

PRACTITIONER GUIDANCE ON SCS PAY AWARD FOR 2021/22

1. This note provides an overview of reward arrangement for the SCS in 2021/22 following the Government's response to this year's SSRB recommendations, as well as general guidance on continuing flexibility available within the SCS pay framework.

Base pay from 1 April 2021 (for 2020/21 performance)

Pay ranges

2. The Public Sector pay pause in 2021/22 means that there will be no change to the SCS pay ranges:

SCS Pay Ranges with effect from 1 April 2021

Pay Band	Minimum (£)	Maximum (£)
1	£71,000	£117,800
1A*	£71,000	£128,900
2	£93,000	£162,500
3	£120,000	£208,100

* See paragraph 37

3. Any staff who have been subject to poor performance procedures can be uplifted to the minima if their performance has improved to an acceptable level.

General pay awards

4. The pay pause means there will be no consolidated pay awards for the SCS in 2021/22.

Differentiating performance in 2020/21

5. Departments should have assigned individuals to one of the three performance groups shown below.

Performance Group
Top
Achieving
Low

6. **For the 2020/21 performance year**, the following principles apply for Non-consolidated Performance Related Pay (NCPRP):
- The cost control is 3.3% of SCS paybill.
 - End of year awards can only be awarded to SCS who have received a top box performance marking (forced distribution has been removed).
7. The current SCS Performance Management and Managing Poor Performance guidance can be found at: <https://www.gov.uk/government/publications/senior-civil-service-performance-management>

Role of Pay Committees assessing performance in 2020/21 and beyond

8. It is for Pay Committees, in the light of line managers' pay recommendations, to:
- a. **make and communicate judgements** about individuals' performance and delivery, their competence, job challenge and sustained performance over time. Pay committees should take account of the salary position in the pay range and recent pay history as well as any market intelligence on professional or specialist skills and relativities across the Department and the wider SCS;
 - b. **monitor results** to ensure compliance with diversity legislation and take any appropriate action; and
 - c. **oversee the distribution** of performance groups to ensure that they meet the requirements of your Departmental SCS pay strategy and the Cabinet Office guidance on performance management for the SCS.

Differentiating performance in 2021/22

9. For the **2021/22 performance year**, the following incremental changes to the SCS Performance Management policy have come into effect:
- a. making the current SCS objective setting form non-mandatory, this will allow each department to use their own form to record SCS objectives, mirroring the approach taken at delegated grades;
 - b. the introduction of quarterly conversations, to ensure a more continuous focus on performance
 - c. the removal of the cap on the number of SCS who can receive in-year awards.
10. To ensure a level of consistency in reward application across the SCS cadre, departments must adhere to the NCPRP principles below when rewarding staff:
- An element of the reward system must be tied to long term performance in some way.
 - The likelihood of reward allocation should not be linked to individual's grade.
 - Members of the SCS subject to formal poor performance measures are not eligible for an additional non-consolidated performance related award.
 - The total value of awards for a single performance year should not exceed £17,500 unless the approval from the Chief Secretary to the Treasury is sought.
 - Funding for all awards continues to be capped at 3.3% of SCS paybill. This funding cannot be carried over to increase the pot for future performance years or used for any other purposes.
 - The maximum individual in year award is £5,000. An individual can receive more than one award.

- Departments must be transparent regarding their reward systems and processes.

11. Non-consolidated performance awards are subject to transparency requirements, with spend published as part of the current annual aggregated disclosure by departments.

Corporate recognition scheme

12. A recognition scheme to reward corporate values and behaviours is also available to recognise SCS members that make exceptional contributions to cross-government initiatives that go above and beyond their day-to-day roles.

13. The criteria are:

- a significant contribution that an individual makes to a cross-departmental initiative; or
- a significant contribution that an individual makes to the development of a function, profession or network; or
- a significant contribution that an individual makes outside the Civil Service, which enhances the reputation of the Civil Service; and
- goes above and beyond the normal requirements of their role.

14. The scheme grants small one-off recognition awards up to £1,000 to SCS of any grade, nominated by Permanent Secretaries. The Cabinet Office (Civil Service Reward, TUPE and Employment Framework team) invites nominations three times in each financial year. A timetable for nominations in 2021/22 was issued recently.

