



Cabinet Office

# **Government Evidence to the Review Body on Senior Salaries on the Pay of the Senior Civil Service**

February 2024

## EXECUTIVE SUMMARY

### Introduction

1. The Government recognises the fundamentally important role of the SCS within the Civil Service, and remains fully committed to the support and development of our workforce leaders.
2. We want to build a SCS that is lean, efficient, productive and able to deliver for our people and our citizens, with leaders from a diverse range of background located throughout the country, and the right specialist capabilities and skills to lead the delivery of the increasingly wide-ranging of complex policy and delivery areas that the Civil Service performs.
3. It is critical that the Civil Service is able to recruit and retain specialist skills at SCS level whilst continuing to grow world class capability internally. This includes growing our own functional expertise and providing greater reward for higher performers and those who develop capability by remaining in post for longer; enabling greater depth of experience, confidence and leadership skills.
4. The 2021 Declaration on Reform set out our ambitions for the future of public service, including:
  - having the best people leading and working in government to deliver better outcomes for our citizens;
  - improving the way we recruit and manage moves into and out of government, looking to all corners of the UK;
  - attracting an even wider diversity of talent and investing in training; and
  - rewarding people for being exceptional in what they deliver to the public.
5. In January 2024, the Government launched the Civil Service People Plan for 2024-2027. This is about ensuring the Civil Service workforce is comprised of the very best people from across the UK, so that;
  - it is fit for the challenges of the 21st Century, and;
  - is equipped to support the government of the day in developing and implementing its policies, and in delivering excellent public services.
6. This People Plan brings coherence and focus to driving positive workforce reform over the next three years through five people priorities, and a total of forty-five individual commitments to improve. These include making senior ranks smaller and more skilled by developing a brand new Senior Civil Servant (SCS) Strategy. It aims to deliver a more capable workforce that can lead and manage a modern, multi-skilled Civil Service spread across the country.
7. In this year's evidence, the Government provides further details on our vision for the SCS pay framework. In particular, the evidence focuses on our ambition for a future SCS Strategy, including an approach to pay and reward that supports the SCS in the immediate future and the longer term.
8. The Government invites the SSRB to comment on these proposals to ensure the pay system supports the development of a senior leadership cadre in the Civil Service that is able to meet the challenges of the future.

## Economic Context

### *Macroeconomic context*

9. The economy fared better last year than many forecasts had predicted at the start of 2023 and revisions to gross domestic product (GDP) show that the economy also recovered more strongly from the pandemic than previously thought. However, in recent months, the economy has been more subdued with increases in interest rates, necessary to bring down inflation, having weighed on growth in advanced economies including the UK. The economy ended 2023 in a technical recession, having contracted over the final two quarters of the year.
10. Inflation has more than halved from its peak in late 2022 but remains above the 2% target. Returning inflation to the 2% target is critical for sustainable growth, though it will not fall in a straight line to get there with domestically driven pressures continuing to have an impact. The Bank of England forecast that inflation will return to the 2% target in the second quarter of 2024 before rising slightly again, towards the end of the forecast period.
11. To combat high inflation, the Bank of England has raised interest rates to 5.25%. This has resulted in additional borrowing costs for many mortgage-holders, businesses, and government. The government is committed to supporting the MPC to bring inflation back to target by aligning fiscal with monetary policy. Further borrowing, above what is forecast, would add to inflationary pressure which would put upward pressure on interest rates potentially causing them to stay higher for longer.

### *Labour market context*

12. Settlement data are the most comparable data to PRB decisions, as they are a direct measure of consolidated pay awards, and so are not affected by broader labour market factors such as changes to working hours. According to XperthHR, median settlements across the economy have been between 5.0% and 6.0% so far in 2023-24, which puts the award for all SCS of 5.5% in the middle of the range.
13. Wage growth has started to ease from the historically high levels, seen in the summer of 2023, and is forecast to moderate further as the labour market loosens. In their November 2023 Economic and Fiscal Outlook, the OBR forecast that earnings growth will fall below 4% this year and to around 2% in 2025. This measure of average earnings growth has historically been higher than average pay settlements, as it is affected by compositional changes in the labour force and factors such as changes to working hours.
14. Indicators suggest that recruitment difficulties have continued to ease over the last year and the number of vacancies has declined for 19 consecutive months. There are challenges at present in interpreting recent labour market forecasts, with both the most recent Bank of England and OBR forecasts produced ahead of the re-introduction of the Labour Force Survey in February 2024, which had been suspended since October 2023. Nonetheless, recent forecasts anticipate that unemployment will rise over the coming year. The OBR forecasts that unemployment will rise to 4.6% in the middle of 2024, and remain at this rate until the end of 2025, before falling back to 4.1% at the end of the OBR's five-year forecast horizon.
15. The increase in unemployment is expected to ease the level of vacancies across the private and public sector, supporting recruitment and retention across PRB workforces.

Public sector workforces will also benefit from higher job security over this period given redundancies have historically been concentrated in the private sector during periods of rising unemployment.

### Summary of evidence for 2024/25

16. The Government's evidence is provided in two parts. The first part is the main evidence in narrative form and sets out:
  - Chapter 1 – 2023 SSRB recommendations for the SCS;
  - Chapter 2 – the vision and wider context for the SCS; and
  - Chapter 3 – SCS pay priorities and direction of travel.
17. The following information is annexed to the main evidence:
  - Annex A – an evaluation of the 2023/2024 pay award and its application by Main Departments;
  - Annex B - SCS pay on appointment exceptions;
  - Annex C - Pensions;
  - Annex D - Permanent Secretary Remuneration;
  - Annex E - Government Commercial Organisation (GCO);
  - Annex F - SCS data
18. The second part is the supporting statistical data requested by the SSRB. In addition, the SSRB has received separate economic evidence from HM Treasury.
19. As in previous years, the Cabinet Office will work with the SSRB secretariat to provide any additional information required.

### SCS vision and strategy

20. The SSRB has consistently identified the need for a strategic vision for the future size and shape of the SCS, a strategy to achieve this vision, and an approach to pay and reward that supports the SCS in the immediate future and the longer term. The Government agrees this is much needed and important.
21. In line with Commitment 14 of the Civil Service People Plan, development of an SCS Strategy has started, with a target date for delivery of Summer 2024. The SCS Strategy will set out a future vision for the SCS that details what being a SCS leader means now and into the future. The Strategy will outline the performance expectations of the cadre and how they will be supported. It will also connect with the Civil Service's ambitions to unlock greater UK-wide career opportunities and attract, develop and retain the very best people from the widest pool of talent, with particular consideration for the new and emerging skills and capabilities that are, and will be, needed of the SCS.
22. The SCS Strategy will be supplemented by a SCS Strategy action plan, to be developed collaboratively across the Civil Service, and in tandem with the developing Rewards Strategy, which sets out how the SCS Strategy will be implemented.
23. The Civil Service People Plan, published January 2024, also sets out our ambition for a future SCS Pay Framework. This is to develop a clear leadership and pay framework for the Senior Civil Service that rewards delivery of better outcomes and that raises the overall capability of the SCS so that it can lead the Civil Service across the Government's priorities, delivering greater productivity for citizens.

24. The People Plan also commits to the development of a new Civil Service Reward Strategy that will align and integrate with the SCS Strategy as well as wider activity ongoing within the Government People Group around capabilities, skills, performance, recruitment, and workforce planning. The Reward Strategy will set the vision, goals and action plan to address reward issues within the Civil Service for both delegated and SCS grades, with the aim of achieving a more coherent, flexible, and individualised reward framework by 2030.
25. Whilst the SCS Strategy and Reward Strategy are under development, we will be able to provide further detail at oral evidence. **The Government would like the SSRB to comment on the proposed direction for a future SCS Strategy, following the updates provided at oral evidence.**

### SCS pay priorities and direction of travel

26. The SSRB has a long-standing interest in the Government's approach to SCS pay progression and has commented on this in its last Report. The Government shares the SSRB's belief that pay progression for the SCS should be a key priority for incentivising and rewarding staff to stay in post. The SSRB was informed last year the Government's position was not to implement capability-based pay progression (CBPP) in 2023.
27. It remains the intention to implement a system that rewards the increase in skills and capability. This will be considered as part of the overall strategy for the SCS, where it remains the Government's ambition for a smaller, higher-skilled, productive, and better-rewarded SCS. Following this consideration, the Government does not propose to implement CBPP for 2024/25.
28. In past years, the SSRB has recommended a general pay uplift applied to all members of the SCS (unless they are underperforming) as a significant part of the pay award. In the current economic context, we agree that this is an important element of the SCS pay award.
29. However, we believe that for 2024/25 there is again an opportunity to apply the pay award in a way that provides a meaningful general uplift for all eligible SCS while also addressing some of the most pressing issues within the SCS reward framework.
30. We are therefore recommending a similar approach to recent years (with the exception of the Public Sector pay pause year in 2020/21), whereby the SCS pay award for 2024/25 should be targeted as follows:
  - **Priority 1:** To increase the pay band minima for all pay bands.
  - **Priority 2:** To allocate a consolidated basic pay increase to all SCS.
  - **Priority 3:** For departments to allocate additional consolidated increases to individuals, dependent on demonstration of increased capability and deepened expertise.
31. **For this year, the Government's position is that the recommendation for an award will rightly seek to recognise the valuable service the SCS provide to the public, however this must be set in the context of the Government's wider affordability position.**

### Pay ranges

#### *Minima*

32. A lot of progress has been made to increase pay band minima over time, particularly at SCS1 level, yet there still remain issues arising in a number of departments with crossover between SCS and pay ranges.
33. As in previous years, anecdotal feedback from members of the SCS suggests that the relatively small increase in salary when joining the SCS, coupled with the perceived large increase in responsibility and working hours, runs the risk of making promotion into the SCS less attractive. This issue is exacerbated in the Devolved Administrations where pay progression exists for those at delegated grades meaning a large proportion of G6 staff sit at the top of the pay range, leading to issues such as leapfrogging on promotion to SCS1.
34. It remains the Government's intention to continue to rationalise the current SCS pay ranges by increasing the minima for all SCS grades, while recognising that a balance needs to be struck between funding increases to the minimum and targeting funding towards those low in the pay range who increase their capability.
35. We would propose to increase the pay band minima for all SCS pay bands by £1,000. We believe this will continue to further mitigate issues of leapfrogging at G6 and SCS1, and is proportionate when considering affordability.
36. The following pay ranges are therefore proposed for the 2024/25 pay year:

	Deputy Director	Director	Director General
<b>Minimum</b>	£76,000	£98,000	£128,000
<b>Maximum</b>	£117,800	£162,500	£208,100

#### *Performance management*

37. The SCS performance management policy has been under review for a number of years, with a number of positive changes made to date. The framework was implemented for the first time this performance year, coming into effect on 1st April 2023.
38. The framework sets a minimum expectation for how certain elements of the performance process should be handled:
- **Setting performance expectations**
  - **Agreeing stretching objectives**
  - **Regular performance conversations**
  - **Underperformance**
  - **Consistency check**
  - **In-year recognition**
  - **Performance assessment**
  - **Moderation**
39. Following four years of review, we now propose to broadly shift from the implementation stage to the evaluation stage of the review, to allow us time to better understand the impact of the changes made. As part of this, we will first conduct some evidence gathering and analysis of how the framework has been implemented, to assess the consistency around objective setting, consistency of expectations, including office

attendance, end-year distribution and the awarding of bonuses, and tackling poor performance. We intend to make recommendations to the Civil Service Board in the coming months, so that any necessary changes to improve consistency can be made in advance of the 2025/26 performance year.

*Non-consolidated reward*

40. As a result of overall resourcing pressures and competing priorities, we had paused our review of non-consolidated performance related payments for the SCS including the potential introduction of milestone-based reward. We are now able to resume this review, and will begin to scope options for improvement.

*Milestone Based Reward*

41. In 2022, we set our intent to develop plans to introduce 'milestone-based reward'. Following a pause in development last year, we are now further exploring this initiative as a mechanism to reward successful delivery of projects and/or key milestones. We believe this will enable better attraction of skilled staff, aid retention in key roles, and improve productivity.
42. This proposal would operate in a similar way to the approach adopted for Pivotal Role Allowances and would be removable and non-pensionable and controlled within a notional central pot, set at a certain percentage of the overall SCS pay bill. We will explore options to test this within specific workforces over the coming year and will return to the SSRB having further tested the policy's viability. Nonetheless SSRB is welcome to offer any general observation about this approach.

## CHAPTER 1 – 2023 SSRB RECOMMENDATIONS FOR THE SCS

1.	<p><b>Recommendation 1</b></p> <p>As a pay award for the senior civil service we recommend:</p> <ul style="list-style-type: none"><li>• An across-the-board increase for all SCS of 5.5 per cent from 1 April 2023.</li><li>• A further 1 per cent of the SCS paybill to be directed at progression increases for those lower in the pay ranges who are delivering in role and demonstrating expertise.</li></ul>
2.	<p><b>Recommendation 2:</b></p> <p>We recommend the following SCS pay ranges from 1 April 2023:</p> <ul style="list-style-type: none"><li>• SCS pay band 1: £75,000 to £117,800.</li><li>• SCS pay band 2: £97,000 to £162,500.</li><li>• SCS pay band 3: £127,000 to £208,100.</li><li>• Permanent Secretary: £152,000 to £200,000.</li></ul>

43. In making their pay recommendations, the SSRB stated it was mindful of a number of factors:
- high levels of inflation;
  - the growing pay gap with the external market and the increasing pay overlap with civil servants in delegated grades;
  - the concerns of the Civil Service Commission that the proportion of good candidates applying for senior roles, linked to an unattractive reward package;
  - the widening gap in SCS pay between different nations; and
  - the urgent need for a clear pay progression system and lack of incentive to stay in role.
44. The Government accepted the SSRB's recommendations for 2023 in full. Accepting these recommendations, whilst not increasing borrowing, required tough decisions. In reaching this decision, the Government carefully considered the need to maintain an effective senior civil service, affordability and fairness between senior pay and the delegated pay award, including the one-off payment of £1,500 that staff in delegated grades were eligible for. The award, also made in light of the exceptional macroeconomic circumstances, was the highest for many years. We invite SSRB to consider the context of the exceptional and historical nature of the 2023/24 award when considering their recommendations for this year.
45. In accepting the recommendations, and in recognition of the SSRBs concerns about the lack of consistency in the application of the 2022/23 consolidated pay increases by departments, the Government was explicit in how the award was implemented across the SCS for both the base pay increases and the targeting of pay anomalies. This was to ensure consistency in the application of the award, and departments were informed of the criticality of following the advice and recommendations of the SSRB in the SCS Pay Practitioners Guidance, published July 2023. The Practitioners Guidance specified that:
- Departments must give all eligible members of the SCS a consolidated pay increase of 5.5% of their base pay from 1 April 2023.



- The additional 1% ring-fenced anomalies pot for awards should be used in accordance with the SSRB's long standing priorities:
    - Demonstration of sustained high performance, increased effectiveness and deepened expertise.
    - Their position in the pay range.
  - The Practitioner Guidance steered departments to target the 1% anomalies pot towards:
    - those below the SCS-wide pay band medians (currently £80,000 for SCS1 £104,000 for SCS2 and £138,000 for SCS3, and those assessed as high performing or exceeding);
    - those who were performing well but remained lower in the pay band and for whom recent pay awards had done little to move them much above the pay band minimum;
    - those who were performing well and whose salaries fell below the departmental G6 maxima;
  - With the remaining funds in the 1% paybill pot, other individual pay anomalies addressed should be agreed by the departmental pay committee.
46. Where departments proposed to depart from this approach, they were required to seek Cabinet Office approval first. Special dispensation was agreed for FCDO in 2023/24 to reflect their unique workforce needs, including the continuing need to address harmonisation issues resulting from the merger of former FCO and DFID.
47. The application of the 2023/24 SCS pay award by main Whitehall departments can be found at Annex A.

## CHAPTER 2 – VISION AND WIDER SCS CONTEXT

### Civil Service Efficiencies

48. Driving efficiency and value for money is a key priority for this government. The Chancellor announced on 2 October 2023 that the Civil Service workforce will be capped at its current levels and will not expand any further as a whole between now and March 2025. This is expected to increase efficiency, boost productivity and potentially save up to £1 billion compared to the current trajectory.
49. Departments will be asked to submit long-term plans to reduce headcount to pre-pandemic levels by the end of the next Spending Review period. This is part of the Public Sector Productivity Programme being carried out by the Chief Secretary to the Treasury. Reductions will be carefully balanced with ensuring the continued delivery of the government's priorities, and outcome Delivery Plans continue to be an important part of how departments measure their delivery against objectives.
50. In his recent speech at the Institute for Government, the Minister for the Cabinet Office announced his ambition to transform the Civil Service to become leaner, more accountable and transparent by improving productivity for better performance. The first step towards this has been to cap the size of the Civil Service workforce. And now the Civil Service must make the changes necessary to do more with less, to be more productive itself, drive productivity across the public sector and support the economy to become more productive. The public expects more, but paying more to stand still is not an option, nor is unrestrained growth or a higher reliance on contingent labour acceptable.
51. To become more productive, the Civil Service will innovate to:
  - Embrace innovation and unlock the transformative potential of new technologies, such as AI by increasing our ambition on the pace and scale of digital transformation in government;
  - Unlock new ways of working, but streamlining and simplifying how government operates; and
  - Leverage workforce potential by improving how we attract and retain the best talent through a smaller, skilled workforce that is better rewarded, with stronger performance management.

### SCS vision and strategy

52. The SSRB has consistently identified the need for a strategic vision for the future size and shape of the SCS, a strategy to achieve this vision, and an approach to pay and reward that supports the SCS in the immediate future and the longer term.
53. In January 2024, the Government launched the Civil Service People Plan for 2024-2027. This is about ensuring the Civil Service workforce is comprised of the very best people from across the UK, so that;
  - it is fit for the challenges of the 21st Century, and;
  - is equipped to support the government of the day in developing and implementing its policies, and in delivering excellent public services.
54. The People Plan brings coherence and focus to driving positive reform over the next three years through five People Priorities, and a total of forty-five individual commitments

to improve. These include making senior ranks smaller and more skilled by developing a brand new Senior Civil Servant (SCS) Strategy. It aims to deliver a more capable workforce that can lead and manage a modern, multi-skilled Civil Service spread across the country.

