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Department of

Finance

An Roinn

Airgeadais

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FROM: SUE GRAY

DATE: 20 APRIL 2021

TO: ALL INDUSTRIAL STAFF

2020 INDUSTRIAL PAY OFFER

Following recent negotiations with recognised trade unions, I am writing to inform you the Finance Minister has made a formal offer for a two-year pay deal to Trade Union Side.

The overall offer is worth around 7.7% over two years on the paybill for industrial staff. This includes contractual progression as well as revalorisation and non-consolidated payments for eligible staff.

The offer is in contrast to the position in England where the majority of civil servants are facing a pay freeze and no progression. This offer is the maximum amount possible taking account of the current financial position and pressures facing all Executive Departments and the need to ensure increases are affordable while ensuring sufficient budget is available for essential public services.

The 2020 & 2021 Pay Offer is detailed at Annex A.

The contribution of colleagues across the Civil Service is greatly appreciated. This is the best offer possible, which acknowledges the hard work and dedication of civil servants in the provision of vital public services, whilst also taking account of the current financial pressures being faced.

Other jurisdictions have frozen public sector pay for staff outside the health sector in 2021/22. Despite this, the public sector pay policy in this jurisdiction for 2021/22 is for pay awards up to one percent where this is affordable and there is a commitment to reform and efficiency initiatives. This is an important part of the offer. It is not yet known how long a pay freeze may be in play in England yet the Executive has agreed not to adopt a pay freeze here.

Trade Union Side has advised they will consult members as soon as possible and the Minister awaits their formal response to the offer. We will keep you up to date with developments. This circular will be made available on the Employee Services Portal and online on the NICS pay website: [Civil Service Pay](#).

Your contact point for any specific queries regarding your own pay remains HR Connect.

Sue Gray

DEPARTMENT OF FINANCE

Annex A

2020 pay offer

As part of the overall two-year pay offer, the 2020 pay offer would remunerate staff for the reporting year 1 April 2019 to 31 March 2020 and would apply from 1 August 2020.

All elements of entitlement in this award detailed at (a) to (i) are in respect of a one year period with effect from 1 August 2020 and do not establish any future contractual entitlements.

The elements being proposed are as follows:

- (a) all eligible satisfactory performers to receive one step progression, subject to band maximum, with effect from 1 August 2020;
- (b) all points on all industrial scales, from minimum to maximum, to be revalorised by 1%;
- (c) any staff receiving less than a 1% consolidated increase to receive an additional non-consolidated, non-pensionable payment to bring them up to the equivalent value of 1% of their salary;
- (d) Industrial 1 pay scale will be shortened by the removal of the bottom pay point to make a two-point pay scale fully aligned with proposed new non-industrial AA grade pay scale and those Industrial 1 staff on the PU scheme would move to the new minimum of the Industrial 1 scale;
- (e) Industrial 2 pay scale will be shortened by the removal of the bottom two pay points to make a three-point pay scale fully aligned with the non-industrial AO grade;
- (f) Industrial 3 pay scale will be shortened by the removal of the bottom two pay points to make a three-point pay scale fully aligned with the non-industrial EO2 grade;
- (g) In order to maintain the operation of the PU scheme, the threshold of the PU scheme would need to be increased from 12.0 PUs per qualifying hour over the normal weekly accounting period to 12.3 PUs per qualifying hour (the value of the PU remains unchanged at £0.55p);
- (h) a 3% non-consolidated, non-pensionable payment to staff eligible for the pay award at Industrial 1; and
- (i) a 1% non-consolidated, non-pensionable payment to staff eligible for the pay award at Industrial 2 and Industrial 3.

2021 Pay Offer

As part of the overall two-year pay offer, the 2021 pay offer would remunerate staff for the reporting year 1 April 2020 to 31 March 2021 and would apply from 1 August 2021.

All elements of entitlement in this award detailed at (a) to (e) are in respect of a one year period with effect from 1 August 2021 and do not establish any future contractual entitlements.

The elements being proposed are as follows:

- (a) all eligible satisfactory performers to receive one step progression, subject to band maximum, with effect from 1 August 2021;
- (b) all points on all industrial scales, from minimum to maximum, to be revalorised by 1%;
- (c) any staff receiving less than a 1% consolidated increase to receive an additional non-consolidated, non-pensionable payment to bring them up to the equivalent value of 1% of their salary;
- (d) In order to maintain the operation of the PU scheme, the threshold of the PU scheme would remain at 12.3 PUs per qualifying hour (the value of the PU remains unchanged at £0.55p); and
- (e) a 3% non-consolidated, non-pensionable payment to staff eligible for the pay award at Industrial 1.

Other pay-related issues

As part of this pay offer and as discussed in negotiations, Management Side is offering the following commitments;

- a) a commitment to the civil service becoming a Living Wage Foundation employer¹;
- b) an increase of 5% to standard On-Call and Standby allowances (i.e. those allowances set out in the current version of HR Handbook Chapter 8.18), the percentage increase to be based on the rates set out in Judith Black's bulletin of 18 June 2019²;
- c) currently the civil service pays all eligible staff (regardless of their gender), who choose to take either one week or two consecutive weeks' statutory paternity leave following the birth or adoption of a child, full contractual pay for the first two days and, if they satisfy the qualifying criteria, statutory paternity pay for the remainder. Management Side proposes that this should be increased to two weeks at full pay, after the relevant qualifying period, to encourage staff with parental responsibilities to take time off to bond with, and assist in the care of, the child in the important early days;

¹ [Living Wage Foundation | For the real cost of living](#)

² [Non industrial fixed rate allowances - August 2018 \(finance-ni.gov.uk\)](#)

Not all these changes can be brought in at the same time as the pay award as some may take time to implement through our payroll provider, but HR will keep you informed as to when these improvements can be scheduled.

Terms of the offer

The Executive recently agreed the 2021 Public Sector Pay Policy which states clearly that it:

“Allow[s] for up to 1 per cent awards - where this is very clearly affordable; and where there is a commitment to reform and efficiency initiatives; or it is justified by a pressing business critical labour market case.”

Both the 2021 Public Sector Pay Policy and those of previous years make it clear that affordability is a prime concern for pay awards and that there is a clear link to a commitment to reform and efficiency initiatives.

This pay offer is therefore conditional on Trade Union Side’s commitment to the following key areas of reform in the civil service. I am aware that not all of these will be relevant to many staff in the industrial pay bargaining unit, but include them for completeness:

- Accommodation: Trade Union Side agreement to accelerate discussions on the registered disagreement on desk sharing and the home-working policy through appropriate consultation mechanisms with a view to reaching agreement by the end of spring 2021; and
- Mileage Allowance: Trade Union Side agreement to accelerate discussions on the registered disagreement on mileage through the appropriate consultation mechanisms; and
- CMS overtime harmonisation with standard civil service terms: that Trade Union Side should agree that the overtime arrangements in the Child Maintenance Service would be changed to reflect those set out in HR Handbook Chapter 8.08 on overtime, including that set out at paragraphs 11 and 20 of that chapter.