Remuneration of senior DWP officials

Thank you for your letter of 1 July, concerning the remuneration of Senior DWP officials, in particular the non-consolidated performance related payments made to Neil Couling and JP Marks. In your letter you also requested further information concerning performance award payments made to colleagues in Work Coach and Universal Credit service centre roles.

Before addressing your specific questions below, it may be worth making clear that the remuneration structure for Senior Civil Service grades, including the balance between consolidated and non-consolidated remuneration, is determined centrally across the Civil Service as a whole.

Let me turn to your specific questions.

1. Might I please ask you to set out for us the reasons for which these awards were made and the performance measures which were used to determine eligibility for a bonus?

The non-consolidated payments made in the financial year 2018-19 were based on performance the year before – 2017-18. For that appraisal year the non-consolidated performance related payments for the Senior Civil Service (SCS) grades across the Civil Service were limited to the top 25% of the department’s SCS cadre. 241 SCS staff were subject to the appraisal round and therefore ‘top’ ratings were limited to 60 individuals. The process for assessing and rating performance is detailed and robust. Individuals are initially appraised by their line manager and subsequently via departmental moderation including the involvement of DWP Non Executive Directors. In addition, annual 360-degree feedback is a mandatory element of the appraisal process. When assessed in this way and against their peers, both Neil Couling and JP Marks were determined to be in the top 25% of
performers. Neil’s comparison was with other Directors General in DWP. JP was at Director grade for the majority of 2017-18 so was assessed against other Directors.

2. Might you therefore let us know:

   i. How many Work Coaches received a bonus in 2018-19, and what proportion of the total number this represents?

   Performance awards for delegated employee grades are discussed annually with our Trades Unions as part of our pay negotiations, and are in line with the annually published Civil Service pay guidance. At the time of writing, non-consolidated awards in relation to the 2018-19 year have not yet been agreed.

   Our management information systems do not enable us to identify Work Coaches separately, however we know that the majority of these roles are at EO grades. For the 2017-18 performance year, 37,792 employees at the EO grade received a non-consolidated award.

   ii. What was the a) mean and b) median bonus paid to Work Coaches;

   For the 2017-18 performance year, two values were paid to EO employees. EO employees with a Box 1 ‘Exceptional’ rating received an award of £750, whilst EO employees with a Box 2 ‘Good’ rating received £500.

   The median FTE value of award paid was £500, the mean FTE value of award paid was £514. Awards were pro-rated based on employee working pattern.

   iii. What the lowest and highest bonus amounts for Work Coaches were;

   The lowest amount paid to EO employees was £500, the highest amount paid to EO employees was £750.

   iv. The performance measures that are used to decide which individuals are eligible for a bonus

   Individuals were assessed and received ratings in accordance with the Department’s performance management arrangements for delegated grades AA to G6 in the 2017-18 performance year. This included being set stretching objectives, which were then reviewed formerly at mid and end of year before a final rating could be agreed. Those rated ‘Exceptional’ or ‘Good’ received a one-off performance award.

3. Given the increasing importance of Universal Credit service centres, might you please let us have the same information of frontline staff in service centres

The table below shows the:

- number of employees
- mean, median, highest and lowest values of award paid to all employees identified as working within Universal Credit service centres.
<table>
<thead>
<tr>
<th>Grade</th>
<th>No of Employees</th>
<th>Mean</th>
<th>Median</th>
<th>2018 DWP 'Good' award</th>
<th>2018 DWP 'Exceptional' award</th>
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<tr>
<td>AA</td>
<td>21</td>
<td>£ 450</td>
<td>£ 450</td>
<td>£ 450</td>
<td>£ 550</td>
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<td>£ 750</td>
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<td></td>
<td>£ 1,450</td>
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</table>

I hope the above answers your questions.

Yours sincerely,

Peter Schofield CB