55. This will be combined with a radical overhaul of the Civil Service recruitment processes, which will be streamlined and opened up so the Government can attract a broader range of talent. This includes a focus on bringing in more of the best people from outside Government into remunerated senior roles, supported by a new cross-Civil Service attraction strategy, as well as providing more entry routes including increasing secondment opportunities for external candidates.
56. In line with Commitment 14 of the Civil Service People Plan, the launch of development of an SCS Strategy has commenced, with a target date for delivery of Summer 2024. The SCS Strategy will set out a future vision for the SCS that details what being a SCS leader means now and into the future. The Strategy will outline the performance expectations of the cadre and how they will be supported. It will also connect with the Civil Service's ambitions to unlock greater UK wide career opportunities and attract, develop and retain the very best people from the widest pool of talent, with particular consideration for the new and emerging skills and capabilities that are, and will be, needed of the SCS.
57. The SCS Strategy will be supplemented by a SCS Strategy action plan, to be developed collaboratively across the Civil Service, and in tandem with the developing Rewards Strategy, which sets out how the SCS Strategy will be implemented.
58. Whilst the SCS Strategy is under development, we are able to provide further oral evidence for any further detail required.
59. The People Plan also aims to upskill managers so the Civil Service can better deliver for the British people, with a new Line Management Capability Programme set to be launched in April 2024, which will embed externally-accredited standards and requirements for line managers across government.

### **Government People Group - Critical Enablers for the SCS**

60. Since last year's evidence, the Government People Group (GPG) was formed to lead the Government People Function. Established in May 2023, and based in the Cabinet Office, it brings together what was Civil Service Human Resources (CSHR) and Government Business Services (GBS). GPG is responsible for:
  - Development and delivery of the Civil Service People Plan 2024 - 2027 (with departments and other functions);
  - Development of model employment policies and guidance;
  - Setting of standards and assurance of those standards with respect to people management; and
  - Coordination of responses to cross government people challenges, risks and opportunities.
  - Delivery of some cross government services. For example the Government Recruitment Service.

61. Steps are underway to improve the Government People Function. For example, the People Function Strategy will:
- review the functions operating model to ensure we are more efficient by removing duplication and being clear on who is accountable for what. Where activities are best delivered centrally we will ensure we deliver economies of scale.
  - deliver a new people data strategy to ensure that we use consistent, accurate and relevant data to inform our people strategies.
  - develop professional capability so that the function is trusted and expert advisers who can take advantage of innovation, for example, the use of data, automation and Artificial Intelligence.
62. The new Civil Service People Plan 2024 - 2027 defines the big, cross government people challenges and how we will work to address them. Over the next three years, the People Plan will ensure the Civil Service:
- **Recruit faster** - for example, by improving national security vetting, and testing new approaches to recruitment to revamp our processes;
  - **Better target learning to support delivery of our roles and objectives** - for example, by launching the new Government Skills Campus which will use skills data to intelligently drive quality assured training, focused on developing the specific skills needed to deliver excellent public services to individual civil servants;
  - **Transform line management and support managers to deliver a great working environment** by setting externally accredited standards and requirements for line managers and ensuring the standards are reflected throughout the employee lifecycle and incorporated into functional frameworks; by finalising plans around Mental Health to support civil servants' to maintain good mental health, wellbeing and attendance, focusing on areas such as better communications, embedding of best practice and piloting of new tools;
  - **Reward capable colleagues that deliver more** by developing a new Reward Strategy which, for example, will set out a pay framework that rewards delivery for the taxpayer, drives better productivity, high performance and the acquisition of skills and capabilities needed to support Government and public;
  - **Focus the Government People Function in driving these improvements** through the upcoming publication of a strategy for the People Function.

### Recruitment, Retention and Talent

63. As set out in last year's evidence, the people priorities clearly reflect the need to ensure 'the right people are working in the right places with the right incentives'.
- a. Driving forward a raft of measures to improve recruitment (outcomes of 2023's end to end review), including improving time to hire, civil service attraction and branding, and recruitment discovery pilots.
  - b. Ensuring that all departments, functions and professions use secondments as a part of their strategic resourcing plans. Secondments will be used as a lever for

bringing cutting edge skills into the civil service where needed most, and talent development.

64. Undesirable turnover (and churn) in the Civil Service, and particularly in the SCS, has been identified by several sources, including the Institute for Government, as an issue impacting the delivery of Government major projects over a number of years. On the 4th July 2022, we launched a new policy with supporting guidance for setting assignment durations for permanent SCS 1 and 2 roles.
65. This policy sets the expectation of assignment durations as a default minimum duration of 3 years, with the exact length in role to be set by the vacancy holder to support delivery of the requirements of the Outcome Delivery Plans and/or Project timelines for roles. There is scope for exceptions to assignment durations in line with business requirements and to take into account personal circumstances. This does not constitute a contractual change, but will instead be driven by a change in culture and organisational and vacancy holder and applicant expectations.
66. The initial impact of the policy will be reviewed by July 2024 with a fuller review in July 2025, following completion of the first 3-year cycle.

## Pay and Reward

67. We recognise the extremely challenging fiscal context in which we are operating and the numerous environmental factors affecting colleagues.
68. We will ensure we have a robust evidence base to shape our pay strategies and use data and modelling effectively to inform this evidence.
69. Ensuring we look holistically at the whole reward offer we will include clarity of the pension offer as part of the overall package. This will form part of the future SCS Strategy and Reward Strategy.

## Civil Service Reward Strategy

70. Work is underway to develop a Civil Service Reward Strategy which will define the longer term structure and approach to pay and reward, driving and supporting a 'Modern Civil Service'. The overall aim of the strategy is to deliver a more coherent, flexible, and individualised reward framework by 2030 that rewards civil servants to deliver better productivity across Government and better outcomes for taxpayers.
71. The new strategy will set out to achieve the following:
  - Delivering target outcomes that will transform the Civil Service's future reward approach by offering a series of ambitious cases for change over the strategy's life cycle.
  - Delivery of a more coherent, flexible, and individualised Civil Service reward framework that enables government departments to reward excellence in delivery, enhance productivity, and recognise capability in role.
  - Setting out a pay framework that reforms how the Civil Service rewards delivery for the taxpayer, high performance and the acquisition of skills and capabilities needed to support the Government and public

- Ensuring the value and options on pensions are fully recognised and understood by existing civil servants and act to attract talent to the Civil Service whilst optimising an offer that meets the evolving needs of a workforce .
- A review of the existing employment offer to ensure we continue to provide a modern and competitive package and a consideration of its articulation and how to increase current and future civil servant's awareness and access to it.

## Employee Experience

72. To support and encourage multi-disciplinary teams, a strong community and effective networks across the SCS cadre and the wider public sector are essential. We also know from conversations with the SCS and research into the experience of new joiners<sup>1</sup> that there is a desire for better connection and networking across the cadre.
73. We will continue to build on and structure the sense of community across the Civil Service by:
  - Articulating and clarifying the employee offer including the unique opportunities that senior leaders in the Civil Service have to deliver work which impacts people across the UK.
  - Building on the structured onboarding experience now in place through the SCS Induction programmes

## Learning, Skills and Capability

74. For our SCS to deliver the Government's priorities and drive outcomes for the UK it is essential that we focus not just on the skills and capabilities needed now but those that we need to identify, develop and support for the future. In a rapidly changing work environment with automation and hybrid working it will be more and more critical that the SCS are comfortable and able to operate in the space of large, ambiguous, cross-system, digitally-driven projects, including managing and developing the skills of their teams to deliver them.
75. We will continue to do this by providing a clear learning offer for SCS articulating the core skills that are needed to work effectively in the Civil Service and the offer for each grade. Through the ongoing line management capability work, supporting development and setting expectations of senior leaders as line managers and role models.

## Line Management Capability

76. The People Plan also aims to upskill managers so the Civil Service can better deliver for the British people, with a new Line Management Capability Programme set to be launched in April 2024, which will embed externally-accredited standards and requirements for line managers across government.
77. The new programme will commit to:
  - Improving the productivity and capability of line managers across the Civil Service. We will set externally accredited standards and requirements for line managers, with a commitment that 70% of the identified target cohort of priority line managers will achieve or be working towards accreditation by the end of 2025.

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<sup>1</sup> [Baxendale report](#)

- Raise the profile and esteem for line management. We will highlight the value and importance of the line manager's role - including through involvement in sessions on management and leadership at all Civil Service Live locations.
- Improve employee experience for staff and managers. We will advise on required changes to ensure the standards are reflected throughout the employee lifecycle. This will include amending policies linked to recruitment, performance management, and promotion. Line management standards will also be incorporated into functional frameworks. A full schedule of implementation for the required changes will be developed.
- Set the standards and requirements for line managers across the Civil Service. We will develop a set of externally accredited line management standards that will be embedded across government. These standards will draw on the evidence base of best practice from academic research, professional bodies, across sectors and within government.
- Accreditation will follow thereafter Inform the evolution of line manager training and development. We will support the Government Skills and Curriculum Unit and departments to enhance management learning offerings, aligning to the new standards.

### Government Campus for Skills

78. The Government Skills and Curriculum Unit (GSCU) was established in September 2020 to improve the capabilities of civil servants. GSCU published Better Training, Skills and Networks<sup>2</sup> in January 2021. The aim is to 'raise the floor, and the ceiling' - higher universal standards, and greater specialist and technical skills, as befits the challenges of modern government. As committed in the Declaration on Government Reform, the GSCU has built, and continues to grow and improve, the Government Campus to ensure the Civil Service invests in the skills needed now and in the future by building a culture of continuous learning and offering targeted training. Building capability across the Civil Service remains one of the five missions in the second phase of government reform.
79. A five-strand curriculum framework defines the required skills and knowledge, from foundation to specialist for all civil servants. It comprises: **Foundations of public administration, Working in government, Leading and managing, Specialist skills and Domain knowledge**. With an emphasis on improved digital and data knowledge and skills, accreditation and qualifications, equipping those managing complex projects and leading effective public services with the expertise they need, and getting the basics right, we'll be able to build back stronger, fairer, safer and greener. Through a standardised skills taxonomy, new digital Government Skills Campus and robust evaluation framework we will take a data driven approach to ensure that training is having a positive impact, resulting in better policy making and better public services for the country. We are also doing more to support our ministers to be effective, both in induction, and throughout their ministerial careers.
80. The Declaration on Government Reform commits to a 'mandatory induction package'. Around 40,000 people join the Civil Service every year. They might be school leavers who've never worked in an office, or they may be experienced professionals from another sector. Either way, it is essential we provide them with a superb, professional induction which equips them for their job and career, as part of A Modern Civil Service.

<sup>2</sup> <https://www.gov.uk/government/publications/the-new-curriculum-and-campus-for-government-skills/better-training-knowledge-and-networks-the-new-curriculum-and-campus-for-government-skills>



81. This year we continue to roll out our online Induction with over 24,000 participants across 25-30 departments and agencies. We have further invested in **Digital and data skills for all** to raise digital and data literacy across Government including masterclasses for senior leaders in data (2020) and innovation (2021) and both are now well established. We launched pilot courses for our Digital Excellence Programme on building digital and data cultures in 2023 and we will continue to develop these. We also supported One Big Thing 2023 helped all civil servants build their data skills.
82. We have undertaken a full scale core curriculum review of the Fast Stream to keep the offer current and to a high quality and designed a reformed future Fast Stream that will ensure a pipeline of leaders and managers to support the corporate functions. We have delivered a refreshed attraction and selection approach giving potential candidates a clearer preview of the Fast Stream offer, and which will aim to attract a greater number of graduates with a STEM background. We launched the bold 2022-2025 Civil Service Apprenticeships strategy with a refreshed commitment to creating a more skilled, professional workforce with quality and relevant apprenticeships built into strategic capability plans. Through our apprenticeship strategy and quality assurance framework we continue to upskill new and existing staff.
83. These principles apply fully to the Senior Civil Service: new members of the SCS have already been benefiting from revised SCS inductions and a new SCS orientation for those joining from outside the Civil Service. Alongside this, the Leadership College for Government's work to reform management and leadership skills is bringing greater coherence to central leadership programmes, delivered in collaboration with departments, functions, professions, and public sector organisations. We launched the first two programmes of new management pathways, supporting managers at all levels of the Civil Service to increase their line management capability. 2,000 civil servants have already gone through the Foundation and Practitioner programmes.

## Places for Growth

84. The Declaration on Government Reform sets out how the Government will look beyond London to all corners of the UK, to ensure we have a Civil Service that is representative of the communities we serve with more civil servants, including senior leaders, working outside of the capital, joining the many dedicated frontline staff already based in towns and cities across the UK.
85. Places for Growth programme is delivering on the UK Government's commitment to relocate 22,000 roles by 2027 and have 50% of UK-based Senior Civil Service roles outside London by 2030. This aims to bring new jobs and investment to all parts of the UK; increase opportunities for people from a wider range of backgrounds; and help to deliver a Civil Service that better reflects the country it serves, with a wider range of voices from beyond Westminster involved in policy and decision-making.
86. In its role overseeing the delivery of this agenda, Places for Growth works closely with departments and public bodies to ensure roles are relocated at pace. A number of departmental second headquarters have been established including the Cabinet Office in Glasgow, DLUHC in Wolverhampton and DESNZ in Aberdeen. In addition, PfG is supporting the growth of thematic campuses building on the success of the Darlington Economic Campus and the Sheffield Policy Campus.
87. By 2030, we intend to have established a network of locations across the UK where Civil and Public Servants are rooted in local communities and reflective of the places they



serve. Recruitment will support sustainable career pathways in all locations and enable diversity of thought and experience to grow and flourish within the Civil Service.

88. The Civil Service needs to be visible in, and representative of, the entire UK, across all departments, functions and professions. A more regionally dispersed workforce has its benefits for the UK Civil Service as an organisation. By having policy-makers, strategists and a large percentage of the SCS based in Whitehall, the Civil Service is not taking advantage of the untapped and diverse talent available in places across the whole of the UK.
89. In order to build sustainable career pathways and increase opportunities in locations targeted for Civil Service growth, the presence of SCS roles is key. This is why the Government has committed to ensuring that 50% of the UK-based SCS roles are located outside of London by 2030.

### A more inclusive Civil Service

90. The Civil Service has a three-phase approach to delivery of inclusion across the Civil Service:
- **Strategy** - Setting the framing for change, outline of priorities to achieve and blueprint to follow.
  - **Delivery** - Building capability to deliver agreed strategic priorities in adherence with Civil Service Values.
  - **Assurance** - Establishing CS Assurance governance to promulgate best practice, highlight areas of concern for swift resolve and deliver priorities.

#### Strategy

91. The Civil Service Diversity & Inclusion Strategy 2022-2025 outlines our commitment to having a truly diverse workforce with a culture of openness and inclusivity - not as ends in themselves but as means of delivering better outcomes to the citizens we serve. It outlines our aim of a Civil Service that:
- **understands and draws from the communities it serves** – drawing from a range of backgrounds, experiences and locations
  - **is visible to everyone** – engaging the communities we serve and showcasing what the Civil Service offers
  - **is flexible** – supporting innovation, performance and engagement
  - **welcomes** talent from wherever it comes – attracting the best talent from all backgrounds
92. It sets a clear vision on how to achieve those aims, being a Civil Service that:
- **Values Diversity of Teams;**
    - *Challenging groupthink and inspiring a greater diversity of thinking.*
  - **Values and invests in its People;**
    - *Enabling career development through accessible and universal training.*
  - **Has Collaborative Partnerships Underpinned by Our Values;**
    - *Systems and communities working collectively to deliver improved inclusion.*
  - **Tackles Bullying, Harassment and Discrimination;**
    - *Specific actions for departments to take in continuing to address BHD.*
  - **Tests its Policies.**
    - *Activity to be data-driven, evidence-led, and delivery focussed.*
93. Now that we have a clear strategic direction our attention has turned to phases two and three.

### *Delivery*

94. We know that the focus of the strategy, commitments made in them and statements of intent are important, but what is key to our people is delivery against them. We agree and that is demonstrated with a clear commitment to 31 actions and the focus placed in the new strategy on being a Civil Service that tests its policies; and promoting our Diversity and Inclusion activity to be data-driven, evidence-led, and delivery focussed. D&I practice must not be for its own sake, but seek to better equip the Civil Service to deliver its current challenges and priorities, as well as future ones (for example those mainstreaming D&I and a focus on fairness through embedding in our processes, such as recruitment, talent, training, promotion and performance management).
95. We are now delivering policies, programmes, practice and process to support and enhance the and transform our performance of D&I across the Civil Service, including:

### *Bullying, Harassment and Discrimination*

96. A review of Bullying, Harassment and Discrimination across the Civil Service is underway and due to report in 2024. This is reviewing progress made within departments on implementing the recommendations from the [major review](#) (by Dame Sue Owen) of the Civil Service arrangements for tackling bullying, harassment and discrimination; to identify what more we can do to continue to make progress.
97. We are also monitoring progress on bullying, harassment and discrimination through the Civil Service People Survey, with increased reporting of instances, as a result of individuals feeling able to raise concerns, providing the data and evidence for robust interventions.
98. The annual 'Speak Up' campaigns across government, encourage reporting of issues where they arise while providing case studies highlighting actions taken as a result.

### *Evaluation and Assurance*

99. The Civil Service D&I Strategy committed to develop and deliver an Internal Assurance Framework and Civil Service Benchmark Standard to audit and measure the delivery of our strategic priorities, to ensure a consistent, effective and value for money approach is taken in line with government standards. The Benchmark Standard has been superseded by the Inclusive Britain commitment to develop a UK Inclusion Work Panel. This work has yet to complete and we have therefore delivered interim benchmarking guidance in the meantime.
100. The Assurance Framework is being developed alongside an Evaluation Framework and guidance to support departments in maintaining a culture of testing and tracking interventions and theories of change which is focused on achieving the right outcomes. Together these frameworks will help to identify and promulgate best practice and highlight areas of concern and tackle them swiftly in a way which is evidence led.
101. In addition, the audit of Equality, Diversity, and Inclusion (EDI) spending is coming to conclusion and, subject to further work, the Government is considering introducing a presumption against external EDI spending and increasing ministerial scrutiny of EDI spending whilst streamlining EDI training and HR processes with a view to getting value for the taxpayer.