15. Further guidance is available at **Attachment 1**.

Pivotal Role Allowance

16. Pivotal Role Allowance (PRA) is available to help departments retain major project leaders and those in highly specialised roles. The current guidance and pro-forma are set out in **Attachment 2**. Departments are encouraged to use PRAs to address flight risk and where outcomes can be easily measured.

Other allowances

17. Departments should consult the Cabinet Office before they implement any changes to any other allowable allowances e.g. Private Secretary allowance.

Other SCS pay flexibilities

18. The limited and exceptional flexibilities introduced previously:

- a. converting non-consolidated funding into consolidated pay; and
- b. the timing of NCPRP awards for top performers

have been retained for 2020/2021 and can be found at **Attachment 3**.

Pay controls

19. The Treasury senior pay control is set at £150,000 and above:

20. Departments must secure the approval of the Chief Secretary to the Treasury (CST) for any remuneration at or above £150,000, as defined in the guidance, before advertising. **Please ensure that you provide up to three weeks for approval.** As indicated in paragraph 23 any performance pay arrangements with an annual value of more than £17,500 require the approval of the CST. You should aggregate in-year and end-year payments for the same performance year to determine whether the control threshold is triggered.
21. Departments must seek Cabinet Office approval where they propose to pay a salary for an SCS1 member of staff that is above the maximum of the SCS1 pay range.
22. The pay controls for 2020/21 are set out in **Attachment 4**.

Non-standard terms

23. Please discuss with the Cabinet Office any proposals to offer non-standard terms that may raise issues of propriety and controversy (e.g. benefits in kind) in 2020/21.

Pay Band 1A

24. Longstanding policy is that departments should not recruit into Pay Band 1A, since there is enough flexibility in the SCS pay system to recruit into Pay Bands 1 and 2. While departments should not recruit into Pay Band 1A, existing staff are unaffected and departments will be able to make pay awards in the same way as for other SCS staff.
25. **Departments are asked to ensure that SCS are being correctly recorded as 1As when returns are made to the Cabinet Office Analysis and Insight team as part of the annual collection exercise for the SCS database.**

Pay on appointment/promotion

26. **Departments should apply the following SCS pay policies consistently for SCS staff:**
- **That no increase is given for moves on level transfer; and**
 - **On promotion, SCS receive no more than 10% increase or the minimum of the new grade (*Note. this applies to all internal moves where a circa salary was advertised*).**
27. An exception process will, however, be available in cases where internal candidates are moving to roles with greater scale or responsibility for increases to be offered, with the agreement of the Permanent Secretary and the relevant Head of Profession. More detail on the process is set out in **Attachment 5**.
28. **Cabinet Office will monitor use of this flexibility as part of the SSRB evidence gathering process, so please ensure that all exceptions are carried out against these criteria and recorded in the business case pro-forma provided.**
29. **All Pay Band 3 business cases need approval by a Directors General Pay Committee and should be sent to civilservicepay@cabinetoffice.gov.uk**

Exit information

30. Exit data is vitally important in understanding why senior staff leave the Civil Service. Cabinet Office (Civil Service Reward, TUPE and the Employment Framework Team, CSHR Expert Services) commissions this data four times a year.
31. HR Directors are personally accountable for ensuring exit interviews are properly conducted and timely returns made to the Cabinet Office and the appropriate forms are submitted. Exit interviews should be undertaken by a HR Director within the department. If this is not possible, HR Directors may choose to nominate another colleague within a department's HR function.

Senior executives in NDPBs

32. Senior NDPB executives are not members of the SCS and not in scope of SSRB's remit. Nevertheless, they have an important leadership role in following public sector pay policy. Therefore, any annual pay increase or decision to award performance-related pay to such staff must be considered alongside and according to the same principles that apply to SCS in the rest of the organisation. Sponsor departments are responsible for enforcing this.

Statutory Office Holders

33. From 1 April 2021, the salaries of statutory office holders whose pay is directly linked to movements in the SCS pay bands will not increase.

Cabinet Office support

34. For any outstanding queries on SCS pay, SCS performance management, exit interview information and SCS Corporate Recognition Scheme, please contact: civilservicepay@cabinetoffice.gov.uk

SCS CORPORATE RECOGNITION SCHEME

Introduction

A new recognition scheme to reward corporate values and behaviours was introduced in 2018/19. The Civil Service Chief Operating Officer and Cabinet Office Permanent Secretary is keen to personally recognise SCS members that make exceptional contributions to cross government initiatives that go above their day to day roles.

