ASSESSMENT OF SOURCES AND METHODS USED IN THE PROVISION OF BASIC INFORMATION FOR THE CALCULATION OF SPECIFIC INDICATORS FOR A65 PURPOSES

COUNTRY: UK 🇬🇧

Version: 29 March 2017

CONTEXT

1. This report is written in the context of the implementation of Article 65 and Annex XI of the Staff Regulations of Officials and Conditions of Employment of Other Servants of the European Union, as most recently amended by Regulation 1023/2013 of the European Parliament and of the Council.

2. Article 12 of Annex XI states that "…*It shall be the task of Eurostat to monitor the quality of basic data and statistical methods used to work out the factors taken into account for the update of remuneration. In particular, it shall make any assessments or carry out any studies required for such monitoring…*"

3. A methodology manual has been developed to describe the calculation of specific indicators in accordance with Article 65 of the EU Staff Regulations. There have been various editions over time; the most recent version is document A6465/14/26rev2, dated May 2016.

4. This methodological documentation is supplemented with interpretation guidelines and specific agreements for individual Member States reached during each annual data collection exercise.

5. With effect from 2010, detailed documentation is drawn up for each Member State which aims to give a full description of the manner in which basic data is compiled and transmitted to Eurostat to allow the calculation of Specific Indicators.

   Twenty-two of these draft "inventories" (at different stages of completion) were presented at the meeting of the Working Group on Articles 64 and 65 of the Staff Regulations in Luxembourg in March 2015. A further progress report was reviewed at the meeting in Luxembourg in March 2016.

6. Previous assessment reports for this country have been prepared as follows: None

7. The current assessment report is based on the following information:

   a. pro-forma document A6465_16_03 ;

   b. data provided by the national statistical authorities in the Standard Remuneration Questionnaire for the year 2015 ;

   c. the "inventory", version dated 5.1.2015 (status: validated 2.6.2015) ;

   d. other resources identified in connection with the work to establish Specific Indicators, including UK government civil service website ;

e. a workshop meeting with various UK government departments, coordinated by HM Treasury in London in 2010 .

ORGANISATIONAL ISSUES (SUMMARY)

8. The name of the national delegate to the Working Group on Articles 64 and 65 is communicated to Eurostat by the Policy Officer for EU institutions | UK Permanent Representation to the EU.

9. The national data required for the calculation of Specific Indicators is transmitted to Eurostat by Policy Adviser for EU budget negotiations and strategy | International and EU group | HM Treasury. In recent times, the contact person has changed approximately every 3 years.

10. The national data is compiled from the following national sources: specific questionnaire to representative sample of government departments.

11. This compilation involves collaboration with the following departments/organisations: DBIS, DEFRA, DfE, DWP, HMRC, HO, MOD, MOJ.

12. The following information is publicly available:
- ONS Quarterly Public Sector Employment Statistics Bulletin (staff numbers);

- ONS Annual Civil Service Statistics Report (staff numbers, median gross earnings);

- transparency report for each department: "junior data" (staff list showing job title, pay band min./max., number of full-time equivalents) NB. reference dates vary, excludes senior civil servants;

- HMT annual civil service pay guidance (target evolution);

- Child benefit entitlement;

- Civil service pension scheme contribution rate;

- National insurance contribution rate;

- Personal income tax rate and allowances.

13. The standard remuneration questionnaire for the year 2015 was transmitted via *eDamis* on 30.7.2015 for each of the 8 participating government departments.

14. The following tables in the standard remuneration questionnaire for the year 2015 were incomplete:

T1 | NOT complete | T2 | NOT complete |

Comment:
- T1 ESA2010 "staff number in central government administration" figure not supplied;

- T2 statutory deductions and allowances inserted by Eurostat using official published parameters (an Excel model is developed for this: *see also comments 19, 20 and 21-25*).

15. The national validation of the Specific Indicator calculated by Eurostat for the year 2015 was transmitted via eMail on 9.10.2015.