### *Guidance*

102. We are refreshing existing guidance and developing new to ensure that all civil servants, including those leading cross Civil Service diversity networks understand their responsibilities in relation to key behaviours which support inclusion.

## Accelerated Development Schemes

103. Our Accelerated Development Schemes (Future Leaders Scheme (FLS), Senior Leaders Scheme (SLS) and the Directors Leadership Programme aim to support the development of a diverse talent cadre to the most senior and critical roles in the Civil Service. The schemes equip high-potential individuals with the skills, knowledge and networks to realise their full potential.

FLS - 2022 <sup>3</sup>	Female	Disability	Ethnicity	LGBO
<b>Benchmark: All civil servants at G6/7<sup>4</sup></b>	<b>49%</b>	<b>12%</b>	<b>13%</b>	<b>7%</b>
Stage One Successful	54%	36%	21%	12%
<b>Stage Two Successful</b>	<b>60%</b>	<b>32%</b>	<b>18%</b>	<b>15%</b>

SLS - 2022 <sup>5</sup>	Female	Disability	Ethnicity	LGBO
<b>Benchmark: All civil servants at SCS1<sup>6</sup></b>	<b>50%</b>	<b>9%</b>	<b>8%</b>	<b>6%</b>
Stage One Successful	50%	15%	13%	9%
<b>Stage Two Successful</b>	<b>56%</b>	<b>16%</b>	<b>12%</b>	<b>11%</b>

## Talent Pipeline

104. The Civil Service talent approach works to ensure that the Civil Service attracts, develops and retains talented people from a diverse range of backgrounds, to create a brilliant Civil Service now and for the future.

105. The Government's aim is to develop a strong and diverse pipeline of inspiring, confident and empowering leaders to shape the future of the Civil Service. The cross-Civil Service centrally managed accelerated development schemes aim to create a strong, diverse and robust pipeline through to the most senior roles in government.

## Fast Stream

106. Fast Streamers make a huge and valuable contribution to the delivery of public services in the UK. As part of our commitment to continue to reform the Fast Stream (FS) we

<sup>3</sup> 2023 data will be available February 2024

<sup>4</sup> Civil Service Statistics, March 2023.

<sup>5</sup> 2023 data will be available from February 2024

<sup>6</sup> Cabinet Office SCS database, April 2023

delivered a new pay and grading framework in 2023 and we are undertaking a structural review for 2024 and beyond.

107. Fast Stream starting pay is £30,455 (National) or £31,673 (London). This is slightly below the current median for graduate schemes at £32,000 in 2023 (ISE), and is below the median salary of Times Top 100 (TT100) graduate employers at £33,500 (High Fliers 2023). Other public sector graduate schemes starting salaries vary between £26,400 - £36,000
108. The Civil Service Fast Stream is the government's flagship talent development programme. The Fast Stream's overarching strategic aim is to be 'a diverse pipeline of talent to the Senior Civil Service' and the best available evidence suggests that just over 17% of existing SCS participated in the Fast Stream either on entry to the Civil Service or in subsequent years<sup>7</sup>.
109. The Fast Stream comprises nine schemes managed by the Fast Stream and Emerging Talent (FSET) team in the Cabinet Office. An additional six schemes are managed directly by professions and departments (for example, the Diplomatic Scheme is managed by Foreign Commonwealth and Development Office) but are still recruited through the same selection process, administered by FSET. FSET centrally managed schemes currently support and manage ~2000 Fast Streamers posted across 27 government departments, nine schemes and nine professions.
110. The FS Graduate offer is highly regarded by external audiences. FS currently holds the number two position in the Times Top 100 Graduate Employer list, and has been in the top two for the last seven years, and in the number one position for four of those. Internally, FS is a valuable, flexible pool of high-calibre trainees who work in roles at HEO, SEO and, on exit, Grade 7 level. In addition, the Fast Stream is part of the future talent pipeline to SCS.
111. In 2023 the FS received 26,899 applications, and 1,084 candidates were recruited. This is a decrease of 0.8% from 2022 (1,093); which is a reflection of departmental demand (bids), and not candidate quality. The 2023 campaign was anomalous, as following the reversal of an earlier decision to pause Fast Stream recruitment, it was launched two months later than usual in December 2022, and for a two-week window instead of four. A lower number of applications combined with a relatively consistent number of bids changes the applications to appointments ratio from 35:1 in 2022, to 25:1 in 2023; noting that there is always a minimum pass mark, and quality is never compromised to meet departmental demand.
112. Attrition from the Fast Stream is a complex picture as individuals may leave for roles in the departments of their postings – taking roles from HEO to Grade 7. They do this for a number of reasons, and it is not a reflection of their capability. A smaller proportion leave the Civil Service. Between 2016-2020 the Civil Service recruited 3,211 centrally managed Fast Streamers. During this period 95.1% of Fast Streamers remained in the Civil Service with 4.9% leaving the Civil Service altogether.
113. As Fast Stream graduates exit the scheme and move to different departments, we are currently unable to track long-term impact and onward progression to SCS. However, the alumni network and interoperability work will enable longitudinal tracking going forward. In April 2024 we will launch an impact evaluation to develop evidence that will optimise scheme design, demonstrate return on investment, identify areas for

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<sup>7</sup> Many of these individuals would have participated in a different model of the current Fast Stream scheme which has only existed in its current form since 2013.

innovation, and demonstrate 'what works' in the recruitment, training, and development of staff.

## SCS Recruitment

- 114. Recruitment across the Civil Service is governed by the Civil Service Commission's Recruitment Principles which set out the legal requirement for appointments to the Civil Service to be made on merit on the basis of fair and open competition. All Civil Service appointments, including decisions regarding SCS, are made in line with these principles.
- 115. Since May 2022, all (SCS) jobs must be advertised externally, helping to improve the ability of the Civil Service to hire a diverse range of high-quality candidates and allow departments to bring in skills in specialist areas, upskill the workforce and help move jobs out of London, which is an important strand of the Government's Levelling Up agenda. The first light touch review of Deputy Director and Director assignment durations will take place in July 2024 ahead of a fuller review in July 2025.
- 116. Director General and Permanent Secretary recruitment is overseen by the Senior Talent and Resourcing Team. They also run all Permanent Secretary competitions and over half of the Director General ones. Although there are clearly similarities in the approach and we aim to provide consistency to all candidates, processes for Deputy Director and Director differ from those for Director General and Permanent Secretary.
- 117. Deputy Director and Director recruitment is run by departments with central policy and guidance provided by GPG.
- 118. Additional future routes into the SCS will include secondments, supported by the Secondments Unit in GPG which are being developed to meet the need for scarce skills and porosity, in line with actions 2, 3 and 5 under the Declaration on Government Reform.
- 119. All SCS recruitment products are developed by GPG in consultation with the Civil Service Commission as the independent regulator and owner of the Civil Service Recruitment Principles.
- 120. The CSC is further involved for SCS2 externally advertised campaigns. Person specifications must also be signed off by the Civil Service Commissioner chairing the campaign.

## End-to-end Recruitment Review

- 121. GPG Recruitment Directorate set out a significant and ambitious work plan designed to improve effective recruitment, following the recommendations set out in the End-to-End Recruitment Review (E2ERR). The work incorporates complementary commitments made by the then Minister for Cabinet Office (MCO) in July on recruitment and secondments as part of the next phase of Civil Service reform plans.

## Retention

- 122. Turnover in the Senior Civil Service increased to 14.3% in 2022/23 (up from 12.4% in 2021/22, and the highest it has been since 2016/17). Departmental turnover, which includes movements between Departments, increased to 27.7% (up from 21.7% in 2021/22), however it should be noted that Machinery of Government changes in former BEIS and DIT departments made up around half of movements between departments.

The resignation rate increased to 5.9% in 2022/23, continuing a general upward trend after a drop during the pandemic in 2020/21, and the highest it has been since comparable figures are available (from 2012/13 onwards).

123. Median tenure in post was just over 2 years as of the 1st April 2023, increasing from 2022 and the highest it has been since 2012. Median tenure within the pay band was just under 3 years at 1st April 2023, increasing from 2022.

124. Although movement amongst senior talent is not problematic in itself (and indeed may be reflective at times of necessary agility to respond to changing Government priorities such as the response to Covid-19), churn within the Senior Civil Service is felt to occur too frequently without reference to business need, exacerbated by the current incentives within the system.

### **The Devolved Administrations**

125. The SCS in both devolved administrations continue to be part of the centrally managed cadre which is governed by the UK, which differs from the delegated grades which are managed by their own respective government.

126. For both governments, over time, the position in regards to the SCS has shifted in recognition of the changing shape of devolution. For example, the sign off for new senior appointments moved from the Prime Minister to the First Minister of the respective administration, and there has been a delegation of certain decisions regarding the Civil Service Compensation Scheme. While these changes in responsibilities did not require amendment of the Civil Service Management Code, they do acknowledge the different position of devolved administrations when compared to UK Government departments.

127. Financial accountability to the Scottish Parliament and Senedd and increasing fiscal autonomy, such as the Scottish and Welsh Rates of Income Tax, also factor as part of the developing context. One feature of the evolving devolution context is that Scottish Ministers now have an established and distinctive Public Sector Pay Policy. As this has diverged from the UK Government's policy choices, the position for the reserved SCS in the Scottish Government has become increasingly complex to navigate.

128. Both administrations operate remuneration committees (similar to those in UK Government departments). The Welsh Government's People and Remuneration Committee is responsible for recommending senior pay decisions and managing the performance, potential and talent of senior staff. The Committee ensures remuneration is handled in a fair and appropriate way and in line with UK Government guidance.

### **Issues affecting the Devolved Administrations**

129. For a number of years an overview of the issues affecting senior reward arrangements for the Devolved Administrations has been included in the Government's evidence to the SSRB. Some of these are also experienced by UK Government departments, such as the loss of senior staff to the wider public sector where pay levels are higher or access to pay progression exists, and the 'leapfrogging' and overlap issues at the low end of the Deputy Director range. However, some are particular to the Devolved Administrations, including the ministerial decision on the non-payment of performance awards.

130. The issue of leapfrogging is also exacerbated in the Devolved Administrations by the practice of pay progression at delegated grades leading to many of the Grade 6 and 7

cadre sitting at the top of the pay band while the members of the SCS stay clustered towards the bottom of the pay band due to the relative lower increases in recent years for this grade in comparison to at delegated grades. Higher pay awards to delegated grades and the use of pay supplements in specialist roles further highlights the challenge of maintaining differentials for SCS.

131. The UK Government continues to endorse the model of a UK-wide SCS as we progress development of the future SCS pay framework, and we will explore further opportunities for alignment.



## CHAPTER 3 – PAY PRIORITIES AND DIRECTION OF TRAVEL

132. The People Plan sets out our ambition for a future SCS Pay Framework. This is to develop a clear leadership and pay framework for the Senior Civil Service that rewards delivery of better outcomes and that raises the overall capability of the SCS so that it can lead the Civil Service across the Government's priorities, delivering greater productivity for citizens. This will be developed alongside a future SCS strategy.
133. In recent years, the Government has outlined its intention to introduce a capability-based pay progression (CBPP) system to reform SCS pay to the SSRB. The Government shares the SSRB's belief that pay progression for the SCS should be a key priority for incentivising and rewarding staff to stay in post. The SSRB was informed last year of the Government's position not to implement CBPP in 2023. Having further considered the policy, while it remains the intention to implement a system that rewards the increase in skills and capability, it is clear that this should be considered as part of the overall strategy for the SCS, where it remains the Government's ambition for a smaller, higher-skilled and better-rewarded SCS. Following this consideration, the Government does not propose to implement CBPP for 2024/25.
134. In past years, the SSRB has recommended a general pay uplift applied to all members of the SCS (unless they are underperforming) as a significant part of the pay award. In the current economic context, we agree that this is an important element of the SCS pay award.
135. However, we believe that for 2024/25 there is again an opportunity to apply the pay award in a way that provides a meaningful general uplift for all eligible SCS while also addressing some of the most pressing issues within the SCS reward framework.
136. We are therefore recommending a similar approach to recent years (with the exception of the Public Sector pay pause year in 2020/21), whereby the SCS pay award for 2024/25 should be targeted as follows:
- **Priority 1:** To increase the pay band minima for all pay bands.
  - **Priority 2:** To allocate a consolidated basic pay increase to all SCS.
  - **Priority 3:** For departments to allocate additional consolidated increases to individuals, dependent on demonstration of increased capability and deepened expertise.
137. **For this year, the Government's position is that the recommendation for an award will rightly seek to recognise the valuable service the SCS provide to the public, however this must be set in the context of the Government's wider affordability position.**

### Pay ranges

#### *Minima*

138. Although a lot of progress has been made to increase pay band minima over time, particularly at SCS1 level, there still remain issues arising in a number of departments with unwanted crossover between pay ranges.
139. It remains the Government's intention to continue to rationalise the current SCS pay ranges by increasing the minima for all SCS grades, while recognising that a balance needs to be struck between funding increases to the minimum and targeting funding towards those low in the pay range who increase their capability.



140. We would propose to increase the pay band minima for all SCS pay bands by £1,000. We believe this will continue to further mitigate issues of leapfrogging at G6 and SCS1, and is proportionate when considering affordability.

#### SCS pay band minima 2009-2023

Year	SCS1	SCS2	SCS3
2009 - 2012	£58,200	£82,900	£101,500
2013	£60,000	£84,000	£103,000
2014	£62,000	£85,000	£104,000
2015	£63,000	£86,000	£105,000
2016	£64,000	£87,000	£106,000
2017	£65,000	£88,000	£107,000
2018	£68,000	£90,500	£111,500
2019	£70,000	£92,000	£115,000
2020	£71,000	£93,000	£120,000
2021*	£71,000	£93,000	£120,000
2022	£73,000	£95,000	£125,000
2023	£75,000	£97,000	£127,000

#### Maxima

141. In 2017 the government first stated the intent to reduce the SCS maxima:

- to facilitate quicker progress on shortening the pay ranges to both increase engagement and reduce inequities associated with maintaining a long pay range, which cannot be solely addressed through minima raises; as well as
- in preparation for the introduction of capability-based pay progression and movement through the (ideally shorter) pay ranges.

142. Since 2017, the implementation of the reduction of the maxima has been postponed whilst work on CBPP remained ongoing. Whilst we do not propose implementation of CBPP for 2024/25, we believe that any changes should be considered as part of the overall SCS strategy and future pay framework. It is important to note that whilst the maxima has not decreased, the overall pay bands have shortened significantly since 2017. We therefore do not propose to decrease the maxima for 2024/25.

143. The following pay ranges are therefore proposed for the 2024/25 pay year:

	Deputy Director	Director	Director General
<b>Minimum</b>	£76,000	£98,000	£128,000
<b>Maximum</b>	£117,800	£162,500	£208,100

## Non-consolidated pay

### *Performance-related pay*

144. As a result of overall resourcing pressures and competing priorities, we indicated in last year's evidence that we had paused our review of non-consolidated performance related payments for the SCS. We are now able to resume the review, and intend to begin scoping options. We currently envisage this considering changes to the size and shape of the non-consolidated pot, as well as the distribution of awards between in-year and end-year. Our initial research has found:

- varying degrees of agreement that the current non-consolidated performance related pot (NCPRP) process achieves its purpose, due to an under-utilisation of in-year award and some belief that the size of awards is not sufficient to genuinely incentivise high performance;
- a broad agreement that SCS strive to achieve the top-box marking, but less certainty that this is driven by the incentive of receiving a bonus payment and whether the payment is sufficient to reward the contribution;
- significant variance between departments in the distribution of the NCPRP pot between in-year and end-year awards, and in some instances within departments but between years; and
- that generally, departments value the flexibility to award staff as they see fit, however dislike the lack of consistency and conversely the centrally set requirements such as requiring an end-year award to be paid and capping the amount individuals can receive. There is also significant variance in the extent to which Departments believe the non-con pot is large enough to achieve the aims of NCPRP.

145. The current non-consolidated pay pot for SCS is 3.3% of the overall SCS pay bill. The pot is used to fund end-of-year awards and in-year awards. Following the removal of forced distribution, there is no cap on the number of staff eligible for an end of year award. All staff are eligible for in-year awards, up to £5,000, to recognise high performance in the moment provided they are not on formal poor performance measures.

146. SCS who receive an 'Exceeding' box marking must receive an end of year award, and with the move to four box markings, we have provided additional flexibility for departments to choose to also reward those who are marked as 'High Performing'. Departments currently have discretion to differentiate the level of payment they award each box marking to acknowledge different levels of contribution.

**The SSRB is asked for their views on the move from allowing departments the flexibility to choose whether to award the top two performance boxes (currently 'Exceeding' must**

**be rewarded, but 'High performing' is optional), to mandating that both of the top boxes must be rewarded with a non-consolidated performance related payment? They are also asked for their views on what the priorities for the review of non-consolidated performance related pay should be?**

#### *Pivotal role allowances*

147. Pivotal Role Allowances (PRAs) have been in place since 2013 to help retain SCS delivering critical programmes and those responsible for implementing the Government's priorities. They are widely recognised as a helpful tactical solution to address flight risk, pending longer term reform of the SCS pay system.
148. Since their introduction, around 350 PRAs have been agreed for people responsible for delivering the Government's priorities, including: EU exit priorities, COVID-19 response, major transport infrastructure projects and sustainable energy programmes, key health and safety specialists, those protecting the borders and national security, those providing digital services to the public and across government, and those in highly technical defence roles.
149. PRAs are removable and non-pensionable and controlled within a notional central pot set at 0.5% of the overall SCS pay bill. Around 120 PRAs are currently in payment. 48 PRAs were agreed in 2022/23 compared to 37 in 2021/22. From April 2023 to the end of January 2024, a further 58 PRAs have been agreed. PRAs generally range from £10,000 - £15,000 per annum in value and are paid to retain people for up to three years. The PRAs currently in payment are spread across a wide range of professions, but are being used mainly by Digital, Data and Technology (31%), Policy (14%), Finance (12%), Science and Engineering (11%) and Project Delivery (8%).
150. In addition, separate bespoke PRA arrangements are in place for the Infrastructure and Projects Authority to support the recruitment and retention of Senior Responsible Owners responsible for delivering projects in the Government Major Projects Portfolio and the Digital profession to support the recruitment and retention of highly skilled SCS1/2 Digital, Data and Technology specialists.

