



Ministry
of Defence

SCS Pay Award 2020

Official sensitive – Briefing Pack

October 2020

SCS Pay Guidance 2020

This year's SCS Pay Award will be worth 2% of the pay bill, and will be allocated accordingly:

- **0.1%** allocated to fund increases to the pay range minima – see below. The maxima will remain frozen.

Pay Band	1 April 2019 Minimum	Minimum from 1 April 2020
1 - Deputy Director	£70,000	£71,000
2 – Director	£92,000	£93,000
3 – Director General	£115,000	£120,000

- **0.9%** to ensure all eligible staff not benefiting from the above increases receive at least a 1% award, staff subject to poor performance procedures will not receive a pay increase.
- **1%** is to be allocated to address pay progression and anomalies, this can be applied flexibly by departments.

MoD Approach to SCS Pay 2020

- The MOD will apply the award in full. Salaries below the new minima will increase to the new levels above.
- In addition, all eligible staff will then receive the SCS pay award. As in previous years, the pay award will be distributed using a pay / performance curve. SCS members 2019/20 performance ranking, together with their position on the SCS pay scale will be used to determine the level of base pay award in 2020 – see *Annex A*.

MoD Approach to Performance Awards 2020

- Cabinet Office has removed the 25% cap individuals being rated in the top performance box. However, MOD decided to remain close to the 25% limit to ensure the value of the performance awards are not significantly eroded. Consequently, many strong performers will also be rated in Group 2.
- Members of each pay band have been placed into one of three performance groups.
- In accordance with Cabinet Office guidance, only individuals in Performance Group 1 will be eligible for an end of year performance award. Awards are pro rated and non-consolidated.

Pay Band / Grade	FTE value of end of year performance award
PB1/ Deputy Director	£8,750
PB2/ Director	£10,750
PB3/Director General	£13,750

Context

- Cabinet Office own and set the pay policy for Senior Civil Servants.
- Each year, the Senior Salaries Review Body (SSRB) provides independent advice to the Prime Minister on the pay of Senior Civil Servants.
- The Civil Service Board scrutinises this report and makes recommendations.
- Cabinet Office then issue Departments with SCS pay guidance to support implementation of this year's pay award.

Timeline

- **21 July** - SSRB report published alongside Cabinet Office Guidance.
- **Late October** - Individual letters issued to all SCS confirming performance marks and pay outcome
- **31 October** - Pay award implemented and backdated to 1 April 2020

MoD Approach to SCS Pay 2020 (continued)

Pay Anomalies

- For 2020 1% is available to address pay anomalies and pay progression.
- For a range of historic reasons, there are a number of pay anomalies in MOD and 1% would not be sufficient to address them all. Civil Service Leadership Group has therefore decided that we add this to the 0.9% pay award, so that the total average overall pay rise is 1.9%.
- This will be distributed using the pay / performance group curve that has been applied in previous years, which will allow for individual pay awards of between 1% and 3.10%.
- The full breakdown of the 2020 curve awards is shown at **Annex A**.

In-Year Awards

- Departments are allowed to make in year awards up to 40% of the workforce. The MOD Civil Service Leadership Group has decided that we will use this flexibility to pay awards to near misses from Box 1 – those who the pay committee judged had performed to a high level, but narrowly missed out on being placed in Box 1.
- In-year awards are a one off non-consolidated pro rata payment of £5,000. This will be paid at the same time as the pay award in October payroll.

Pensions

- MyCSP will shortly be writing to pension members directly if they breach either the pension lifetime or annual allowance. For further information, please see: [Pension Savings Statements](#).
- If an individual receives a letter, they will be invited to attend a MyCSP run pension seminar. This seminar will explain how the pension allowances are calculated and help members understand the options for dealing with any pension tax liability they may have, along with timescales to take the appropriate action.

SCS Pay Policy

- Should individuals wish to familiarise themselves with general SCS Pay Policy or the SCS performance Management Process details can be found by using the following links: [Senior Civil Service Pay and Promotion Policy and Guidance](#).

Annex A – Addressing Pay Anomalies

% Progress through Pay band	Pay Increase Levels		
	Performance Marking 1	Performance Marking 2	Performance Marking 3*
0% - 4%	3.10%	2.10%	1.00%
5% - 9%	3.05%	2.05%	1.00%
10% - 14%	3.00%	2.00%	1.00%
15% - 19%	2.90%	1.90%	1.00%
20% - 24%	2.85%	1.85%	1.00%
25% - 29%	2.80%	1.80%	1.00%
30% - 34%	2.70%	1.70%	1.00%
35% - 39%	2.65%	1.65%	1.00%
40% - 44%	2.60%	1.60%	1.00%
45% - 49%	2.55%	1.55%	1.00%
50% - 54%	2.50%	1.50%	1.00%
55% - 59%	2.45%	1.45%	1.00%
60% - 64%	2.40%	1.40%	1.00%
65% - 69%	2.35%	1.35%	1.00%
70% - 74%	2.30%	1.30%	1.00%
75% - 79%	2.25%	1.25%	1.00%
80% - 84%	2.25%	1.25%	1.00%
85% - 89%	2.25%	1.25%	1.00%
90% - 94%	2.25%	1.25%	1.00%
95% - 99%	2.25%	1.25%	1.00%
100%	2.25%	1.25%	1.00%

***Staff subject to poor performance procedures will not a receive pay increase.**