowance from £74.63 to £100 to those staff who have to visit oil or gas installations for a full 24 hour period and from £42.65 to £57.15 for part of 24 hours.

9. MARKET RELATED RECRUITMENT AND RETENTION BONUS (MRRRB)

For 2012 we will continue to award the MRRRB to staff occupying designated generalist posts in EDU dealing with the oil and gas industry. The bonus will be paid in two equal instalments of £750 to eligible staff who are in designated posts as at 1 August 2012 and as at 1 February 2013. This payment is paid on a non-consolidated basis and is not pensionable.

November 2012