#### *Milestone Based Reward*

151. In 2022, we set our intent to develop plans to introduce 'milestone-based reward'. Following a pause in development last year, we are now further exploring this initiative as a mechanism to reward successful delivery of projects and/or key milestones. We believe this will enable better attraction of skilled staff, aid retention in key roles, and improve productivity.
152. This proposal would operate in a similar way to the approach adopted for Pivotal Role Allowances and would be removable and non-pensionable and controlled within a notional central pot, set at a certain percentage of the overall SCS pay bill. We will explore options to test this within specific workforces over the coming year and will return to the SSRB having further tested the policy's viability.

#### *Corporate Recognition Scheme*

153. The SCS corporate recognition scheme was introduced in early 2019 with awards of up to £1,000. The overall amount available represents 0.1% of the paybill. Guidance on the Corporate Recognition Scheme remains under review for this year, as part of wider work to review SCS performance management.

## Performance management

### *The current framework*

154. The current SCS performance management system is set centrally by the Cabinet Office. This contrasts with arrangements for delegated grades, which are set by departments in line with an agreed framework. The flexibility in the delegated grades space allows departments to implement different approaches to fit their unique workforce context, but does mean that there can be a significant disconnect between policies for the SCS and delegated grades in departments.
155. In January 2019, the Civil Service Board commissioned a review into the SCS performance management system to assess the impact of the removal of forced distribution and the policy as a whole. This need for reform was later emphasised by the statements in the Declaration for Government Reform.
156. After an extensive review of the previous policy, we have implemented the new SCS Performance Management Framework from the start of this performance year (April 2023). As set out in previous years, the framework broadly requires:
- A start of year Expectation setting meeting where Permanent Secretaries, Director Generals and Heads of Profession set the expected standard for the coming performance year, and cascade the Departments Outcome Delivery Plan (ODP) into individual performance objectives.
  - Individuals and line managers to set additional objectives, and review progress against these in quarterly conversations, agreeing an indicative performance box marking. We also recommend a mid-year consistency check conducted by Departments to assess the shape of their curve and take any action required in-year should there be any issues emerging, such as if their processes are having a detrimental effect on particular protected characteristics.
  - At the end of the year, individuals and line managers agree a final box marking ('Partially Met', 'Achieved', 'High Performing', 'Exceeding'), which is then moderated at local level, and Departmental level for consistency purposes. We recommend that if a department's process/policy is working as intended that they should find around 5% of their SCS are in the bottom box, 'Partially met'.

### *Review*

157. For the 2024/25 performance year, we will not be introducing any new policy changes to the performance management system. After a number of years of continuous review, culminating in multiple changes to the performance management framework, we believe it is right that we allow the framework time to embed and take effect, to generate the data which we can use to assess the impact of the changes made.
158. We are, however, aware that there are some minor areas that may require further amendments ahead of the 2025/26 performance year, and so intend to conduct the first stage of review immediately, to assess consistency of implementation of the framework. We will conduct some evidence gathering and analysis of objective setting, consistency of expectations, including on office attendance, end-year distribution, the awarding of bonuses, and tackling poor performance. We intend to make recommendations to the Civil Service Board in the coming months, so that any necessary changes to improve consistency can be made in advance of the 2025/26 performance year.
159. The second stage, which will be taken forward over the longer term, will then consider whether the changes to the performance management system have achieved the anticipated aims. Within this stage of the review, we currently intend to look at data on

poor performers, the overall distribution of SCS across the box markings, as well as Departmental and staff perceptions of performance management through the annual People Survey.

## ANNEX A - SCS PAY 2023/24 – APPLICATION OF AWARD BY DEPARTMENTS

Department	5.5% consolidated base pay award	Use of 1% to address pay progression and anomalies	Use of non-consolidated performance pay pot.	End year non-consolidated performance related pay for 2022/23 performance	In year contribution awards for 2022/23 performance
<b>Cabinet Office</b>	<p>The SCS award was paid in October 2023 and backdated to 1 April 2023.</p> <p>All eligible SCS members received a minimum of 5.5% consolidated pay increase.</p> <p>The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.</p> <p>Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-</p>	<p>The 1% anomalies pot was targeted at:</p> <ul style="list-style-type: none"> <li>Those SCS who remained within the bottom two quartiles of their respective bands, having received the 5.5% uplift and who were also assessed as high performing or exceeding;</li> <li>Those who were assessed as achieving but remained in the bottom two quartiles of their respective pay band having received the 5.5% uplift</li> </ul> <p>With the remaining funds in the 1% pay bill pot, a small number of pay anomalies were addressed and will continue to be during the</p>	<p>The full 3.3% pot available was used for in-year and end-year non-consolidated awards.</p>	<p>The level of payment by pay band was:</p> <p>SCS1 – £6,500 SCS2 - £8,500 SCS3 - £10,500</p> <p>Paid to all SCS with an 'Exceeded' marking: 27% of SCS.</p>	<ul style="list-style-type: none"> <li>Awards made to 108 SCS.</li> <li>Awards made were £4,000 each.</li> <li>Awards were exceptional and paid only to individuals with proven evidence-based delivery.</li> </ul> <p>The following criteria was used to assess nominations:</p> <ul style="list-style-type: none"> <li>Evidence of the successful delivery of challenging/stretching milestones (through smarter working, demonstrating leadership and stakeholder management behaviours and not just as a result of long working hours).</li> <li>Evidence of going above and beyond; for example, making an exceptional corporate contribution.</li> <li>Evidence of demonstrating/role modelling departmental values.</li> </ul>

	<p>consolidated, non-pensionable lump sum payment.</p> <p>Consolidated pay awards were not paid to any member of the SCS who was subject to poor performance procedures and who was paid above the minimum.</p>	<p>course of the FY, agreed by the departmental pay committee.</p>			<p>Payments were made quarterly (July 2022, October 2022, January 2023 and April 2023).</p> <p>All nominations were assessed and approved by a Governance Board.</p>
<p><b>Department for Culture, Media and Sport</b></p>	<p>DCMS paid the SCS pay award in November 2023, backdated to April 2023.</p> <p>All eligible SCS members received a 5.5% consolidated pay increase across the board.</p> <p>The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.</p> <p>Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the</p>	<p>DCMS utilised the 1% additional flexibility to further uplift salaries for those SCS who remained below 12% of their new pay range, even after the 5.5% uplift. This ensured that all SCS were on at least 12% of their pay band.</p> <p>Any remaining portion of the 1% was used to uplift all SCS1s by an additional £1,500 in order to aid retention at that grade, as turnover rates are currently very high. This will serve to give a higher % increase to those lowest in the pay band.</p>	<p>The full 3.3% pot available was used for in-year and end-year non-consolidated awards</p>	<p>SCS end of year awards were structured as follows:</p> <p>Exceeding Performance Marking (17 SCS 15.2%)</p> <ul style="list-style-type: none"> <li>• SCS1 - £5,150</li> <li>• SCS2 - £5,350</li> <li>• SCS 3 - £5,550</li> </ul> <p>High Performance Marking (35 SCS 30.4%)</p> <ul style="list-style-type: none"> <li>• SCS 1 - £2,850</li> <li>• SCS 2 - £3,050</li> <li>• SCS 3 - £3,250</li> </ul>	<p>In-year awards made to 54 SCS (44.6%)</p> <ul style="list-style-type: none"> <li>• Awards ranged from £1,000 - £5,000</li> <li>• In addition to the Cabinet Office criteria, in-year awards were allocated to SCS who we were confident had strongly demonstrated across one or more of the DCMS Leadership in Action attributes: <ul style="list-style-type: none"> <li>○ Exercise judgement and make good evidence-based decisions</li> <li>○ Guide teams using expertise and experience</li> <li>○ Empower and develop individuals and teams</li> <li>○ Build inclusive teams and encourage challenge</li> <li>○ Collaborate, make connections and encourage cross system working</li> </ul> </li> </ul>

	<p>excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum payment.</p>				<ul style="list-style-type: none"> <li>Continually reflect on their leadership style and are self-aware</li> </ul>
<p><b>Department of Energy Security and Net Zero</b></p>	<p>The SCS award was paid in October 2023 and backdated to 1 April 2023.</p> <p>All eligible SCS members received a 5.5% consolidated pay increase.</p> <p>The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.</p> <p>No consolidated pay increase of 5.5% exceeded the pay range maximum.</p> <p>Consolidated pay awards were not paid to any member of the SCS</p>	<p>The 1% anomalies pot was targeted at:</p> <ul style="list-style-type: none"> <li>those below the SCS-wide pay band medians (currently £80,000 for SCS1 £104,000 for SCS2 and £138,000 for SCS3, and those assessed as high performing or exceeding; They received uplifts of 0.8% and 1% respectively</li> <li>those who were performing well (achieving) but remained below the SCS-wide pay band medians received 0.6% uplifts;</li> </ul> <p>With the remaining funds in the 1% paybill pot, other individual pay anomalies were</p>	<p>The full 3.3% pot available was used for in-year and end-year non-consolidated awards.</p>	<p>The level of payment by pay band was:</p> <p>Exceeding SCS1 – £6,000 SCS2 - £8,000 SCS3 - £10,000</p> <p>High Performing SCS1 - £2,500 SCS2 -£3,500 SCS3 - £5,000</p> <p>Paid to all SCS with an 'Exceeded' marking: 15% of SCS.</p> <p>Paid to 25% of SCS with 'High Performing' marking.</p>	<ul style="list-style-type: none"> <li>All the in-year awards to target individuals to recognise significant contributions to Departmental outcomes.</li> <li>Payments are made during the year, with review points set quarterly.</li> </ul>



who was subject to poor performance procedures and who was paid above the minimum.	addressed that were agreed by the departmental pay committee.			
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**Department  
for Education**

The SCS pay award was paid in September 2023 and backdated to 1 April 2023.

All eligible SCS members received a 5.5% consolidated pay increase.

The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.

Used the full 1% pot. Operated a matrix that provided differentiated awards linked to position in the pay range (aligned to Civil Service median salaries), alongside targeted awards to a small number of employees to move them to a more appropriate level to reflect weight/challenge of role.

The full 3.3% pot was utilised for non-consolidated awards.

No end-year payments were made as the department is piloting the SCS ABLE approach as agreed with the Cabinet Office. This approach includes In Year Awards and a small number of Sustained Excellence Awards (SEA) paid towards the financial year end. SEAs were paid to 26% of the SCS, averaging £4,250 per award.

The Department is operating its SCS ABLE pilot with agreement from the Cabinet Office which includes In Year Awards and Sustained Excellence Awards.

In total last year:

- In Year Awards were made to 184 SCS (69%).
- All In Year Awards were capped at £5,000 each.

Awards recognised excellence in a variety of areas, from management to business delivery and for varying periods of time, with payments made throughout the year.

**Department  
for  
Environment,  
Food and  
Rural Affairs**

The SCS award was paid in October 2023 and backdated to 1 April 2023.

All eligible SCS members received a 5.5% consolidated pay increase.

The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.

The 1% anomalies pot was targeted at those below the SCS-wide pay band medians (currently £80,000 for SCS1, £104,000 for SCS2 and £138,000 for SCS3).

The full 3.3% pot available was used for in-year and end-year non-consolidated awards.

The level of payment to all pay bands by performance marking was:

Exceeded – £6,000  
High Performing – £4,000

Paid to all SCS with an 'Exceeded' marking: 9% of SCS.

Paid to 23% of SCS with 'High Performing' marking.

- Awards made to 82 (37%) SCS.
- Awards ranged from £500 to £3,000 each.
- Awards were exceptional and paid only to individuals with proven evidence-based delivery.
- The following criteria was used to assess nominations:
  - Evidence of the successful delivery of challenging/stretching milestones (through smarter working, demonstrating leadership and stakeholder management behaviours and not just as a result of long working hours).
  - Evidence of going above and beyond; for example, making an exceptional corporate contribution.
  - Evidence of demonstrating/role modelling departmental values
- Payments were made throughout the year.

**Department  
of Health and  
Social Care**

The SCS award was paid in September 2023 and backdated to 1 April 2023.

All eligible SCS members received a 5.5% consolidated pay increase.

The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.

Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum payment.

Consolidated pay awards were not paid to any member of the SCS who was

The 1% anomalies pot was targeted at those below the SCS-wide pay band medians (currently £80,000 for SCS1, £104,000 for SCS2 and £138,000 for SCS3) and those assessed as 'Achieving' and above for the 2022/23 performance year. The targeting focused on bringing SCS as close to the SCS-wide pay band medians as possible, subject to affordability.

This approach targeted SCS who were performing well but remained lower in the pay band and for whom recent pay awards had done little to move them much above the pay band minimum. It also targeted SCS who were performing well and whose salaries fell below the departmental G6 maxima.

The full 3.3% pot available was used for in-year and end-year non-consolidated awards.

The level of end year bonus payments were the same value for each SCS grade. They were paid as follows:

- Exceeded £7,000 – paid to 14% of SCS on civil service terms and conditions.
- High Performing £3,500 – paid to 34% of SCS on civil service terms and conditions.

- 102 SCS (44%) on civil service terms and conditions received an in-year award.
- Awards ranged from £1,000 - £3,000 each.
- Awards are paid exceptionally and only where the contribution made is beyond that which would normally be expected of the individual concerned, with proven evidence-based delivery.

The following are examples of actions and behaviours that are rewarded:

- An exceptional level of commitment, resolution and delivery to get a job done in challenging circumstances.
- Exceptionally high standards of customer service/delivery either in a strategic or operational role.
- An outstanding contribution over and above what would normally be expected for the job (in a particularly demanding situation).
- Enhanced level of contribution and implementation of ideas which led to improved departmental/Civil Service performance, greater efficiency, improved teamwork, cost savings etc.
- Demonstrating SCS leadership behaviours (inspiring, confident, and/or empowering) and

subject to poor performance procedures and who was paid above the minimum.

improving engagement within DH.

- Making an outstanding contribution to delivering against the wider Health agenda.

DHSC has three SCS in-year award discussions each financial year. In 2022/23, payments were made in August 2022, December 2022, and March 2023.

**Department  
for Business  
and Trade**

Followed the Cabinet Office guidance; all eligible staff were given a consolidated pay increase of at least 5.5%. This was paid to staff in November, back-dated to April

Used the majority of the anomalies pot on a matrix of uplifts using the following formula depending on their position in DBT's SCS pay range and 2022-23 performance marking:

SCS pay range and 2022-23 performance marking:

Exceeding

SCS1 Quartile 1: 3.5%  
SCS1 Quartile 2: 2.5%  
SCS2 Quartile 1: 3.5%  
SCS2 Quartile 2: 2.5%

High Performing

SCS1 Quartile 1: 2.5%  
SCS1 Quartile 2: 1.5%  
SCS2 Quartile 1: 2.5%  
SCS2 Quartile 2: 1.5%

Achieving

SCS1 Quartile 1: 1.5%  
SCS1 Quartile 2: 0.5%  
SCS2 Quartile 1: 1.5%  
SCS2 Quartile 2: 0.5%

Kept around 30% of the anomalies pot for use on cases that met the final criteria- individual anomalies who were not lower in the pay ranges or were but were given uplifts greater than what the above model would

Used the full 3.3% pot (though still have some in-year spend remaining, DBT intends to ensure this is used by the end of the performance year).

End of Year Awards were given to exceeding and high performing SCS staff, according to the following (percentages in brackets denote which % of that band received that grade):

SCS1 Exceeding: £7,250 (17%)  
SCS1 High Performing: £3,250 (31%)  
SCS2 Exceeding: £10,000 (18%)  
SCS2 High Performing: £4,500 (29%)  
SCS3 Exceeding: £12,000 (14%)  
SCS3 High Performing: £5,750 (29%)

Due to the MOG merger of DIT and BEIS, conglomerated data was not held on what DBT (which did not exist at the time) did. Below is what DIT did in 2022-23:

- Provided 21% of SCS with IYAs at some point during 22/23
- Rewards were valued between £1,500 and £4,500 (median and mode being £1,500)
- Rewarded staff who showcased an ability to go above and beyond in complying with DIT's values and objectives.
- Awards were given alongside the main pay award (mid-year) and then again at the end of the year to spend the rest of the budget.

have provided to them. Nominations for these uplifts were sought by providing DGs with the CO criteria and judging applications by how they fit them.

