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# **UK Pay System for Pay band 4 to 10**

## **Pay Policy**

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## Overview

This section describes the British Council pay system introduced in August 2008.

## Audience

This section applies to UK-appointed staff only.

## Responsibilities

These guidelines must be read and followed by all staff, but specifically:

- line managers
- recruiting managers
- Human Resources (HR) managers.

## Policy

Each year Pay and Employment Relations, Human Resources, reviews UK pay for pay bands 4 to 9 through the Civil Service pay remit process. The pay remit process covers the pay setting arrangements across the Civil Service, including Non-Departmental Public Bodies (NDPBs) like the British Council. HM Treasury produces annual pay remit guidance which all Civil Service employers must follow when preparing their pay remit. The guidance defines how much Civil Service employers can spend on pay and the core pay principles they must employ e.g. linking pay to performance.

The British Council's pay remit is sent to the Foreign and Commonwealth Office (FCO), our sponsoring department, for approval. Once the British Council has received formal approval on funding, Human Resources then enters into formal pay negotiations with trade union side (TUS) on how money will be allocated.

When the pay negotiations have been completed, the pay award is implemented and payment is made in the August pay run. If the pay award is implemented after 1 August, increases are backdated to 1 August.

The annual pay remit process reviews the following

- Increases to pay range minima and maxima based on market data
- Individual salary increases linked to performance
- Individual performance bonuses
- Cash and non-cash benefits

## Pay Principles

The UK pay system adopts the following reward principles:

1. To work within financial constraints and use those limited funds in the most effective way to support the business and workforce needs
2. To provide a strong relationship between pay and performance with annual salary increases and bonuses reflecting performance (behaviours and delivery) in the job
3. To ensure that total remuneration (salary and cash benefits e.g. pension) are appropriately aligned with external job market so that British Council can recruit and retain people with the right skills
4. To effectively tailor and promote all aspects of the employee offer (pay, benefits, personal development, career progression, work-life balance, and environment and culture) to attract, engage and retain the right talent
5. To promote an equal pay agenda by ensuring that pay systems meet legislative requirements and to actively work towards reducing any unjustified gender pay gaps

- To take a flexible approach and to tailor reward to reflect the type of work staff are engaged in.

### Pay Band 10

Pay band 10 staff are not included in the Civil Service pay remit process because the British Council broadly follows the centralised Senior Civil Service (SCS) pay arrangements for this group of staff. The British Council applies the SCS pay ranges for pay band 10 jobs which are determined by the job's Job Evaluation of Senior Posts (JESP) score. As a general rule:

- Most British Council pay band 10 jobs fall into the SCS pay band 1
- Executive Board jobs fall into SCS pay bands 2 and 3.

Each year the Review Body on Senior Salaries (SSRB) provides independent advice to the Government on the remuneration of senior civil servants. The report gives recommendations on increases that might be applied to the pay ranges as well as a percentage range within which individual pay awards should lie. The British Council uses these recommendations as a basis on which to agree the pay award applicable to staff in pay band 10.

### UK Pay Structure for Pay Bands 4 to 10

All UK staff are placed in one of ten pay bands:

- junior management and administration, for which there are two pay bands: 4 and 6
- middle management, for which there are two pay bands: 7 and 8
- senior management, for which there are two pay bands, 9 and 10:
- band 9 is divided into two pay ranges. The higher pay range relates to jobs that have scored highly when evaluated using the Job Evaluation and Grading System (JEGS). Staff doing a job in this grouping will have a higher entry salary to acknowledge the greater responsibility of the job. However, the pay band remains one management grouping for posting purposes and staff in this grade can move freely between all jobs at pay band 9.

### The UK Pay System

In August 2008 the previous "step" pay model ceased and a new pay system was introduced. The system will not come fully into effect until August 2009. In 2008 the following increases were applied to UK-appointed staff.

#### August 2008 Salary Increases

Rating	Percentage increase
Exceptional	5.3%
Successful	4.3%
Transitional	1.5%

**Note:** payment was implemented in November 2008 with payment backdated to 1st August  
On 1 August 2008 new pay ranges came into operation.

### 2008/09 Pay ranges

Pay Band	Min	Max
4	£15,000	£17,109
6	£18,800	£22,421
7	£25,000	£30,580
8	£31,500	£38,275
9A	£47,000	£65,000
9B	£52,000	£65,000
10	£65,000	£118,000

### Pay Zones

The UK pay ranges at pay bands 4 to 8 are divided into three pay zones and divided into two pay zones at pay bands 9 and 10. An individual's salary, excluding all allowances, determines which pay zone applies to them.

A pay matrix (see below) which sets out the increases to salary is issued each year. So that individuals can work out their personal salary increase using the pay matrix they will need to know their:

- pay zone, and
- performance rating.

In 2009 a new five box rating system will replace the three box rating system. Depending on how an individual has performed in their job between March and April they will receive one of the following ratings: Outstanding; Exceeds Expectations, Good Performer; Development/improvement required; Unsatisfactory.

A principle of the UK pay system is that staff in pay zone 1, and therefore on lower salaries, will receive higher increases than their peers in pay zone 2, receiving the same performance rating. This enables staff performing well to progress steadily through the first zone.

### 2009 Pay Matrix for Pay Bands 4 to 10

In 2008 the British Council implemented a pay award which spans two years and the pay matrix for August 2009 is set out below. The increases given in this matrix apply to 2009 only and in 2010 the level of salary increases will be reviewed and will be subject to the pay remit process and formal pay negotiations with TUS.

