

**EXECUTIVE COMMITTEE****SCS Pay: Option for Moving to IPR Reporting Form in April 2016**

*A Paper Prepared by the DG HR and Change on behalf of the Pay Steering Group*

**Purpose**

1. The Executive Committee asked the Pay Steering Group to consider the benefits and feasibility of introducing the Individual Performance Review (IPR) form, currently in use of A-E staff, for senior staff with effect from April 2016 rather than in April 2017 as originally planned (following a review of Senior Pay during 2016/17).
2. Having considered the potential benefits and disadvantages of early introduction, the Pay Steering Group has concluded that there is a stronger case for waiting and delivering changes to the original timetable i.e. from April 2017.

**Action Required**

3. The Executive Committee is asked to endorse the recommendation of the Pay Steering Group.

**Background**

4. Future options for SCS pay were considered by the Senior Pay Panel in June 2015. The strategy agreed was to seek to align both A to E and SCS pay more closely including bringing performance reporting more into line and using a version of the IPR form for SCS staff. The Senior Pay Panel concluded that, although the earliest date for introducing new arrangements was April 2016, April 2017 was preferred as it allowed more time for consultation and lessons learned from the first year of IPR for A-E staff could be taken into account.
5. The Senior Pay Panel agreed that future work on introduction of contribution and IPR principles into SCS pay should be undertaken during 2016/17 and include the following:
  - An assessment of whether a more permanent progression approach might be considered as part of developing arrangements for contribution including whether the introduction of a 'target rate' (possibly in line with Civil Service median pay levels) supported by performance based pay progression is desirable and affordable;
  - Whether the A-E arrangements for IPR should be adapted for use with senior pay including the approach for setting work and competency based objectives and use of a simplified report form.
6. The Individual Performance Review (IPR) was launched in April 2015 as an outcome of the A-E pay deal and the mechanism through which 'contribution' would be delivered, subject to affordability.

**Rationale for the Recommendation**

7. The Pay Steering Group recognised that there would be some benefits in an early introduction. These included:

- It would signal a desire to begin the change process early and allow SCS staff to get used to the new form during 2016/17;
- The new form might be welcomed by SCS staff as it is simpler and less onerous than the current ASR;
- 2016/17 could be used as a pilot year for the form while options for the future of contribution pay are developed and assessed for affordability;
- Reporting arrangements for SCS and A-E staff would converge sooner and respond positively to a suggestion from the Executive Committee.

8. In making its recommendation the Pay Steering Group took into account the following points:

- Although the IPR form currently in use for A-E staff could be easily adapted for use for SCS staff with effect from 1<sup>st</sup> April 2016, it is generally understood by senior staff and the FDA that any changes will not come into effect until April 2017 following a period of consultation. To change tack and introduce the form from 2016 would appear rushed and not well planned;
- There would be little time to consult with SCS staff and to prepare and roll out the new forms. Amended guidance would also have to be prepared for 2016/17 which may need to be changed again for use from 2017/18 following the outcome of the SCS pay review;
- The timing of implementation is not ideal as it would coincide with the outcome of the Director General's Review in April 2016, the recommendations of which may have some bearing on the review of SCS pay and appraisal;
- HR resources would now be better focussed on other urgent tasks including negotiations on PED 'In built' overtime and pay negotiations for A-E and Catering pay for 2016/17.

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