<p><b>Department of Science, Innovation and Technology</b></p>	<p>The SCS award was paid in October 2023 and backdated to 1 April 2023.</p> <p><u>All</u> eligible SCS members received a 5.5% consolidated pay increase.</p> <p>The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.</p> <p>No consolidated pay increase of 5.5% exceeded the pay range maximum.</p> <p>Consolidated pay awards were not paid to any member of the SCS who was subject to poor performance procedures and who was paid above the minimum.</p>	<p>The 1% anomalies pot was targeted at:</p> <ul style="list-style-type: none"> <li>those below the SCS-wide pay band medians (currently £80,000 for SCS1 £104,000 for SCS2 and £138,000 for SCS3, and those assessed as achieving, high performing, exceeding; who received a 0.9% uplift</li> <li>this ensured those who were performing well but remained lower in the pay band and for whom recent pay awards had done little to move them much above the pay band minimum received an uplift;</li> </ul> <p>With the remaining funds in the 1% payroll pot, other individual pay anomalies were addressed that were agreed by the departmental pay committee.</p>	<p>The full 3.3% pot available was used for in-year and end-year non-consolidated awards.</p>	<p>The level of payment by pay band was:</p> <p>Exceeding SCS1 – £6,000 SCS2 - £7,000 SCS3 - £10,000</p> <p>High Performing SCS1 - £2,580 SCS2 -£3,050 SCS3 - £5,000</p> <p>Paid to all SCS with an 'Exceeded' marking: 17% of SCS.</p> <p>Paid to 22% of SCS with 'High Performing' marking.</p>	<ul style="list-style-type: none"> <li>80% allocated.</li> <li>Awards made to 45 SCS.</li> <li>All the in-year awards to target individuals to recognise significant contributions to Departmental outcomes.</li> <li>Payments are made during the year, with review points set quarterly.</li> </ul>
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<p><b>Department for Transport (inc. DVLA, DVSA, ATE, MCA and VCA as it operates a Group reward model)</b></p>	<p>The SCS award was paid in October 2023 and backdated to 1 April 2023.</p> <p>All eligible SCS members received a 5.5% consolidated pay increase.</p> <p>The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.</p> <p>Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum payment.</p> <p>Consolidated pay awards were not paid to any member of the SCS who was subject to poor performance procedures or who was</p>	<p>DfT used the full 1% pot, which was targeted at:</p> <ul style="list-style-type: none"> <li>those below the SCS-wide pay band medians (currently £80,000 for SCS1, £104,000 for SCS2 and £138,000 for SCS3, and those assessed as high performing or exceeding);</li> <li>those who were performing well but remained lower in the pay band and for whom recent pay awards had done little to move them much above the pay band minimum;</li> <li>those who were performing well and whose salaries fell below the departmental G6 maxima.</li> </ul> <p>With the remaining funds in the 1% paybill pot, other individual pay anomalies were addressed that were agreed by the</p>	<p>Full 3.3% pot used, mixture of end-year and in-year non-consolidated awards.</p> <p>2023/24 - intend to use full pot, split between end-year and in-year awards.</p>	<p><u>Exceeding:</u> SCS1 - £7,500 SCS2 - £8,500 SCS3 - £9,500</p> <p>Paid to 24% of staff out of 23/24 pot.</p> <p><u>High Performing:</u> SCS1, SCS2 &amp; SCS3 – £4,000</p> <p>Paid to 20% of staff out of 23/24 pot.</p>	<ul style="list-style-type: none"> <li>152 in-year awards made to 143 staff (c. 50% of SCS)</li> <li>Awards were £2,000 each</li> <li>In-year awards were approx. 30% NCPRP budget</li> <li>Payments made in October 2022, December 2022 and March 2023 all from the 22/23 pot.</li> </ul> <p>The following criteria was used to assess nominations:</p> <ul style="list-style-type: none"> <li>Strong contributions and delivery of a Policy, Strategy or Corporate response with immediate and longer-term benefits for the Department.</li> <li>Role modelling and delivering against our Strategic Priorities.</li> <li>Exceptional leadership through change and complexity.</li> <li>Overseeing additional areas and / or managing resourcing pressures.</li> <li>Particular dedication to development of organisational capability and capacity.</li> <li>Role modelling Civil Service leadership including diversity and inclusion.</li> <li>Exceptional and sustained leadership through crisis and operational response.</li> </ul> <p>The final element was introduced in 2022/23 given the expectations on some of the Department's SCS to support crisis response.</p>
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paid above the  
maximum.

departmental pay  
committee.

## Department for Work and Pensions

The SCS award was paid in September 2023 and backdated to 1 April 2023.

All eligible SCS members received a 5.5% consolidated pay increase.

The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.

Where the consolidated pay increase of 5.5% exceeded the pay range maximum the consolidated increase was capped at the maximum and, any excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum payment.

DWP used the full 1% anomalies pot to:

- Uplift all eligible SCS1s to £81,000 and SCS2s to £105,000, to bring them above the SCS-wide pay band medians.
- Award SCS1s and SCS2s who received two performance ratings in the past 3 years that qualified (or would have) for a non-consolidated performance bonus payment a further uplift to the Civil Service upper quartiles of £85,600 (SCS1) and £122,400 (SCS2), capped at a 9% total increase. SCS who met the performance criteria in professions with higher upper quartile figures were uplifted to those values, capped at 9% total increase.
- Make 15 targeted awards based on those SCS1s and SCS2s who are considered a flight risk, in a critical role and or present an equal pay

The full 3.3% pot available was used for in-year and end-year non-consolidated awards.

SCS1 Exceeding - up to £8,000  
SCS1 High Performing - up to £7,250

SCS2 Exceeding - up to £10,500  
SCS2 High Performing - up to £9,500

SCS3 High Performing - up to £14,000  
(no SCS3s were awarded an Exceeding performance rating at end-year point).

End year bonuses are 'up to' the amounts quoted above. Individuals that met the criteria for an end year performance bonus who had not received an in-year award received the amount stated above. Individuals that met the criteria for an end year performance bonus who had already received an in-year award were paid a reduced end year performance bonus so that the total amount of bonus that they received over the full performance year did not exceed the above amounts.

6.1% (18 out of 294) of SCS received an exceeding end year performance bonus.

- 30% of the non-consolidated pot was used to fund in-year awards.
- 144 in-year awards were made in total to 48.9% of SCS.
- In-year awards ranged between £500 and £3,000.

The average in-year award was £1,786.

The actions and behaviours that were recognised and awarded were to individuals that have:

- made a significant contribution to a cross departmental initiative.
- made a significant contribution to the development of a function, profession or network
- delivered against stretching project milestones.
- made an exceptional work-related corporate contribution.
- Lived the DWP values.
- Made a significant contribution to achieving objectives in DWPs Outcome Delivery Plan.
- In-year awards were made throughout the year.

		<p>risk, capped at 9% total increase.</p> <ul style="list-style-type: none"> <li>The Nominations Committee which determines senior pay awards, used some funding to address anomalies between SCS3s.</li> </ul>		25.2% (74 out of 294) of SCS received a High performing end year performance bonus.	
<b>Foreign, Commonwealth and Development Office</b>	<p>The SCS pay award was paid in November 2023 and backdated to 1 April 2023.</p> <p>All eligible SCS members in post on 1 April 2023 received a minimum 4% consolidated pay increase, 90% received a minimum 5% consolidated pay increase.</p>	<p>The 1% anomalies pot was built into the FCDO's differentiation and progression approach to SCS pay this year. The full 5.5% plus 1% (6.5% in total) provision was utilised.</p> <p>In addition to the 6.5% consolidated pot, the full 3.3% non-consolidated pot was used in a matrix approach that awarded the following:</p>	<p>The full 3.3% pot available was used for the non-consolidated payments which formed part of the matrix approach that the FCDO adopted for the SCS pay award, as detailed in the previous two columns.</p>	<p>The FCDO did not make any end of year performance related payments for the 2022/23 performance year.</p> <p>The full 3.3% pot was used for the non-consolidated payment which formed part of the matrix approach that the FCDO adopted for the SCS pay award. However, these payments were linked to the 2022/23 performance marks.</p>	<p>The FCDO did not make any in-year awards to its SCS employees in the 2022/23 performance year.</p>

Actual consolidated increases ranged from 4% to 8%, dependent upon an individual's 2022-23 final performance outcome and their position in pay range. These consolidated increases were supplemented by a non-consolidated payment, funded from the non-consolidated pay pot, this meant overall pay awards ranged from 7% to 11%. The differentiation point in pay terms used were the respective Civil Service SCS median values from 2022.

The consolidated pay award was inclusive of any increase necessary to uplift members to the revised pay band minimum.

Where the consolidated pay award exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-

- **High score, below median:** 8% consolidated and 3% non-consolidated
- **High score, above median:** 5% consolidated and 6% non-consolidated
- **Normal score, below median:** 5% consolidated and 2% non-consolidated
- **Normal score, above median:** 4% consolidated and 3% non-consolidated

(where a High score outcome is either an 'Exceeding' or 'High Performing' box marking. A Normal score outcome is either an 'Achieving' or 'Partially Met' box marking)

	<p>pensionable lump sum payment.</p> <p>Consolidated pay awards were not paid to any member of the FCDO SCS workforce who was subject to poor performance procedures and who was paid above the revised pay range minimum.</p>				
Home Office	<p>The SCS award was paid in September 2023 and backdated to 1 April 2023.</p> <p>All eligible SCS members received a 5.5% consolidated pay increase.</p> <p>The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.</p> <p>Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was</p>	<p>The 1% anomalies pot was targeted at:</p> <ul style="list-style-type: none"> <li>those below the SCS-wide pay band medians (currently £80,000 for SCS1 £104,000 for SCS2 and £138,000 for SCS3, and those assessed as high performing or exceeding;</li> <li>those who were performing well but remained lower in the pay band and for whom recent pay awards had done little to move them much above the pay band minimum;</li> <li>those who were performing well and whose salaries fell</li> </ul>	<p>The full 2.88% pot available was used for in-year and end-year non-consolidated awards. (Home Office non-con pot is smaller due to historic conversion)</p>	<p>End year payments of the following values were made:</p> <p>Exceeded (6.7% of SCS):</p> <p>SCS1 – £8,750 SCS2 – £11,750 SCS3 – £14,750</p> <p>High Performing (23.9% of SCS):</p> <p>SCS1 – £6,500 SCS2 – £9,500 SCS3 – £12,500</p>	<ul style="list-style-type: none"> <li>Awards made to 44% of HO SCS (175 individuals).</li> <li>Awards ranged from £250 to £5,000.</li> <li>Awards made throughout the year.</li> <li>Awards were exceptional and paid only to individuals with proven evidence-based delivery.</li> <li>The following criteria were used to assess nominations: <ul style="list-style-type: none"> <li>Project deliverables – vital contributions or interventions to key priorities that have had a significant and noticeable impact.</li> <li>Individual contribution – working over and above normal expectations in the face of greater demands, and/or, departmental resource deficits.</li> <li>Leadership behaviours – exceptional leadership and</li> </ul> </li> </ul>

	<p>paid as a one-off, non-consolidated, non-pensionable lump sum payment.</p> <p>Consolidated pay awards were not paid to any member of the SCS who was subject to poor performance procedures and who was paid above the minimum.</p>	<p>below the departmental G6 maxima.</p> <p>The remaining funds in the 1% paybill pot were used to address other individual pay anomalies, as agreed by the departmental SCS pay committee.</p>			<p>corporate contribution, recognised by their peers and affected staff.</p>
<b>HM Revenue &amp; Customs</b>	<p>All eligible SCS members received a 5.5% consolidated pay increase. This was paid in the August salary and backdated to 1 April 2023.</p> <p>Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum</p>	<p>HMRC used the full 1% pot to address critical pay anomalies by applying a notional 'HMRC anomaly minimum', targeting people who are paid at the bottom of the pay ranges, increasing pay to;</p> <ul style="list-style-type: none"> <li>SCS1 - £83,500 (a new unified London and National rate)</li> <li>SCS2 - £106,500</li> <li>SCS3 - £139,500</li> </ul> <p>HMRC has phased out the higher SCS1 London</p>	Yes full 3.3% pot used	<p>The level of payment by pay band for Exceeded was:</p> <p>SCS1 – £ 7,000 SCS2 - £ 9,000 SCS3 - £ 12,000</p> <p>Paid to 13% of SCS</p> <p>The level of payment by pay band for High Performing was:</p> <p>SCS1 – £ 5,000 SCS2 - £ 7,000 SCS3 - £ 10,000</p> <p>Paid to 27% of SCS</p>	<ul style="list-style-type: none"> <li>Number of awards 313 to 283 SCS (57%)</li> <li>Awards recognised critical and exceptional performance, leadership and contribution during 2022/23.</li> <li>Awards capped at £2,000 each. Ranging from £250-£2,000</li> <li>Payments made throughout the year.</li> </ul>

payment (9 colleagues received this non-consolidated payment).

Consolidated pay awards were not paid to any member of the SCS who was subject to poor performance procedures and who were paid above the minimum.

minimum, which was £3,500 higher than the Cabinet Office SCS1 minimum.

Year-end awards were offset by the value of any in-year awards received for the same performance year



**Ministry of  
Defence**

The SCS award was paid in October 2023 and backdated to 1 April 2023.

All eligible SCS members received at least a 5.5% consolidated pay increase.

The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.

Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum payment.

Consolidated pay awards were not paid to any member of the SCS who was subject to poor performance procedures and who was paid above the minimum.

The 1% anomalies pot was targeted at:

- Demonstration of sustained high performance, increased effectiveness and deepened expertise.
- Their position in the pay range.

MOD operated a performance matrix that gave higher awards linked to position in pay range and performance marking.

The additional 1% used in the pay Matrix targeted:

- those below the SCS-wide pay band medians (currently £80,000 for SCS1 £104,000 for SCS2 and £138,000 for SCS3, and those assessed as high performing or exceeding (please say whether you used departmental medians instead).
- those who were performing well but remained lower in the pay band and for whom recent pay awards had

The full 3.3% pot available was used for in-year and end-year non-consolidated awards.

End of year Payment of £9,000 paid to 26% of the SCS population with an 'Exceeded' marking.

The values for 'Exceeded' SCS performers were pro-rated based on hours worked.

- 16% used.
- Awards made at £5,000 but pro rata on hours worked.
- Awards recognised those staff that just missed out on an end-year 'Exceeded' marking who received a 'high performing' marking in 2022/23.
- Payments made at the end of the reporting year.

	<p>done little to move them much above the pay band minimum;</p> <ul style="list-style-type: none"> <li>those who were performing well and whose salaries fell below the departmental G6 maxima.</li> </ul>			
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<p><b>Department for Levelling Up, Housing and Communities</b></p>	<p>The SCS award was paid at the end of October 2023 and backdated to 1 April 2023.</p> <p>All eligible SCS members received a 5.5% consolidated pay increase.</p> <p>The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.</p> <p>Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum payment – there was only one case where this was required at DLUHC.</p> <p>Consolidated pay awards were not paid to any member of the SCS who was subject to poor performance procedures</p>	<p>The 1% anomalies pot was targeted at:</p> <ul style="list-style-type: none"> <li>those below the SCS-wide pay band medians (currently £80,000 for SCS1 £104,000 for SCS2 and £138,000 for SCS3, and those assessed as high performing or exceeding;</li> <li>those who were performing well but remained lower in the pay band and for whom recent pay awards had done little to move them much above the pay band minimum;</li> <li>those who were performing well and whose salaries fell below the departmental G6 maxima.</li> </ul> <p>This resulted in the following application methodology at DLUHC:</p> <ul style="list-style-type: none"> <li>Those below the target rates set out above received an additional 1% uplift (therefore 6.5% in total).</li> <li>Those below the target rates set out above</li> </ul>	<p>The full 3.3% pot available was used for in-year and end-year non-consolidated awards.</p>	<p>The level of payment by pay band for End of Year performance bonuses was:</p> <p>SCS1 – £8,500 – Exceeding SCS1 - £5,000 – High Performing SCS2 - £12,000 - Exceeding SCS2 - £8,000 – High Performing SCS3 - £12,000 – Exceeding SCS3 – N/A – High Performing</p> <p>Paid to 26% of SCS with an 'Exceeded' marking.</p> <p>Paid to 12% of SCS with 'High Performing' marking.</p>	<ul style="list-style-type: none"> <li>Set aside 29.6% of pot, sufficient for a total of 60 in-year awards, to a maximum of 37% of the cadre.</li> <li>Awards were £3,000 each.</li> <li>Awards were exceptional and paid only to individuals with proven evidence-based delivery.</li> </ul> <p>The following criteria were used to assess nominations:</p> <ul style="list-style-type: none"> <li>Evidence of the successful delivery of challenging/stretching milestones (through smarter working, demonstrating leadership and stakeholder management behaviours and not just because of long working hours).</li> <li>Evidence of going above and beyond; for example, making an exceptional corporate contribution.</li> <li>Evidence of demonstrating/role modelling departmental values.</li> <li>Payment of DD level in-year awards has been delegated to DG Groups and linked to outcomes of quarterly performance discussions.</li> <li>Payment of Director in-year awards are still agreed collegiately on nomination to the Senior Talent and Pay Committee.</li> <li>Payments can be made in any month on instruction to the Pay &amp; Reward team; with an individual letter retained on personal file. The Pay &amp; Reward team reports back regularly to STPC and will</li> </ul>
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and who was paid above the minimum.	<p>received an additional 1.5% uplift (therefore 7% in total) if they had a performance outcome of either Exceeding or High Performing.</p> <p>With the remaining funds in the 1% pay bill pot, a small residual pay anomalies pot has been retained for further adjustments in January 2024, subject to agreement by the Senior Talent and Pay Committee.</p>			ensure that all funds are allocated by the end of the performance year.
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<p><b>Ministry of Justice</b></p> <p><b>Includes CICA, HMCTS, HMPPS, JAC, LAA and JAC operating as a group reward approach.</b></p>	<p>The SCS award was paid in August 2023 and backdated to 1 April 2023.</p> <ul style="list-style-type: none"> <li>• All eligible SCS members received a 5.5% consolidated pay increase.</li> <li>• The consolidated increase of 5.5% was inclusive of any increase necessary to uplift SCS members to the revised pay band minimum.</li> <li>• Where the consolidated pay increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum payment.</li> <li>• Consolidated pay awards were not paid to any</li> </ul>	<p>The 1% anomalies pot was targeted at:</p> <ul style="list-style-type: none"> <li>• Those earning below the SCS-wide pay band medians.</li> <li>• Those who were performing well but remained lower in the pay band, including those below the G6 maxima's, and for whom recent pay awards had done little to move them much above the pay band minimum in particular, those earning less than £85,000 at PB1 and £112,000 at PB2.</li> <li>• With the remaining funds in the 1% paybill pot, other individual pay anomalies were addressed based on demonstration of sustained high performance, increased effectiveness and deepened expertise and position in the pay band.</li> </ul>	<p>The full 3.3% pot available was used for in-year and end-year non-consolidated awards.</p>	<p>The level of payment by pay band for end year awards were:</p> <ul style="list-style-type: none"> <li>• SCS1 - £9,000</li> <li>• SCS2 - £11,000</li> <li>• SCS3 - £13,000</li> </ul> <p>Paid to all SCS with an 'Exceeded' marking: 20% of SCS.</p> <p>And,</p> <ul style="list-style-type: none"> <li>• SCS1 - £4,000</li> <li>• SCS2 - £4,500</li> <li>• SCS3 - £5,000</li> </ul> <p>Paid to 14.8% of SCS with 'High Performing' marking.</p> <p>Payments were paid prorated for part-time SCS.</p>	<ul style="list-style-type: none"> <li>• 17.1% of the pot available was used for In-year awards.</li> <li>• Awards made to 23.9% of our SCS.</li> <li>• Awards ranged from £800 to £5,000 each.</li> <li>• Awards were exceptional and paid only to individuals with proven evidence-based delivery.</li> </ul> <p>The following criteria was used to assess nominations:</p> <ul style="list-style-type: none"> <li>• Strong contributions and delivery of a Policy, Strategy or Corporate response with immediate and longer-term benefits for the Department.</li> <li>• Role modelling and delivering against our Strategic Priorities.</li> <li>• Exceptional leadership through change and complexity.</li> <li>• Particular dedication to development of organisational capability and capacity.</li> <li>• Role modelling Civil Service leadership including diversity and inclusion.</li> <li>• Exceptional and sustained leadership through crisis and operational response.</li> </ul> <p>Payments were made at mid-year from October 2022 and up to March 2023.</p>
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	member of the SCS who was subject to poor performance procedures and who was paid above the minimum.				
HM Treasury	<p>The SCS award was paid in September 2023 and backdated to 1 April 2023.</p> <p>All eligible SCS members received a 5.5% consolidated pay increase.</p> <p>The consolidated increase of 5.5% was inclusive of any increase necessary to uplift members to the revised pay band minimum.</p> <p>Where the consolidated pay</p>	<p><u>Generic:</u> The 1% anomalies pot was targeted at:</p> <ul style="list-style-type: none"> <li>those below the SCS-wide pay band medians (currently £80,000 for SCS1 £104,000 for SCS2 and £138,000 for SCS3, and those assessed as high performing or exceeding;</li> <li>those who were performing well but remained lower in the pay band and for whom recent pay</li> </ul>	<p>The full 3.3% pot available was used for in-year and end-year non-consolidated awards.</p>	<p>The level of payment was the same across all grades, differentiated by performance marking:</p> <ul style="list-style-type: none"> <li>Exceeding: £9,000 (27% of SCS)</li> <li>High-performing: £5,000 (19% of SCS)</li> </ul> <p>Awards were pro-rated to reflect working hours.</p>	<ul style="list-style-type: none"> <li>Awards made to 7% of staff (12 SCS)</li> <li>Awards of £3,000 each.</li> <li>Awards recognised contribution to individuals nominated for specific work projects and those that just missed out on an end-year top performance award for 2022/23.</li> <li>Payments were made at end-year (August 2023).</li> </ul>