The awards will be able to demonstrate further how the civil service senior leaders exemplify the three key characteristics of leadership; inspiring, confident and empowering.

1. Background

The Senior Salaries Review Body (SSRB) supports the corporate recognition scheme with awards of up to £1,000 for each performance year.

This scheme is designed to complement the existing schemes that are in place for rewarding bonuses to the SCS.

2. Funding

Departments are responsible for funding awards from their existing budgets. Individual awards can be made up to £1,000. Cabinet Office (Civil Service Reward, TUPE and Employment Framework team) will monitor overall spend within a cost limit of 0.1% of the total SCS pay bill.

3. Criteria

Nominations should demonstrate that the individual's contribution goes above and beyond the normal requirements of their role and contributes to cross government corporate work.

Alongside applying the criteria below, please consider whether the type of work described in the nomination would be better suited to an in-year award/bonus. For example, where someone has gone above and beyond in their day job, or acted as a great leader for their team. CSHR will return any nominations to the department for further discussion where it is not clear that they meet the criteria set out below.

The following list details further the type of work that might attract this type of reward. The nominations can be based on any of the listed criteria, it is not expected that all three requirements are met before a nomination can be submitted.

- A significant contribution that an individual makes to a cross-departmental initiative; or
- A significant contribution that an individual makes to the development of a function, profession or network; or
- A significant contribution that an individual makes outside the Civil Service, which enhances the reputation of the Civil Service

Examples of the type of activity that might be considered for an award could include:

- Procurement of a large-scale contract benefiting multiple departments and resulting in large savings and improved service.

- Improving functional capability and/or delivery within the department or across government, for example developing interventions to grow critical professional skills, or influencing the future shape of cross-government HR platforms.
- Making a significant contribution to promoting diversity and inclusion across the Civil Service, for example delivering positive outcomes through championing/leading a diversity network.
- Increasing departmental compliance with central controls, resulting in significant efficiency savings and reputational gain for the Civil Service.

Departments would be expected to ensure your nominations are representative of the SCS population, which includes the agencies, whilst covering a diverse population, regional spread and your sponsored executive agencies.

We would advise that one person should not be nominated twice in the same year. This is to ensure that departments encourage and support all those undertaking these types of activities and make the most of showcasing everyone's efforts.

3. Nominations

The awards will take place three times in each financial year, offering maximum opportunities for the scheme to be used to its full capacity.

An overview of the process is detailed below in the flow chart. In summary the Line Managers would send the nominations proforma to the departmental agreed team who will collate and pass onto the HRDs and Permanent Secretary to review.

The Permanent Secretary will be required to sign off the nomination before being sent to the Reward, TUPE and Employment Framework Pillar (CSHR). The team will carry out the initial review of the nominations before sending it to the Civil Service Chief Operating Officer who will make the final decisions.

Nomination Process

SCS Corporate Recognition Scheme Flow Chart



4.Nomination Template

SCS Corporate Recognition Scheme Nomination Form

DEPARTMENT

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NAME OF NOMINEE AND CONTACT DETAILS (INCLUDING EMAIL ADDRESS)

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AMOUNT TO BE AWARDED

£

PLEASE NOTE THAT IF ANY OF THE SECTIONS BELOW ARE NOT COMPLETED THE FORM WILL BE RETURNED

DETAILS OF ACTIVITY

The application may be returned to be re written if the details surrounding the nomination are not clear or if further information is needed

To note:

- ***Please do not use abbreviations without first spelling them out***
- ***The final assessment of this award will be done by someone who will not be very familiar with the work area, so please take time to fully explain the activity and its impact***

HOW IT MEETS THE CRITERIA

PLEASE GIVE DETAILS WHY THIS IS OUTSIDE THE USUAL DAY JOB

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DETAILS TO BE INCLUDED IN THE AWARD LETTER

Please ensure that the contents below are written in short and concise form as though it were from Alex Chisholm, Civil Service Chief Operating Officer, as this will be copied into the letter sent to the nominee if successful.