Performance Rating	Zone 1	Zone 2	High Performance Zone
	Band 4 £15,000 - £16,000	Band 4 £16,001 - £17,109	Band 4 £17,110 - £18,820
	Band 6 £18,800 - £20,600	Band 6 £20,601 - £22,421	Band 6 £22,422 - £24,663
	Band 7 £25,000 - £27,499	Band 7 £27,500 - £30,580	Band 7 £30,581 - £33,275
	Band 8 £31,500 - £34,649	Band 8 £34,650 - £38,275	Band 8 £38,276 - £41,927
	Band 9A £47,000 - £54,999	Band 9A £55,000 - £65,000	(N/A to Pay bands

	Band 9B £52,000 - £57,999 Band 10 £65,000 - £91,000	Band 9B £58,000- £65,000 Band 10 £91,001- £118,000	9A/9B/10)
Outstanding	7%	6.5%	4% (consolidated increase)
Exceeds Expectations	6%	5.5%	
Good Performer	5%	4.5%	
Improvement/ Development Required	2.5%	2%	
Unsatisfactory	0%	0%	

### Staff at or above the maximum of their pay band

A non-consolidated payment to the value of the relevant percentage increase is awarded, so paid as a lump sum which is not added to salary (unless the maximum of the pay band is increased when the band is reviewed).

The payment is subject to income tax deductions and notional tax for UK-appointed staff overseas. It is not included in the calculations of any overseas allowances. It is also not counted towards the employer contribution to pension.

### The High performance zone

The performance zone provides staff, at or close to the maximum of their pay range and who receive the top rating of Outstanding, with additional progression. This zone does not apply to pay bands 9 and 10 because the length of these pay ranges are much longer than at pay bands 4 to 8, and so an additional zone is not required.

In 2009 the consolidated portion of the pay increase, which takes an individual into the higher performance zone, will not exceed 4%.

Individuals in the high performance zone will only receive consolidated increases if they are awarded the "Outstanding" rating. If they receive one of the other ratings they will be treated as though they were at the maximum of their pay range (i.e. the top of zone 2) and receive a lump sum payment which is not added to salary.

### Bonus Payments

In addition to an increase to salary staff may be eligible to a non consolidated performance bonus. The value of the bonus is determined by pay band and performance. The value of the bonus will be reviewed each year. The bonuses paid in 2008 are set out in the table below:

**Performance Bonus Payments for 2008**

Rating	Bonus	Rating	Bonus
Exceptional		Successful	
Pay band 4	£775	Pay band 4	£600
Pay band 6	£900	Pay band 6	£700
Pay band 7	£1,050	Pay band 7	£800
Pay band 8	£1,150	Pay band 8	£900
Pay band 9a	£1,250	Pay band 9a	£1,100
Pay band 9b	£1,400	Pay band 9b	£1,200
Pay band 10	£1,400	Pay band 10	£1,200

The bonus payments for 2009 will be communicated to staff in early summer of 2009 and paid in August 2009.

From 2009 bonus payments will be paid pro rata to staff working part-time (e.g. less than 36 hours net)

**Pay awards for staff joining the British Council after 31 March or leaving before 1 August**

- evaluation year runs from 1 April to 31 March. The annual pay award takes effect in the following August.
- Staff who join the British Council between 31 December and the 31 March will not receive a performance evaluation rating but will be eligible to a salary increase in the following August, based on a notional Good Performer rating.
- Staff who join after the 31 March will not receive the pay award the following August, but if the minimum of the pay range is increased and they are below it they will have their salary increased to the new minimum. They will not be eligible to a performance bonus.
- All BC staff who transfer to the UK from overseas on UK appointed terms will be eligible to a pay award in the following August. If they do not have an evaluation for that year they will receive the pay award at a notional Good Performer. They will be eligible to a performance bonus.
- Staff who leave the British Council before 1 August do not qualify for the August pay award.

**Movement between pay band 9 and the higher band 9 pay range**

- The rules on promotion do not apply when a member of staff moves from a job in pay band 9A to a job in the higher pay range at pay band 9B. However, there are implications for an individual's pay. When being assimilated into the higher pay range, the individual will either move to the minimum of the 9B pay range, if they are below it, or move over on their current salary.
- If a member of staff works in a 9B job for a temporary period, lasting a minimum of four working weeks, they will be eligible to the higher salary, if they are below the minimum of the pay range, for the period of time they are acting in the role. A temporary posting is defined in this instance as either:

- a posting that lasts less than one year
  - a post that is being temporarily filled outside an open recruitment exercise, that is a post, which, although openly advertised, did not attract a candidate who can fully undertake all the duties at the level required, and is therefore filled temporarily until it is re-advertised and a substantive candidate recruited.
- Where a member of staff moves from a job in pay band 9B to a job in band 9A, they will remain on the same salary. Their future pay awards while in this pay band will be determined by the pay zone applicable to their salary and their performance rating.

### **Agreeing starting salaries at recruitment**

Internally recruited staff within the UK will move on their current salary if they are moving to a new job within the same pay band. If they are promoted to a higher pay band then the normal promotion rules will apply.

Externally recruited staff will start on the minimum of the relevant pay range, unless there is a sound case for them to enter on a higher salary. If a starting salary is likely to fall within zone 2 for jobs at pay bands 4 to 8, then a case must be made first to Pay and Employment Relations. At pay bands 9 and 10 any proposed starting salary which is above the minimum (bottom of zone 1) must always be referred first to Pay and Employment Relations.

When pay ranges are advertised externally or internally the maximum of the pay ranges for pay bands 4 to 8 is the top of zone 2. The High Performance Zone is not used for recruitment purposes.

### **London Market Allowance**

Staff who work in our London Office receive a London Market allowance (LMA) which is an allowance paid in addition to their salary. The allowance is given in recognition of the high cost of living in London. The allowance is currently worth £3,300.