increase of 5.5% exceeded the pay range maximum, the excess of the award above the pay range maximum was paid as a one-off, non-consolidated, non-pensionable lump sum payment.

Consolidated pay awards were not paid to any member of the SCS who was subject to poor performance procedures and who was paid above the minimum.

awards had done little to move them much above the pay band minimum;

With the remaining funds in the 1% paybill pot, other individual pay anomalies were addressed that were agreed by the departmental pay committee.

HMT-specific: Awards were focussed at those below SCS-pay band medians who had been assessed as achieving or above over two consecutive years.

With the remaining budget, awards were provided to other pay anomalies who narrowly exceeded the pay-band medians but had been assessed as high performing or exceeding for two consecutive years.





## ANNEX B - SCS PAY ON APPOINTMENT EXCEPTIONS

1. In April 2018, a new pay on appointment policy for the SCS was introduced to help control departmental turnover. The rules are:
  - a. that no increase is given for moves on level transfer; and
  - b. that on promotion, SCS receive no more than 10% increase or the minimum of the new grade.
2. An exception process is, however, 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.
3. Pay exceptions at Director General level require the approval of a DG RemCo. There were less than five Director General exceptions agreed in 2022/23. During this period there were 37 new Director General appointments, of which 30 were internal moves (22 on promotion and eight level transfers). At Director and Deputy Director level, main departments have reported 82 exception cases. The table below shows the number of cases and median salary agreed for each SCS grade.

### Pay on appointment exceptions by pay band

Grade	Deputy Director	Director
Number of exceptions	57	25
Median salary agreed	£80,124	£110,000

4. Cabinet Office issues guidance to departments with the annual SCS pay award practitioners guide. SCS pay exceptions are subject to 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.*

5. Cabinet Office helps departments make assessments of pay position by providing pay data by profession (lower quartile/median/upper quartile) annually. Some professions (e.g. Finance) also actively support departments with applications by providing additional guidance.

### Assessment of cases – Directors General

6. More information is held centrally on Directors General cases because they require approval of a DG Pay Committee. In accordance with the criteria, the weight and challenge of the role was considered as well as the skills and experience of the individual. Decisions are informed by pay quartile data by profession.
7. Less than five DG exceptions were considered and agreed by the DG Pay Committee in 2022/23.

### Assessment of cases – Deputy Directors and Directors

8. Main Whitehall departments reported that 82 exception cases were agreed at SCS1 and 2 level in 2022/23. The key headlines are:

Pay Band	Level transfer cases agreed	Pay on promotion cases agreed
SCS1	26	31
SCS2	13	12
<b>Total</b>	<b>39</b>	<b>43</b>

- Exceptions have been granted for 15 different professions – DDaT (21), Project Delivery (15) and Government Communication Service (12) have the highest numbers.
- The median increase agreed for level transfer was 9% and 20% for pay on promotion.

## ANNEX C - PENSIONS

1. Pensions continue to form a key part of the Civil Service total reward package, with both Defined Benefit and Defined Contribution pensions arrangements<sup>8</sup> available to members of the SCS.
2. Civil Service Pensions established 'alpha', a Career Average Defined Benefit pension scheme, on 1 April 2015. Since that date, all new joiners of Civil Service Pensions participate in alpha for future pension accrual, and the final tranche of all legacy scheme (PCSPS) members moved to alpha on 1 April 2022.
3. As a consequence of the McCloud judgment, those who have been active members of the defined benefit scheme from 31st March 2012 onwards, will be provided with a choice of either their pre-2015 scheme benefits or alpha benefits for the period 2015-22<sup>9</sup>. The choice is available at retirement with effect from 1st October 2023. Annual Benefit Statements will be updated from 2024 to allow in-scope members to understand the potential impact on their benefits,
4. Individual member contributions are determined by actual annual earnings, which then fall within salary bands shown in the table below. The overall average employee contribution rate is 5.6%, which is in line with the yield target set by HM Treasury.

**Table 1: Civil Service pension scheme member contribution rates, 1 April 2024 - 31 March 2025.**

There have been some minor changes in the salary bands from the 2023/4 scheme year, where the figures have been changed the previous figures are shown in bold.

Actual Earnings	Contribution Rates
£0.00 to £34,199 ( <b>£32,000</b> )	4.60%
£34,200 ( <b>£32,001</b> ) to £56,000	5.45%
£56,001 to £150,000	7.35%
£150,001 and above	8.05%

5. The pension valuation cycle sets the 'employer' contribution rate and has, until now, used a differently tiered salary band structure. The bands differ from those used for employee/member contributions as the employer contributions were developed to reflect the impact of salary on the cost of providing benefits under final salary scheme

<sup>8</sup> Details of current and historic Civil Service pension scheme are available in scheme guides at <https://www.civilservicepensionscheme.org.uk/members/>

<sup>9</sup> Members may also be in scope for Remedy in other circumstances and can check whether they are affected by using the 'Am I affected tool' at <https://retirementmodeller.civilservicepensionscheme.org.uk/remedy> and further details are available via the Remedy hub at <https://www.civilservicepensionscheme.org.uk/remedy/>

pensions arrangements. Following the introduction of 'alpha', the tiered arrangement remained necessary due to the final salary links for those who were previously in the classic, classic plus or premium schemes within PCSPS. However, following the 2020 Valuation, GAD recommended that the scheme move to a flat rate structure as all active members are now members of 'alpha' and the number of members with a final salary link has declined significantly Table 6 sets out the current employer contribution rate and the rate that will apply from April 2024 to March 2027.

**Table 2: Employer contribution rate for Civil Service Defined Benefit schemes, 1 April 2019 - 31 March 2027** <sup>10</sup>

Salary (£)	Contribution rate for 1 April 2019 - 31 March 2024	Contribution rate for 1 April 2024 - 31 March 2027
23,000 and under	26.6%	28.97%
23,001 to 45,500	27.1%	
45,401 to 77,000	27.9%	
77,001 and over	30.3%	

6. The employer contribution rate is generous when compared to the private sector where employees will generally be provided with a defined contribution scheme. As defined contribution schemes are investment based, the employee also bears the risk of the pension not providing the expected level of income in retirement. This is illustrated in Figures 1 and 2, which show median contribution rates in the UK and comparative pension provision by type in the public and private sectors.

**Figure 1: Employees with workplace pensions: median employee, employer and total (employer plus employee) contribution rates by type of pension, UK, 2020** <sup>11</sup>

Median contribution rates (1)	Occupational Defined Benefit	Occupational Defined Contribution	Group Personal or Stakeholder pension
Employee	6.5%	4.0%	4.0%
Employer	19.5%	3.4%	4.4%

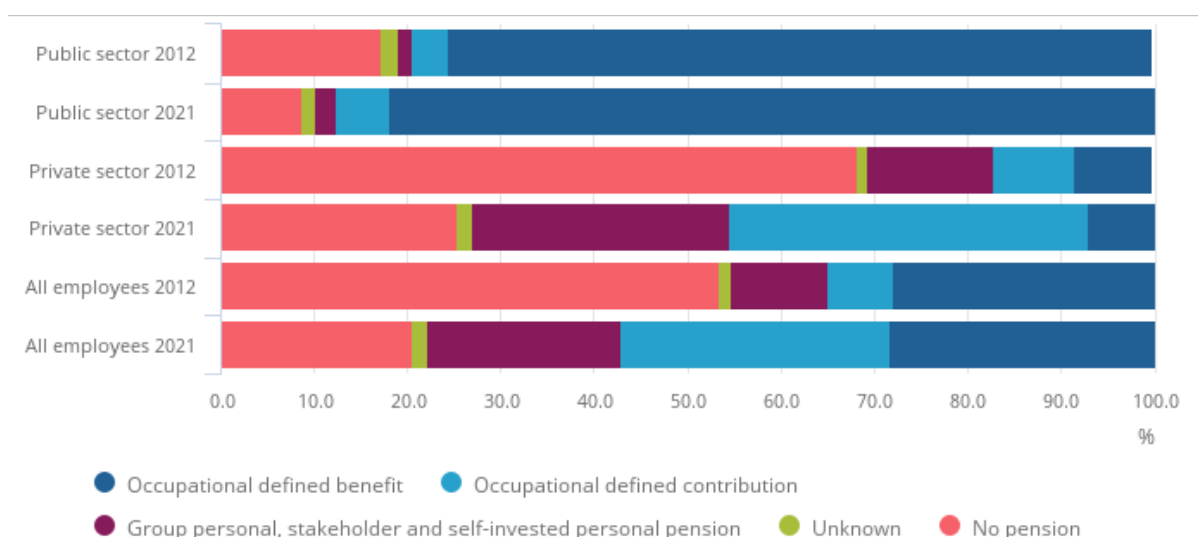
<sup>10</sup> The Chief Secretary to the Treasury confirmed the delay in the implementation of employer contribution changes from 2023 to 2024 in a Written Ministerial Statement on 4th February 2021, <https://questions-statements.parliament.uk/written-statements/detail/2021-02-04/hcws757>

<sup>11</sup> Source: Office for National Statistics: Annual Survey of Hours and Earnings (ASHE). Full details are available here: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/pensionssavingsandinvestments/adhocs/13353employeeswithworkplacepensionsmedianemployeeemployerandtotalemployerplusemployeecontributionratesbytypeofpensionuk2020>

Total employer plus employee (2)	26.3%	8.0%	8.3%
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- (1) Contribution rates in the table are calculated as a percentage of pensionable earnings and are therefore comparable to contributions to the Civil Service Pensions but are not directly comparable with the automatic enrolment minimum contribution legal definitions.
- (2) Where valid data is only present for either employee contributions or employer contributions it does not feature within the total "employer plus employee contribution rate" and therefore row 3 is not the sum of rows 1 & 2.

**Figure 2: Proportion of employees with workplace pension by type of pension and sector, UK, 2012 and 2021.**<sup>12</sup>



7. The Partnership pension scheme is a Defined Contribution pension scheme, which civil servants can switch to at any time after they join the Civil Service.
8. Table 7 below shows the automatic Partnership employer contribution rate. The Partnership pension scheme does not require any member contributions, but if a member chooses to make contributions, in addition to the rates shown below, their employer will also match their contribution, up to 3%. For example, if a 47 year old chooses to contribute 4%, their employer contributes 14.75% + 3% = 17.75%, which along with the member's 4% contribution gives a total contribution of 21.75%.
9. A review of the Partnership contribution rates is in progress and if any changes are agreed they will take effect from 1st April 2025.

<sup>12</sup> Source: Office for National Statistics: Annual Survey of Hours and Earnings (ASHE). Full details are available here: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/workplacepensions/bulletins/annualsurveyofhoursandearningspensiontables/2021provisionaland2020finalresults>

**Table 3: Employer Partnership contribution rates applicable from 1 April 2023 to 31 March 2025**

Age at last 6 April	Percentage of pensionable earnings
Under 31	8.00%
31 to 35	9.00%
36 to 40	11.00%
41 to 45	13.50%
46 or over	14.75%

10. Table 8 sets out the numbers in each pension scheme with salaries above and below £70,000.

**Table 4: Civil Service Pension Scheme membership, as at November 2023**

Scheme Type	<£70K	>=£70k	Total
Alpha (2015)	550,963	24,647	575,610
Partnership	7,526	434	7,960
Non-member	3,950	58	4,008
<b>Total</b>	<b>562,439</b>	<b>25,139</b>	<b>587,578</b>

11. As at November 2023 0.68% of the total active population had opted out of the main pension scheme and not joined Partnership<sup>13</sup>. 99%<sup>14</sup> of those opting out earned under £70,000.

#### *Pension Tax from April 2023*

12. The Spring Budget 2023 announced three main changes which impact Civil Service pension members: the increase in the Annual Allowance (AA) from £40,000 to

<sup>13</sup> These individuals do not receive any Civil Service pension provision and are not part of the partnership scheme

<sup>14</sup> Data taken from November 2023.

£60,000; allowing the 'netting off' of positive and negative growth in pensions between alpha and the PCSPS; and the abolition of the Lifetime Allowance (LTA).

13. The increase in the AA was implemented in the Finance (No 2) Act 2023 and applies from the 2023/24 tax year. With the AA set at £60,000 a civil servant who only has alpha service can earn almost £162,000 p.a. before exceeding the allowance, compared to £108,000 in 2022/23. These figures discount the potential impact of inflationary increases on past pension accrual.
14. The 'netting off' between alpha and PCSPS is also expected to have a positive impact in reducing the number of members facing tax charges. This is because previously members with service in both PCSPS and alpha could see negative growth in one and an AA breach in the other, but were not able to combine the two to lower or remove the breach (which would reduce any tax due). We expect the relevant legislation to be in place in time to allow the change to apply from the 2023/24 tax year.
15. Members who continue to breach the annual allowance and attract a tax charge retain the option to reduce their pension to meet an AA tax charge using a process called Scheme Pays.
16. Changes to the LTA are being implemented in two stages. Initially the Finance (No 2) Act 2023 removed the LTA charge but left the regulations in place for the 2023/24 tax-year. The current Finance Bill will remove the LTA from regulations from 6 April 2024. The change will only impact a very small number of members as the LTA was not breached unless a member received a scheme pension in excess of £53,655 p.a. at retirement (assuming no other pensions are held and no lump sum is taken).
17. The Finance Bill introduces a lump-sum limit so the maximum tax-free pension commencement lump sum available is 25% of the value of the pension to a maximum of £268,275. As the limit is set at 25% of the previous LTA we also expect this new limit to affect only a very small number of members.
18. Members impacted by the McCloud Remedy with alpha service between 2015 and 2022 will see their pension input amount recalculated and Pension Saving Statement (PSS) delayed until October 2024. This means that the full impact of the Spring Budget 2023 changes won't be felt until the subsequent PSS cycle.
19. For those affected by pension tax issues, the main option is to consider switching from alpha into Partnership. This is because AA charges are not due until a significantly higher salary is achieved for Partnership members over alpha members; therefore tax charges may be avoided. This assumes no other pension contributions or taxable income. For many, it may be beneficial to remain in alpha and to pay the tax charge. As this may be a difficult and complex financial decision that is subject to individual preference and circumstances, it is highly recommended that any member considering their options should take independent financial advice.

20. Pension Savings Statements (PSS) are issued to members who breach the AA and/or earn over £100,000 to date, or on request. Only a small percentage of those receiving a PSS will have a tax charge to pay, as most will be able to carry-forward unused AA from the last 3 years.
21. In the 2023 commentary it was noted that due to high inflation it was likely that more high earners would see an AA breach for the 2022/23 tax year and potentially a tax charge. This is the result of the rate of inflation increasing to 10.1%, which significantly increased the value of the pensions built up. It is not yet possible to confirm the overall impact on PSS numbers because as noted in paragraph 17, the PSSs for members impacted by the McCloud remedy will not be issued until October 2024. Information on the number of PSSs issued for 2022/23 and 2023/24 will be confirmed in 2025.