I am pleased to say that in recognition of your hard work, a one off payment of £....., which you will receive in your salary, has been awarded to you from your department. Your award is based on the work you have carried out (in leading/carried out etc)

Details below for letter:
You/r (led/drawn together/developing etc)

LINE MANAGER APPROVAL

Name:
Email:
Signature:

PERMANENT SECRETARY APPROVAL

Name:
Email:
Signature:

CHIEF OPERATING OFFICER OF THE CIVIL SERVICE APPROVAL

Award Amount:
Comments:

Please submit the completed nomination form to; civilservicepay@cabinetoffice.gov.uk

Guide on control process for Pivotal Role Allowance

Background

- The purpose of Pivotal Role Allowance is to retain experienced members of the SCS in highly specialised roles and those delivering the riskiest major projects across government and other priorities.
- The non-consolidated allowance is removable and non-pensionable and is strictly controlled within a notional central pot set at 0.5% of the overall SCS pay bill.
- The allowance relates to the role, not the individual. The allowance should be removed when the recipient leaves the role or the role is longer business critical to the organisation. This ensures that funds are recycled back into the central notional pot for future cases.
- All cases require the approval of a Cabinet Office minister (and the Chief Secretary to the Treasury for cases with an annual value exceeding £15,000). All cases need prior clearance from a Permanent Secretary Sub-Group, currently comprising the Civil Service Chief Operating Officer and the Permanent Secretary of the Treasury.

Qualifying criteria

- Any proposal to pay the allowance must meet four qualifying criteria:
 - The role is critical to delivering the strategic goals of the organisation.
 - There will be a disproportionately large impact on the business if left unfilled.
 - The role requires specific skills that are not easily available in the Civil Service.
 - There is a genuine flight risk.

Key conditions

- PRA is a retention tool to retain skills and experience in role. It is not an attraction measure or incentive for new staff.
- The flight risk must be demonstrated (evidence that the incumbent is looking for a new role or being headhunted etc).
- PRAs must be linked to clearly defined and easily understood outcomes, supported by specific, measurable and meaningful milestones. These must be set out in the business case.
- Payment should be in instalments and tied explicitly to achievement of milestones that will support outcomes. Equal payments paid with salary will not normally be agreed.
- Where appropriate, the level of instalments should be backloaded to incentivise recipients to remain in post.
- The Accounting Officer is responsible for assessing and authorising payment.
- For specialist roles, Heads of Professions (HoP) should be consulted first. The role of the HoP in this process is to provide both technical and profession specific insights on the role in terms of its responsibilities, scope and technical capabilities; which is considered alongside the flight risk and the business impact of the incumbent leaving.

- The payment level is not prescribed, but should be proportionate to timescales. For illustrative purposes: 24 months - up to £20,000 in total; 18 months - up to £15,000; 12 months - up to £10,000; 6 months - up to £5,000. This is a guide only and the criticality of the role, scarcity of skills and flight risk will be considered for cases proposing to exceed these indicative rates.
- In certain cases, for example where the level of the payment is high and/or the timescale is unusually short, there may be a greater reporting role to Cabinet Office Ministers

Monitoring

- Accounting Officers must be able to properly measure the milestones that are set alongside the award. As part of evidence gathering for the annual Review Body process, Cabinet Office will conduct annual surveys to ensure that the PRA is being used effectively.
- Departments must review the PRA every six months to ensure that the role remains business critical to the organisation and to ensure that outcomes and milestones are up to date.

Process

- The approval process operates as follows:
 - Department identifies a role that meets all four eligibility criteria and develops a business case using the standard pro-forma below.
 - Department gains approval of the Accounting Officer/the Permanent Secretary and Minister for the proposed allowance. For specialist skills, the Heads of Professions should be consulted (particularly project management, commercial, digital and finance roles).
 - Department formally submits their case to Civil Service HR (Cabinet Office).
 - A Subgroup of the Civil Service Board is consulted before any proposal is put to ministers. This currently comprises Alex Chisholm (Civil Service Chief Operating Officer) and Tom Scholar (Permanent Secretary, Treasury).
 - If Sub-Group consensus is to reject, departments are told at this stage and provided with appropriate feedback.
 - If the consensus is to approve, Civil Service HR submits the case to a Cabinet Office minister (and the Chief Secretary where appropriate) for approval.
 - The Cabinet Office minister (and the Chief Secretary where appropriate) approves the proposed allowance. Civil Service HR informs the department.