OVERALL ASSESSMENT

√	Comply

QUALITY ASSESSMENT – STAFF NUMBERS

16. Comments regarding the sample population for which staff numbers are supplied:
    - Most government departments report population data for total reference population rather than a selected sample of grades.

17. Comments regarding the total population from which the sample is selected:
    - The selected government departments represent approximately 78% of total civil service per ONS quarterly public sector employment statistics bulletin which exceeds the target (75%). If expanded in future, possible candidates for integration might include the UK statistics authority, the Attorney Generals departments, the Department for International Development.

    - Some government departments did not specify population data reference date in their SRQ (→ assumed to be June);

    - Most government departments reported population data in SRQ Table 1 as headcounts rather than full-time equivalents. Where not specified, the SRQ population data is assumed to be a headcount. It is difficult to compare headcount population data with information reported separately in transparency reports for each department (where population is generally reported as full-time equivalents);

    - Most government departments provided no explanations for differences between reported population in SRQ Table 1 and separate information published in ONS quarterly public sector employment statistics bulletin for the same department. It would be helpful to know whether this is due to a timing difference, or due to exclusion of specific grades/specific occupations.

18. Comments regarding supply of the number of employees for the total central public administration (ESA 2010 s.1311) :
    - ONS should be contacted to supply the ESA2010 variable "number of employees in central government administration" to allow more accurate calculation of the control indicator required by the Staff Regulations.

QUALITY ASSESSMENT – GROSS SALARY DATA

19. Comments regarding the supply of a figure for gross remuneration for each grade:
    - Remuneration data is reported for the same grades as those for which staff numbers are reported;

- Where UK government departments do not provide the middle pay step in the grade, this is estimated as an arithmetic mean, however a median figure would be preferable if this can be provided on a regular basis;

- As agreed with Eurostat, UK government departments do not generally report gross remuneration for married civil servants as the same salary scale applies for single civil servants. However, statutory deductions/credits typically vary according to household composition. Eurostat has developed a standard Excel model to calculate these using official published parameters, and it is important that the calculations are reviewed during validation (*see also comments 20 and 21-25*).

20. Comments regarding additional payments eg. state benefits:
- Different UK government departments adopt different policies regarding payment of bonuses and other elements of remuneration. Amongst those departments which do make additional payments, some "consolidate" the amounts by adjusting the basic pay scale, whilst others make "unconsolidated" payments during the course of the year. It is not clear whether all participating UK government departments are treating unconsolidated pay components in the same way. Where such components are materially significant and have a general character rather than purely being based on individual factors, they should be included in the figures reported in SRQ Table 2 (and described in the worked example calculations). For this reason in the explanatory comments it is also helpful to supply the standard "increase for staff in post (ISP)" statistic as well as the "basic award".

- As agreed with Eurostat, UK government departments do not generally report gross remuneration for married civil servants as the same salary scale applies for single civil servants. However there may be entitlement to statutory credits according to household composition. Eurostat has developed a standard Excel model to calculate these using official published parameters, however it is important that the calculations are reviewed during validation (*see also comments 19, 20 and 21-25*).

QUALITY ASSESSMENT – STATUTORY DEDUCTIONS

- As agreed with Eurostat, UK government departments do not generally report statutory deductions in the SRQ. Eurostat has developed a standard Excel model to calculate these using official published parameters, however it is important that the calculations are reviewed during validation (*see also comments 19, 20 and 21-25*).

21. Comments regarding the calculation of personal income tax: UK civil servants may be entitled to tax credits according to income and household composition. In recent years there have been proposals to combine the tax credits and various social security benefits into a universal payment, however this is not yet implemented. If implemented, it will be necessary to revise the standard Excel model.

22. Comments regarding the calculation of occupational pension contributions: N/A.

23. Comments regarding the calculation of medical insurance contributions: N/A (entitlement to healthcare is part of UK national insurance social security scheme).

24. Comments regarding the calculation of other social security contributions: N/A.

25. Comments regarding the calculation of other statutory deductions: N/A.

QUALITY ASSESSMENT – OTHER ASPECTS

26. N/A.

ACTION POINTS

27. See 17, 18, 19, 20, 21.