## ANNEX D - PERMANENT SECRETARIES REMUNERATION

1. A robust framework applies to Permanent Secretary pay; roles are assigned to one of three pay tiers, within the overall range (pay band), based on size and complexity.
2. Pay and performance is assessed by the Permanent Secretary Remuneration Committee (PSRC), with membership comprising the Lead NED for Government as chair, the Cabinet Secretary, Civil Service Chief Operating Officer and Permanent Secretary to the Cabinet Office, Permanent Secretary to HMT, Permanent Secretary to Department of Health and Social Care, Chair of the SSRB and two department NEDs (currently DWP and MOD).
3. PSRC's remit is to provide an annual independent assessment of the performance of individual Permanent Secretaries, and to make recommendations to the Prime Minister on the consolidated and non-consolidated pay awards for individuals. As for other members of the SCS, the highest performing (those assessed 'Exceeding' or 'High Performing') Permanent Secretaries are eligible for a non-consolidated performance related payment.
4. The PSRC considers Permanent Secretary performance on the basis of a wide range of robust evidence and feedback, including from the relevant Secretary of State/Minister and Lead Non Executive Director and a variety of business performance metrics. The maximum level of non-consolidated performance related pay available for Permanent Secretaries is £17,500. The Prime Minister approves PSRC's recommendations for consolidated base pay and non-consolidated performance pay.

### **Pay award**

#### *PSRC approach to Permanent Secretary pay*

5. In 2018/19, PSRC agreed on a set of principles which would deliver a more systematic approach to Permanent Secretary pay in the future. These principles remain consistent with current SSRB recommendations and have been applied again in subsequent years, including 2023/24. The principles are:

- To appoint new Permanent Secretaries at, or close to, the minimum of the relevant pay tier;
- After a qualifying period (in post for the duration of one PRSC cycle), and where funds are available to do so, to reward the development of skills, capability and experience through pay progression, moving people more quickly towards the mid-point of their tier, with a focus on those on the lower quartile of their pay tier;
- To take opportunities to address anomalies should they arise; and
- To reward the strongest performance with non-consolidated awards.

## 2023/24 award

6. For 2023/24 the Government took the decision to accept the SSRB's recommendation of a 5.5% consolidated increase for all eligible members of the SCS. PSRC agreed to mirror this for eligible Permanent Secretaries, and to use the additional 1% provision to address pay anomalies in four exceptional cases.
7. PSRC also noted that applying this year's pay award meant that 14 Permanent Secretaries' salaries would exceed their pay tier, including taking two Permanent Secretaries' salaries above the pay band maximum<sup>15</sup>. They agreed to adjust the range of the three tiers (within the pay band limit), to better reflect the resulting higher salaries and create more flexibility on setting pay on appointment. The revised tiers are:
  - Tier 1 - £185,000 - £200,000
  - Tier 2 - £170,000 - £185,000
  - Tier 3<sup>16</sup> - £152,000 - £170,000

**Table 1: Permanent Secretary performance ratings: 2015/16 to 2021/22**

Rating	2015/16 distribution	2016/17 distribution	2017/18 distribution	2018/19 distribution	2019/20 distribution	2020/21 distribution	2021/22 distribution
Top	26%	26%	29%	34%	32%	34%	0%
Achieving	74%	69%	66%	66%	68%	66%	100%
Low	0%	6%	6%	0%	0%	0%	0%

**Table 2: Permanent Secretary performance ratings: 2022/23 (revised rating structure)**

Rating	2022/23 distribution
Exceeding	12%

<sup>15</sup> The SCS pay policy approach is to cap salary at the pay band maximum and pay the part of any pay award above the pay range maximum as a non-consolidated, non-pensionable, lump sum. This was the approach taken for the two Permanent Secretaries affected.

<sup>16</sup> Reflects the Senior Salaries Review Body's proposal to increase the minima of all SCS pay bands by £2,000.

High Performing	30%
Achieving	58%
Low	0%

#### *Tier ranges*

8. The Permanent Secretary pay band spans £152,000 to £200,000. Roles are assigned to tiers within the pay band: tier 3 includes Second Permanent Secretaries and a handful of other smaller roles; tier 2 where most Head of Department roles sit; and tier 1 which typically includes roles in the biggest and most complex departments.
9. There have been minimal changes to the tiers over the years: in April 2017 when the pay band (and pay tier 3) minimum was increased from £142,000 to £150,000 to align with Treasury senior pay control limits; in April 2018 when PSRC increased the tier 2 minimum from £160,000 to £162,500; and, more recently in September 2023, when PSRC increased the pay band minimum to £152,000 to reflect the Senior Salaries Review Body's proposal to increase the minima of all SCS pay bands by £2,000.
10. For a number of specialist Permanent Secretary roles, their pay sits outside the tiers and attracts a pay premium.
11. The pay tiers for Permanent Secretaries and where each role sits is set out in table 3:

**Table 3: Permanent Secretary pay structure from 1 April 2023 (updated January 2023)**

<b>Tier and salary</b>	<b>Roles in the tier</b>	
<b>Tier 1</b>  <b>£185,000 to £200,000</b>	HM Treasury Ministry of Defence Home Office HM Revenue & Customs Dept Health & Social Care	Foreign Commonwealth & Development Office Dept Work & Pensions Ministry of Justice National Security Adviser
<b>Tier 2</b>  <b>£170,000 to £185,000</b>	Dept Transport Govt Legal Dept Dept Education Security Service Dept Business & Trade Scottish Govt Welsh Govt	Dept Environment Food & Rural Affairs Dept Levelling Up, Housing & Communities Secret Intelligence Services Govt Communications HQ Dept Energy Security & Net Zero Dept Science, Innovation & Technology

<p><b>Tier 3</b></p> <p><b>£152,000 to £170,000</b></p>	<p><u>First Permanent Secretaries</u></p> <p>Northern Ireland Office                      Dept Digital Culture Media &amp; Sport</p> <p>Office National Statistics</p> <p><u>Second Permanent Secretaries</u></p> <p>HM Revenue &amp; Customs                      Dept for Health &amp; Social Care</p> <p>HM Treasury (3 roles)                      Dept Environment Food &amp; Rural Affairs</p> <p>Ministry of Defence                      Foreign Commonwealth &amp; Development Office</p> <p>Ministry of Justice                      Cabinet Office - Joint Intelligence Committee</p> <p>Home Office                      Dept Energy Security &amp; Net Zero</p> <p>Dept for Transport</p>
<p><b>Specialists and other roles not assigned to these tiers:</b></p>	<p>Cabinet Secretary</p> <p>Civil Service Chief Operating Officer</p> <p>Director of Public Prosecutions</p> <p>Chief Medical Officer</p> <p>Government Chief Scientific Adviser</p> <p>Chief Executive UKHSA</p> <p>Government Chief Trade Negotiation Adviser</p> <p>First Parliamentary Counsel</p> <p>DG, National Crime Agency</p> <p>CEO, Defence, Equipment &amp; Support</p>

## ANNEX E - THE GOVERNMENT COMMERCIAL ORGANISATION (GCO)

1. The Government Commercial Organisation (GCO) was established in 2017 to address capability issues within the senior commercial population in central government and enable government departments to deliver their aims at the best value for the taxpayer.
2. Serving as a single employer of all senior commercial experts in central government, the GCO is able to offer unique market-aligned terms and conditions. This has enabled the successful attraction and retention of experienced commercial specialists through a coordinated recruitment approach, compelling development and talent offer, competitive reward package and clearer access to a commercial career path.
3. The GCO now comprises Commercial Leads (Grade 7), Associate Commercial Specialists (Grade 6), Commercial Specialists (SCS1) and Senior Commercial Specialists (SCS2/3). It has grown from 341 employees in 2018 to 1,580 in 2024<sup>17</sup>, including 5.5% growth in the last 12 months.
4. There are 222 Senior Civil Servants (Commercial Specialists and Senior Commercial Specialists) in the GCO. This represents 14% of the total GCO population.

**Table 1: Number of Senior Civil Servants by grade and terms**

Position	Terms	Number of Employees
Commercial Specialist (SCS1)	Civil Service equivalent terms	58
Senior Commercial Specialist (SCS2)	Civil Service equivalent terms	12
Senior Commercial Specialist (SCS3)	Civil Service equivalent terms	<10
Commercial Specialist (SCS1 equivalent)	GCO terms	108
Senior Commercial Specialist (SCS2 equivalent)	GCO terms	41
Senior Commercial Specialist (SCS3 equivalent)	GCO terms	<10

<sup>17</sup> Data as at 09 January 2024 unless specified otherwise

<b>Total</b>	<b>222</b>
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5. GCO employees take GCO terms and conditions or Civil Service equivalent terms and conditions depending on their entry route and performance at the Assessment & Development Centre.
6. Employment on GCO terms and conditions requires:
  - a. Recruitment from the external market, or;
  - b. Recruitment from the internal market and an “A” at the Assessment & Development Centre; or,
  - c. Transition from the internal market and an “A” at Assessment & Development Centre.
7. 68% of Senior Civil Servants in the GCO are on GCO terms and conditions, with a significant proportion of these joining from the external market.

#### *2023 Pay Award - Senior Civil Servants*

8. The GCO adopted the approach recommended by the SSRB’s 2023 report and accepted by the HM Paymaster General on 13 July 2023. This enabled the GCO to:
  - apply a 5.5% blanket increase to base salaries to eligible employees;
  - amend the Civil Service equivalent pay band minima in line with the SSRB recommendations; and
  - access a 1% anomalies pot to make further changes in support of the GCO reward strategy (details below).
9. In addition, the widths of the GCO terms pay bands were reduced by increasing the pay band minima.
10. Reducing pay band widths form part of a wider strategy to reduce gender and ethnicity pay gaps in the GCO as it helps to lessen pay variation.
11. Another step taken to help tackle pay gaps was awarding an additional 1% base salary increase to employees in the lower half of the pay band.
12. Adopting this approach to the consolidated salary increases is intended to reduce the gender and ethnicity pay gaps in particular, as there are proportionally more female employees and employees from minority ethnic backgrounds on salaries in the lower half of the pay bands in the GCO.
13. Further pay adjustments were made in a small number of anomalous cases where there was demonstrable evidence of an employee’s increased capability, an increase in the size or complexity of their role, or that they represented a significant or imminent retention risk.

14. GCO employees on Civil Service equivalent terms are eligible for non-consolidated end of year performance awards, the values of which are determined through the pay award process.

15. Therefore, employees on Civil Service equivalent terms who received an percentage attainment over 50% through the GCO performance management process over the 2022/23 performance year (1 April 2022 to 31 March 2023) received a non-consolidated end of year performance award as follows:

Performance Marking	Grade	2023 EYB recommended
Exceptional (100%)	Commercial Specialist (SCS1)	£7,000
	Senior Commercial Specialist (SCS2)	£7,250
	Senior Commercial Specialist (SCS3)	£7,500
Exceeded (50% - 99%)	Commercial Specialist (SCS1)	£1,250
	Senior Commercial Specialist (SCS2)	£1,500
	Senior Commercial Specialist (SCS3)	£1,750

16. Conversely, GCO employees on GCO terms and conditions have a separate arrangement with the ability to receive Performance Related Pay (PRP). Commercial Specialists and Senior Commercial Specialists are eligible to receive up to 20% of their base salary as a non-consolidated Performance Related Payment. The proportion of this 20% (i.e. the amount payable) is determined by the overall percentage achievement of the employee against their objectives at their end of year review.

17. For 2022/23, the average PRP percentage for Commercial Specialists and Senior Commercial Specialists on GCO terms was 80%.

#### *Future Pay Priorities*

18. The GCO published its reward strategy (2023-2026) in August 2023 following approval by the GCO Remuneration Committee.

19. Priorities for the next twelve months include:

- Completing a review of the GCO terms pension scheme;
- Analysing the impact of a revised GCO performance management policy on performance outcomes and consequently Performance Related Pay;
- Reviewing GCO allowances.

## ANNEX F - SCS data

**Table 1: SCS headcount by payband and year (2010-2023)**

Year	Quarter	Deputy Director	Deputy Director (PB1A)	Director	Director General	Perm. Sec.	Other	All SCS
2010	Q1	3,140	185	795	190	35	10	4,355
	Q1 Pay	3,095	175	750	170	-	-	4,190
2011	Q1	2,785	205	725	155	35	10	3,910
	Q1 Pay	2,795	190	680	135	-	-	3,800
2012	Q1	2,640	115	685	140	30	5	3,615
	Q1 Pay	2,590	80	650	130	-	-	3,450
2013	Q1	2,685	120	700	145	35	10	3,695
	Q1 Pay	2,580	90	675	140	-	-	3,480
2014	Q1	2,790	105	695	145	40	30	3,800
	Q1 Pay	2,780	105	690	140	-	-	3,715
2015	Q1	2,910	105	745	150	35	25	3,975
	Q1 Pay	2,870	100	740	150	-	-	3,860
2016	Q1	3,010	125	765	140	40	10	4,085
	Q1 Pay	2,970	95	760	135	-	-	3,965
2017	Q1	3,160	115	815	130	40	5	4,265
	Q1 Pay	3,085	95	780	130	-	-	4,090
2018	Q1	3,455	85	860	155	40	..	4,605
	Q1 Pay	3,400	75	820	150	-	-	4,445
2019	Q1	3,885	50	925	165	35	..	5,065
	Q1 Pay	3,860	50	920	165	-	-	5,000
2020	Q1	4,190	40	1,005	175	35	..	5,445
	Q1 Pay	4,190	40	1,005	175	-	-	5,410
2021	Q1	4,790	45	1,080	175	45	..	6,135
	Q1 Pay	4,790	45	1,080	175	-	..	6,090
2022	Q1	5,050	40	1,175	180	45	-	6,490
	Q1 Pay	5,050	40	1,175	180	-	-	6,445
2023	Q1	4,990	30	1,230	180	45	-	6,475
	Q1 Pay	4,990	30	1,230	180	-	-	6,430

**Notes:**

".." suppressed due to small numbers

"-" not available

Figures are rounded to the nearest 5

Q1 includes all SCS still in post as at 31st March, or 1st April from 2019 onwards

Q1 pay includes all SCS in scope for the SSRB pay award remit as at 1st April

**Source:**

SCS database, Cabinet Office



**Table 2: SCS FTE by payband and year (2010-2023)**

Year	Quarter	Deputy Director	Deputy Director (PB1A)	Director	Director General	Perm. Sec.	Other	All SCS
2010	Q1	3,085	180	790	185	35	10	4,290
	Q1 Pay	3,045	175	745	165	-	-	4,125
2011	Q1	2,730	205	715	155	35	10	3,845
	Q1 Pay	2,740	190	670	135	-	-	3,735
2012	Q1	2,590	110	675	140	30	5	3,550
	Q1 Pay	2,540	75	640	130	-	-	3,385
2013	Q1	2,625	120	685	145	35	10	3,620
	Q1 Pay	2,525	85	660	135	-	-	3,410
2014	Q1	2,730	105	685	140	40	30	3,725
	Q1 Pay	2,715	105	675	140	-	-	3,635
2015	Q1	2,840	105	730	150	35	25	3,890
	Q1 Pay	2,800	100	725	150	-	-	3,775
2016	Q1	2,935	125	750	135	40	10	3,990
	Q1 Pay	2,900	95	745	135	-	-	3,875
2017	Q1	3,080	110	800	130	40	5	4,170
	Q1 Pay	3,010	95	765	130	-	-	4,000
2018	Q1	3,370	85	845	150	40	..	4,490
	Q1 Pay	3,315	70	805	145	-	-	4,335
2019	Q1	3,785	45	905	165	35	..	4,940
	Q1 Pay	3,760	45	900	165	-	-	4,870
2020	Q1	4,075	40	980	170	35	..	5,300
	Q1 Pay	4,075	40	980	170	-	-	5,265
2021	Q1	4,670	45	1,055	170	45	..	5,985
	Q1 Pay	4,670	45	1,055	170	-	-	5,940
2022	Q1	4,915	40	1,145	180	45	-	6,325
	Q1 Pay	4,915	40	1,145	180	-	-	6,275
2023	Q1	4,855	30	1,200	175	45	-	6,300
	Q1 Pay	4,855	30	1,200	175	-	-	6,255

**Notes:**

".." suppressed due to small numbers

"-" not available

Figures are rounded to the nearest 5

Q1 includes all SCS still in post as at 31st March, or 1st April from 2019 onwards

Q1 pay includes all SCS in scope for the SSRB pay award remit

**Source:**

SCS database, Cabinet Office

**Table 3: SCS median salary by payband and year (2010-2023)**

Year	Deputy Director	Deputy Director (PB1A)	Director	Director General
2010	£73,400	£84,100	£100,000	£133,000
2011	£73,100	£83,200	£100,000	£133,000
2012	£73,000	£77,800	£97,900	£131,000
2013	£73,000	£77,200	£96,900	£132,500
2014	£74,000	£78,500	£96,000	£133,500
2015	£74,800	£78,500	£96,000	£132,600
2016	£75,500	£78,700	£98,800	£135,900
2017	£75,900	£81,200	£99,900	£134,000
2018	£76,200	£80,000	£99,800	£134,500
2019	£76,700	£80,000	£102,500	£137,300
2020	£78,500	£84,700	£103,500	£138,600
2021	£77,900	£84,700	£102,900	£135,800
2022	£79,300	£82,800	£103,500	£138,500
2023	£84,500	£87,400	£109,600	£145,600

**Notes:**

*Salary figures are calculated on a full time equivalent basis, and are for those SCS in scope for the SSRB pay award remit as at 1st April*

*Figures are rounded to the nearest £100*

**Source:**

*SCS database, Cabinet Office*

**Table 4: SCS mean salary by pay band and year (2010-2023)**

Year	Deputy Director	Deputy Director (PB1A)	Director	Director General
2010	£74,700	£85,700	£104,400	£140,500
2011	£74,400	£85,300	£104,100	£142,400
2012	£74,400	£82,100	£102,900	£138,100
2013	£74,800	£82,500	£102,900	£135,800
2014	£76,200	£82,000	£102,700	£137,900
2015	£77,300	£81,800	£104,000	£137,400
2016	£78,200	£82,900	£106,800	£141,100
2017	£78,800	£85,500	£107,700	£139,900
2018	£79,600	£84,000	£107,900	£142,300
2019	£80,700	£83,800	£109,800	£143,800
2020	£82,100	£86,800	£110,600	£146,800
2021	£81,200	£85,600	£110,000	£144,300
2022	£82,800	£84,100	£111,200	£147,300
2023	£87,400	£89,600	£117,200	£155,200

**Notes:**

*Salary figures are calculated on a full time equivalent basis, and are for those SCS in scope for the SSRB pay award remit as at 1st April*