PROFORMA FOR APPLICATION FOR PIVOTAL ROLE ALLOWANCE

Title of role	
Employing department	
Brief Description of the role.	
Profession of role	
Is this a designated SRO role e.g. leading a project in the government major projects portfolio? If yes, please name the project	
Please describe how each of the eligibility criterion has been met	<i>How the role is critical to delivering the strategic goals of the organisation</i>
	<i>The impact on the business if the role is left unfilled.</i>
	<i>The specific skills for this role that are not easily available in the Civil Service.</i>
	<i>The flight risk for this role (evidence that the incumbent is looking for a new role or being headhunted etc).</i>
Level of allowance being sought and supporting justification, including market evidence	
Please provide details of the remuneration package currently received by the incumbent (including base salary, performance pay opportunity and any other	

benefits/allowances)	
Please define clearly the outcome this PRA is intended to achieve.	
Please set out each instalment of the PRA against each milestone that must be achieved.	
Please describe how you will monitor performance against the outcomes/milestones and who will be accountable for this.	
Number of SCS in the department already in receipt of a Pivotal Role Allowance	
For specialist roles, please confirm that Head of Profession is supporting	
Name of Accounting Officer supporting this application	
Name of Permanent Secretary supporting this application	
View of Departmental Minister	
Name and post of person submitting this application	
Contact telephone and email	

Date of application	

Additional SCS pay flexibilities

Converting non-consolidated funding into consolidated pay

The Cabinet Office and HM Treasury will consider, on an exceptional basis, requests from departments for the flexibility to address specific recruitment and retention pressures and other pay anomalies by re-allocating some limited funding within their overall SCS paybill.

Departments wishing to convert part of their non-consolidated pot to address recruitment and retention pressures are required to submit a business case to the Cabinet Office. This should meet all three of the following eligibility criteria:

- The roles should be business critical.
- Current pay should be below the median for the whole SCS population at the relevant pay band.
- Subject to performance of individuals.

The flexibility is also available to address equal pay liabilities where these can be fully evidenced and supported by legal advice.

Conversion is limited to a maximum of 0.5% of the 3.3% performance pay pot available. Any agreed conversion permanently reduces the NCPRP pot. Departments must be satisfied that the proposed reduction in the pot will not jeopardise the operation and effectiveness of their performance-related pay arrangements.

HM Treasury will be consulted on all cases and will want to consider the relative pay position of applicant departments compared to other departments. But that does not rule out higher paying departments if the eligibility criteria are met.

Departments should support their business case with the following information and data:

- Details of the recruitment or retention pressure to be addressed and details of the business critical area(s) involved.
- The number and nature of posts involved; existing and proposed pay rates and the level of adjustments involved; the proposed reduction in the PRP pot; and the cost to the consolidated pay bill including on-costs (employer pension contributions and ERNICS).
- The amount of the existing NCPRP pot calculated as a percentage of current SCS paybill.
- Demonstrate how the pay award is already being targeted to reflect position in pay range and performance, and to address any other anomalies.

The timing of NCPRP awards for top performers

To strengthen the link between key achievement and reward departments are able to stage NCPRP awards to top performers so that some payments can be made at the mid-year point or held over to other points to be determined. This is particularly relevant to project work with key milestones. This will be for departments to manage within the existing framework for NCPRP. If you would like to discuss how this flexibility might operate within your department, please contact the Cabinet Office.

Salary controls for SCS

Level	Approval by Department (All appointments above former CO reference points to be signed-off by Accounting Officer)	Approval by Cabinet Office (All requests for approval to be made <u>before</u> hiring process commences)	Approval by the Chief Secretary to the Treasury (All requests for approval to be made <u>before</u> hiring process commences)
Deputy Director Pay band 1	Salary up to £117,800pa <i>(salaries above £90,000 to be approved by Accounting Officer)</i>	Salary above £117,800pa - £149,999	All posts with a package worth £150,000 or more as defined in the Treasury guidance
Director Pay band 2	Salary up to £149,999pa <i>(salaries above £120,000 to be approved by Accounting Officer)</i>	See next column	
Director General Pay band 3	Salary up to £149,999pa <i>(salaries above £140,000 to be approved by Accounting Officer)</i>	See next column	
Permanent Secretary	Permanent Secretary pay tiers (ranging from £150,000 to £200,000) are set centrally based on the weight and complexity of the role. The Cabinet Secretary and Head of the Civil Service decides which tier each role sits in. CST signs off all cases – see next column.		