*Figures are rounded to the nearest £100*

**Source:**

*SCS database, Cabinet Office*

**Table 5: SCS median real terms salary by pay band and year, adjusted for inflation (CPIH) to April 2023 equivalents (2010-2023)**

Year	Deputy Director	Deputy Director (PB1A)	Director	Director General
2010	£104,800	£120,000	£142,700	£189,800
2011	£100,500	£114,400	£137,500	£182,900
2012	£97,600	£104,100	£131,000	£175,300
2013	£95,600	£101,100	£126,900	£173,500
2014	£95,400	£101,100	£123,600	£171,900
2015	£96,000	£100,800	£123,200	£170,300
2016	£96,300	£100,400	£126,100	£173,300
2017	£94,400	£101,000	£124,200	£166,500
2018	£92,700	£97,300	£121,400	£163,600
2019	£91,400	£95,400	£122,200	£163,700
2020	£92,700	£100,100	£122,300	£163,800
2021	£90,500	£98,400	£119,600	£157,800
2022	£85,400	£89,200	£111,600	£149,300
2023	£84,500	£87,400	£109,600	£145,600

**Notes:**

Salary figures are the 'real' value (adjusted for inflation to April 2023 equivalents), are calculated on a full time equivalent basis, and are for those SCS in scope for the SSRB pay award remit as at 1st April in each year

Figures are rounded to the nearest £100

**Source:**

SCS database, Cabinet Office

Inflation adjustment uses ONS CPIH indicators

**Table 6: Median base salary for SCS and public and private sector equivalents by grade**

	Deputy Director (PB1)	Deputy Director (PB1A)	Director (PB2)	Director General (PB3)
Civil Service	£84,500	£87,400	£109,600	£145,600
Public	£97,400	£115,400	£164,600	-
Private	£131,200	£155,400	£225,000	-

**Notes:**

*Civil Service Salary figures are calculated on a full time equivalent basis, and are for those SCS in scope for the SSRB pay award remit as at 1st April 2023*

*Public and Private Sector figures come from the Korn Ferry reward benchmarking report 2023 (with figures as of October 2022)*

*Figures are rounded to the nearest £100*

**Source:**

*SCS database, Cabinet Office*

*Korn Ferry reward benchmarking report 2023*

**Table 7: SCS turnover, departmental turnover and resignation by payband, department and year (2020-2023)**

Payband	Resignations			Turnover			Departmental Turnover <sup>1</sup>		
	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Deputy Director	2.8%	4.6%	5.9%	11.0%	12.6%	14.7%	17.5%	21.7%	27.4%
Dep. Dir. (1A)	..	..	..	..	15.7%	20.7%	..	28.8%	20.7%
Director	3.3%	6.6%	5.7%	8.8%	11.9%	12.7%	15.9%	21.8%	29.1%
Director General	8.6%	6.2%	7.8%	13.2%	11.9%	13.3%	23.5%	19.8%	27.2%
Overall	3.1%	4.9%	5.9%	10.7%	12.4%	14.3%	17.4%	21.7%	27.7%
Department	Resignations			Turnover			Departmental Turnover		
	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
BEIS <sup>1</sup>	5.2%	3.8%	-	11.0%	9.7%	-	18.6%	18.3%	-
CO	3.1%	6.1%	7.8%	8.7%	10.3%	15.0%	20.7%	27.8%	29.0%
DCMS <sup>1</sup>	..	6.9%	5.3%	15.3%	11.3%	9.7%	23.9%	21.7%	-
DEFRA	4.4%	6.9%	5.8%	12.7%	13.0%	19.8%	22.8%	22.3%	26.4%
DfE	..	6.9%	4.7%	7.3%	12.8%	11.1%	15.7%	19.8%	17.5%
DfT	..	2.4%	5.7%	5.3%	4.4%	7.5%	10.7%	11.1%	10.3%
DHSC <sup>1</sup>	3.8%	11.3%	12.1%	11.4%	20.9%	29.1%	15.2%	-	36.8%
DIT <sup>1</sup>	3.5%	3.3%	-	12.6%	18.0%	-	22.4%	24.6%	-
DLUHC	..	3.7%	8.1%	13.1%	6.8%	15.6%	18.9%	12.9%	23.7%
DWP	2.3%	3.4%	2.4%	9.4%	12.6%	10.9%	13.7%	18.1%	15.7%
FCDO <sup>2</sup>	..	2.9%	6.5%	11.2%	10.8%	13.1%	18.3%	18.6%	18.6%
HMRC	1.9%	3.4%	4.5%	9.5%	11.1%	13.5%	17.3%	14.3%	15.9%
HMT	..	..	7.2%	6.4%	6.6%	13.2%	17.9%	13.7%	24.2%
HO	4.2%	4.5%	4.2%	13.5%	15.5%	18.4%	21.3%	24.0%	26.6%
MoD	4.0%	3.8%	5.9%	11.1%	10.1%	13.1%	17.0%	15.9%	17.6%
MoJ	3.4%	3.5%	3.1%	16.9%	14.8%	12.9%	28.0%	23.5%	19.1%
SG	1.6%	1.7%	2.9%	7.5%	12.5%	9.2%	8.8%	16.7%	9.5%
WG	..	2.7%	..	6.6%	10.1%	5.2%	7.2%	11.2%	7.8%
Other	4.4%	6.3%	7.2%	12.9%	14.3%	13.7%	15.9%	17.0%	17.1%
Overall	3.1%	4.9%	5.9%	10.7%	12.4%	14.3%	17.4%	21.7%	27.7%

**Definitions:**

*Resignation rate includes all centrally managed SCS who resigned in the specified year*

*Turnover rate includes all moves out of the centrally managed SCS over the specified year, including secondments, movements to an 'SCS level' role outside the centrally managed SCS (e.g. the diplomatic service), end of temporary promotion, etc*

*Departmental turnover rate includes moves between departments or their executive agencies / crown NDPBs within the year, in addition to moves included under turnover rate*

*Further guidance on turnover calculations is available at:*

<https://www.gov.uk/government/publications/turnover-in-the-civil-service>

**Notes:**

*Data is revised for each collection year. To ensure all leavers are counted, a small number of leavers from a previous year will be included in a more recent collection year*

*<sup>1</sup> Around half of all moves between departments in 2021/22 and 2022/23 occurred due to machinery of government changes in DHSC and BEIS / DIT / DCMS respectively. These figures should be interpreted with caution as they may not represent the underlying rate*

*<sup>2</sup> A substantial proportion of the senior workforce at FCDO are SCS level rather than part of the centrally managed SCS (as shown in these figures)*

*".." suppressed due to small numbers*

*"-" not available*

**Source:**

*SCS database, Cabinet Office*

**Table 8: SCS turnover, departmental turnover and resignation by profession (2022/23)**

Profession	Resignations	Turnover	Departmental Turnover <sup>1</sup>
	2022/23	2022/23	2022/23
Commercial	7.3%	14.6%	17.2%
Communication	13.3%	17.0%	33.2%
Counter-Fraud	..	..	..
DDAT	11.2%	18.4%	26.1%
Economic	5.9%	10.0%	30.1%
Finance	4.3%	11.4%	26.3%
Geography	..	..	..
Human Resources	9.1%	17.8%	31.2%
Inspector Of Education And Training	..	..	..
Intelligence Analysis	..	..	28.7%
Internal Audit	..	25.8%	33.2%
International Trade	..	8.5%	-
KIM	..	..	..
Legal	5.2%	12.1%	15.2%
Medical	15.2%	16.6%	19.3%
Operational Delivery	3.8%	15.3%	20.4%
Operational Research	..	..	26.8%
Planning	..	21.4%	39.3%
Policy	4.5%	12.5%	34.1%
Project Delivery	4.5%	13.1%	22.7%
Property	8.9%	11.9%	16.4%
Psychology	..	..	..
Science And Engineering	8.4%	21.7%	28.9%
Security	9.5%	22.1%	36.4%
Social Research	..	..	47.1%
Statistics	..	10.0%	20.0%
Tax	9.2%	21.0%	23.6%
Veterinary	..	..	..



Other	6.5%	16.0%	27.9%
Unknown	5.5%	15.2%	25.5%
<b>Overall</b>	<b>5.9%</b>	<b>14.3%</b>	<b>27.7%</b>

**Definitions:**

*Resignation rate includes all centrally managed SCS who resigned in the specified year*

*Turnover rate includes all moves out of the centrally managed SCS over the specified year, including secondments, movements to an 'SCS level' role outside the centrally managed SCS (e.g. the diplomatic service), end of temporary promotion, etc*

*Departmental turnover rate includes moves between departments or their executive agencies / crown NDPBs within the year, in addition to moves included under turnover rate*

*Further guidance on turnover calculations is available at:*

<https://www.gov.uk/government/publications/turnover-in-the-civil-service>

**Notes:**

*Data is revised for each collection year. To ensure all leavers are counted, a small number of leavers from a previous year will be included in a more recent collection year*

*<sup>1</sup> Over half of moves between departments in 2022/23 occurred due to machinery of government changes in DHSC and BEIS / DIT / DCMS respectively. These figures should be interpreted with caution as they may not represent the underlying rate*

*".." suppressed due to small numbers*

*"-" not available*

**Source:**

*SCS database, Cabinet Office*

### **Future Leaders Scheme (FLS)**

**Purpose** - FLS is a development programme aimed at the top 1% of G6/G7 staff across the Civil Service (including Welsh and Scottish Governments) and Arms Length Bodies (ALBs), who are considered to have the potential to reach SCS grades and, as such, are likely to be future senior leaders in the Civil Service.

#### **Key facts and figures:**

FLS started in 2013 with 86 participants. The number of participants increased year on year to 2017, where there were 421 participants. Since then, intake has consistently been between 400 and 420, achieving the aim of selecting 1% of the G6/G7 cadre.

On average, the scheme receives around 2,500 applications per year.

- Key 2022 FLS Intake Data
  - 417 successful participants
  - 59% female participants (above G6/G7 CS average of 48.4%)
  - 32% participants with a recorded disability (above G6/G7 CS average of 9.7%)
  - 18% participants from an ethnic minority background (above G6/G7 CS average of 12.1%)
  - 15% participants declared LGBO (above G6/G7 CS average 6.2%)
  - 26% of participants Low SEB (Self-reported)
- The 2022 intake has 25<sup>18</sup> different functions and professions represented. The most common are:
  - Policy - 41%
  - Operational Delivery - 9%
  - Government Legal Service - 7%
  - Digital, Data and Technology - 5%
  - Project Delivery - 4%
  - Science and Engineering - 4%
  - Human Resources - 3%

Promotion and resignation rates are not routinely monitored, with the latter only recorded if a participant or department informs CS Talent that they have left the civil service.

Mechanisms to improve monitoring and evaluation of this nature will be introduced as part of FLS reform over the next 18-24 months.

The most recent survey was conducted in 2019 for the 2017 intake, which showed:

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<sup>18</sup> This figure excludes responses where 'other', 'prefer not to say' and 'not known' have been selected.

- Promotion rates to SCS within 1 year of completing FLS was 30%<sup>19</sup>, compared to a significantly lower promotion rate for non-FLS graduates of 2.8%<sup>20</sup>.
- Resignation rate of FLS graduates for the cohort was 2.6%, compared to a slightly higher resignation rate of 2.8% across the wider G6/G7 community.

## META

**Purpose** - META is offered as a bespoke, additional programme for any FLS participant who identifies as coming from an ethnic minority background.

### Key facts and figures:

META launched in 2017 with 35 participants. Intake size has steadily increased year-on-year, with the current 2022<sup>21</sup> intake initially comprising 69<sup>22</sup> participants.

- The 2022 intake includes:
  - 28.9% female participants (average of 48.4%)
  - 11.5% have stated no gender or non-binary
  - 15.9% participants with a recorded disability (G6/G7 average of 9.7%)
  - 14.4% participants have not declared or preferred not to say
  - 11.5% participants declared LGBO (G6/G7 average 6.2%)
  - 13.0% participants have not declared or preferred not to say
- The 2022 intake includes representatives from 18 departments/Arms Length Bodies and 13 professions. The top six professions represented amongst the 2022 intake are:
  - Policy: 28.9%
  - Economic: 10.1%
  - Government Legal Service: 7.2%
  - Finance: 2.8%
  - Science and Engineering: 2.8%
  - Tax: 2.8%

A continued upward trend in participation, and good representation across protected characteristics, departments and professions of the META 2022 initial intake.

Promotion and resignation rates are not routinely monitored. Mechanisms to improve monitoring and evaluation of this nature will be introduced as part of FLS/META/DELTA reform over the next 18-24 months.

<sup>19</sup> Of those who responded to the May 2019 Survey combined with those who confirmed that had a promotion.

<sup>20</sup> ONS Civil Service Statistics, Cabinet Office SCS Database, information based on March 2017-March 2018 numbers of internal Civil Servants at Grades 6 & 7, substantively promoted to SCS roles.

<sup>21</sup> The 2022 intake were selected in 2022, and will complete FLS in early 2024 and complete META in Summer 2024 due to META starting later.

<sup>22</sup> Current cohort stands at 53, following review ahead of the start of the workshops in February as a large proportion have opted to defer to the next year. All data is based on the initial intake.

## DELTA

**Purpose** - DELTA is offered as a bespoke, additional programme for any FLS participant who has a disability and/or long-term health condition.

### Key facts and figures:

DELTA launched in 2019 with 28 participants, and has grown year-on-year with 42 participants in 2020, 52 participants in 2021 and 76 participants currently completing the programme on the 2022 intake<sup>23</sup>.

- The 2022 intake includes:
  - 64.9% female participants (G6/G7 average 48%)
  - 9.2% participants from an ethnic minority background (G6/G7 average of 12%)<sup>24</sup>
  - 23.7% participants declared LGBO (G6/G7 average 6.2%)
- The 2022 intake includes representatives from 25 departments/Arms Length Bodies and 14 professions. The top five professions represented amongst the 2021 intake are:
  - Policy: 39.2%
  - Operational Delivery: 9.2%
  - Finance: 7.9%
  - Project Delivery: 6.6%
  - Science & Engineering: 6.6%

Early indications suggest a continued upward trend in participation, with 19.5% of participants eligible for the 2023 intake of the DELTA programme (based on those who recorded a disability or long term health condition during the selection process). This is an increase of 2.4% from 2022.

Promotion and resignation rates are not routinely monitored. Mechanisms to improve monitoring and evaluation of this nature will be introduced as part of FLS/META/DELTA reform over the next 18-24 months.

## Senior Leaders Scheme (SLS)

**Purpose** - Senior Leaders Scheme (SLS) is an accelerated development scheme aimed at the top 3% of Deputy Directors across government who have the potential to progress in the Senior Civil Service.

### Key facts and figures:

<sup>23</sup> 82 participants initially opted into the programme, although 6 have opted to defer.

<sup>24</sup> Participants who are both from an ethnic minority background and have a disability and/or long-term health condition must choose between completing either META and DELTA hence a reduced number of participants from an ethnic minority background on DELTA.

SLS started in 2012 with 48 participants. With 37 cohorts to date across ten years, participant numbers remained steady until 2017 and 2018 when the intake numbers doubled to 94 and 96 respectively. For the 2019 and 2020 intakes the number of participants increased again to 110, split in five cohorts for each year group. For 2022, there are 105 participants, split across five cohorts.

- The 2022 intake includes:
  - 56% female participants (above SCS average of 48.7%);
  - 16% participants with a declared disability (above SCS average of 6.3%)
  - 12% participants from an ethnic minority background (above SCS average of 8.7%)
  - 11% participants declared LGBO (above the SCS average of 5.8%)
- There are 23 departments and 16 Functions and Professions represented in the 2022 cohort. They include:
  - Policy: 46%
  - Operational delivery: 9.8%
  - Project delivery: 5.9%
  - Government Legal: 5.5%
  - Government finance: 4.7%
  - Digital, data & technology: 3.6%
  - Human Resources: 3.8%
  - Commercial: 2.7%
  - Economics: 2.7%
  - Medical profession: 1.1%
  - Communication: 0.9%
  - Government Statistical service: 0.8%

Promotion and resignation rates are not routinely monitored, with the latter only recorded if a participant or department informs CS Talent that they have left the civil service. Mechanisms to improve monitoring and evaluation of this nature will be introduced as part of SLS reform over the next 18-24 months.

The most recent survey was conducted for the 2019 intake, from which 23 (21%) participants have been promoted to Director and 8 (7.1%) have resigned and informed CS Talent they have left the Civil Service.

### **Directors' Leadership Scheme (DLP (successor to the High Potential Development Scheme (HPDS))**

**Purpose** - The Directors' Leadership Scheme (DLP) represents the completion of the first phase of Accelerated Development Scheme reform. The inaugural cohort commenced the programme in January 2023 and finished December 2023. The second cohort began October 2023 and will finish July 2024. DLP is a cross-Civil Service scheme aimed at accelerating the development of high potential Directors with the potential to progress to Permanent Secretary, Head of Function and Chief Executive level.

**Key facts and figures:**

The second DLP cohort of 34 participants commenced their programme in October 2023.

- Cohort 2 (2023 intake) comprises:
  - 51% female participants (above SCS average of 48.7%)
  - 8% participants from an ethnic minority background (below SCS average of 8.7%)
  - 6% participants declared LGBO (above SCS average of 5.8%)
  - 8% participants with a declared disability (above SCS average of 6.3%)
- Representation of functions and professions in Cohort 2 are as follows:
  - Policy: 50%
  - Operational Delivery: 12%
  - Analysis: 6%
  - DDAT: 6%
  - Government Commercial Function: 6%
  - Human Resources: 6%
  - Commercial: 3%
  - Finance: 3%
  - Security: 3%
  - Intelligence Analysis: 3%

Since January 2023, 18% of participants from Cohort 1 and 2 have been promoted to DG level. This goes up to 20% if temporary appointments are included).<sup>25</sup>

There were no withdrawals for Cohort 1 and none to date for Cohort 2.

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<sup>25</sup> Cohort 1, concluded in December 2023 Cohort 2 concludes in July 2024.