SCS Pay - Exceptions Process Guidance

Policy

From 2018/19, the following rules for movement into and around the SCS have been in place:

- No pay increases for moves within the SCS on level transfer; and
- On promotion to the SCS or to a higher SCS grade, SCS will receive no more than a 10% salary increase or the minimum of the new grade.

The aims are to:

- Tackle inconsistency of current approaches, which result in unequal outcomes for those moving into and around the SCS;
- Balance incentives for both breadth and depth of experience, encouraging SCS to build capability by remaining in post for longer; and
- Make more efficient use of existing funding, releasing savings to fund structural reform.

An exceptions process will exist to enable flexibility in cases where internal candidates move to roles with greater scale or responsibility. This will require agreement from the **Permanent Secretary** and relevant **Head of Profession** and evidence should be given, including against both of the following criteria:

- Sustained high performance, increased effectiveness, deepened capability and expertise; and
- That the individual is relatively low in the pay range and/or have benefited less or not at all from the rise in the minima.

Departments should also consider the equality impact of any decisions made on exceptions, as well as any precedents they might be setting.

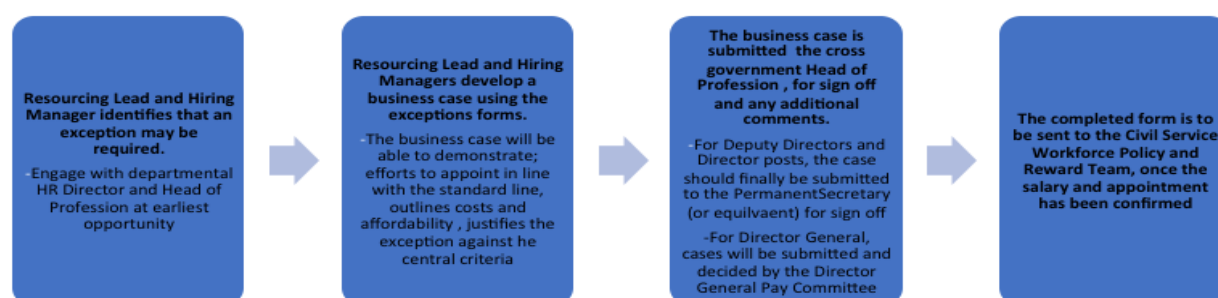
No limit has been imposed on the number of exceptions that can be approved, but Cabinet Office will collate the number of exceptions made each year to feed in to Senior Salary Review Body evidence. Although there is no centrally imposed limit on the number of exceptions, it is expected that they will make up only a small minority of cases.

Process:

- Resourcing leads and hiring managers will identify that an exception is likely to be required and engage with the departmental HR Director and Head of Profession at the earliest opportunity.
- Resourcing leads and hiring managers will develop a business case **using the standard pro-forma below** for the exception which:
 - a. Demonstrates efforts to appoint in line with standard rules;
 - b. Outlines costs and affordability; and
 - c. Justifies the exception against central criteria.
- Once any departmental governance processes have been followed, the case should be submitted to the cross Civil Service Head of Profession for sign-off and any additional comments or endorsement.
- For Directors and Deputy Directors, the case should be finally submitted to the departmental Permanent Secretary (or equivalent).

- All Pay Band 3 business cases need approval by a Directors General Pay Committee and should be sent to civilservicepay@cabinetoffice.gov.uk.
- Once appointment has been finalised, the business case and agreed salary should be submitted to the Cabinet Office Workforce Policy and Reward team. This is to enable monitoring of the application of the process from the centre.

Process Flow Chart



Frequently Asked Questions:

• **Who are the Heads of Professions (HoP)?**

We would advise that you initially contact your departmental heads of professions, who will be able to refer you to the cross-government Head of Profession. If you are unable to contact the HoPs, then please contact either CSEP contact.us@csep.gov.uk or Civil Service Workforce Policy and Reward Team civilservicepay@cabinetoffice.gov.uk. The aim is to compile a list of contacts and circulate to departments, in due course. You can find a list of the different professions using this [link](#).

• **Often an SCS role can overlap with more than one profession - which Head of Profession should sign off on an exception?**

The vacancy holder should make a decision as to whether the role has a clear anchor in one profession, and subsequently that Head of Profession will be approached for approval alongside the Permanent Secretary. However, if there isn't a clear anchor, more than one Head of Profession may be consulted for approval and joint agreement should be sought.

• **In some cases the Head of Profession is also the Permanent Secretary - who should be the second signatory in this case?**

In this instance, we would expect the Permanent Secretary to suggest an appropriate and independent alternative, to provide the dual-key approval.

• **Some Heads of Profession have significantly larger SCS workforces without corresponding support teams. How will we be able to process exceptions?**

Exceptions should be a small minority and should therefore not generate too much work. When defining their exceptions criteria Head of Profession should consider whether departmental heads of profession can provide initial sign-off to help with the administration of the process.

- **What if an exception is sought for a cross Civil Service Head of Profession role?**

In this instance, Alex Chisholm, Civil Service Chief Operating Officer, should be approached for approval alongside the relevant Permanent Secretary.

- **How do we know what has been delegated to department HoP and what hasn't?**

By its nature the exceptions process, and therefore the involvement of the HoP in reward decisions should be rare. However, as with all SCS recruitment, it is advised that you have early engagement with your departmental HoPs, before engaging in the recruitment process in order to ensure activity aligns to wider capability development plans. In the event that exceptional pay flexibility is required the departmental HoPs will be able to advise on the arrangements that have been agreed with the cross-government HoPs.

- **What happens when disagreement occurs?**

The exception process is designed to be a mutually agreed decision between the HoP and the Permanent Secretary/Accounting Officer for the benefit of the department.

We would anticipate that there may be a healthy level of challenge to decisions, to ensure that it is line with the business needs of the departments and that all decisions are sufficiently robust to stand up to scrutiny. If disagreements do arise, the Permanent Secretary/Accounting Officer would make the final decision, but parties should try to reach agreement, to avoid the situation occurring.

If the case is regarding a role at Director General level, approval is sought from the HoPs and the Permanent Secretary, then a Directors General Pay Committee final sign off.

- **Should the HoP be advising based on market rates of pay for these roles?**

The exception process exists to enable flexibility in cases where internal candidates move to roles with greater scale or responsibility. Therefore, market rates for these roles is less likely to be a determining factor although HoPs are expected to have some insight into market pressures on their profession as part of the broader design of SCS pay going forward.

The role of the HoP in this process is to provide both technical and profession specific insights on the role it terms of its responsibilities, scope and technical capabilities; which is considered alongside the individual's capability. Ultimately the HoP is responsible for deciding, alongside the accounting officer, whether an increase in salary is justified and reflective of the role's requirements.

In regards to advise about market rates of pay for the role, we expect that departments may also engage with the professions to help inform issues such as appropriate rates of pay. The median CS pay by profession is a helpful guide that has been made available to Heads of Professions, however, it is not expected that departments should be aiming to or able to pay the median or the market rate, as they should be considering other factors such as experience, skills and the job weight, alongside equality impact and affordability in their decision.

SCS Pay Exception Approval Form

An exception case requires agreement from the **Permanent Secretary** and relevant **Head of Profession** against both of the following criteria:

- *sustained high performance, increased effectiveness, deepened capability and expertise; and*
- *that the individual is relatively low in the pay range and/or have benefited less or not at all from the rise in the minima.*

For cases relating to Director General roles, further approval is needed by a Directors General Pay Committee.

1. Department

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2. Department Contact Details

Name: Phone: Email:

3. Title of Role, Role Description, the Advertised rate, Current Salary and Proposed Salary

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4. Why is this exception required and how does it meet both of the listed criteria?

<p>1. <i>Sustained high performance, increased effectiveness, deepened capability and expertise; and</i></p> <p>2. <i>That the individual is relatively low in the pay range [and/or have benefited less or not at all from the rise in the minima – N.b. this element is not applicable in 2021/22].</i></p>
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5. Head of Profession Approval

Signature:
Comments:

6. Permanent Secretary Approval

Signature:
Comments:

7. For Director General cases, DG Pay Committee Approval

Signature:
Comments:

Once the appointment and salary are approved and confirmed, a copy of the completed form is to be sent to the Civil Service Workforce Policy and Reward Team at civilservicepay@cabinetoffice.gov.uk