



MRC pay and grading structure PROPOSAL

1st September 2011

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A. Background and context

1. Introduction

- 1.1 This document provides a formal proposal for a new pay and grading structure for the MRC. The proposal is accessible to all employees and provides the context for proposing a new structure as well as the details of the structure including proposed payscales for the new structure.
- 1.2 The pay and grading structure is just one of the tools the MRC uses to reward its employees. Other elements such as pension scheme arrangements, childcare vouchers, and other non-pay benefits e.g. generous annual leave entitlement all contribute to the overall reward package that the MRC provides for its employees.

2. The MRC Strategic Plan 2009-2014 and aims

- 2.1 The ability to attract and retain talented scientists to the MRC is vital in achieving the MRC strategic aims as given in the MRC Strategic Plan 2009-2014.
- 2.2 In particular there is a strong link with **Strategic Aim Four: Supporting scientists.**
- 2.3 Providing an appropriate reward structure for MRC employees directly contributes to:
- Sustaining a robust and flourishing environment for world-class medical research*
- A measureable increase in skilled people working in health and medical research and development¹*

3. The need for a new pay and grading structure

- 3.1 The current MRC pay band structure has become outdated and inconsistent since its implementation and a number of issues exist:

Uncompetitive

- 20% of HR risks on EasyRisk cite the lack of competitiveness with MRC pay as a major cause of recruitment and retention problems
- Negative pay differentials, especially with Universities, are reported across the MRC;

Structural problems

- Significant numbers of employees above band maximums;
- Large gaps between some bands create difficulties in progression;
- No salary maximum in band 2 raises potential Equal Pay issues

Staff survey

- In the 2008 survey, only 24% of respondents were satisfied with pay

Career progression

- Perceived lack of clear career progression in certain groups;
- Requirement for more transparency in the differences between bands/promotional criteria;

¹ MRC Strategic Plan 2009-2014. <http://www.mrc.ac.uk/About/Strategy/StrategicPlan2009-2014/index.htm>

Pay freeze

- 2 year freeze for those earning over £21,000 has increased pay differential;
- RCUK/Universities incremental pay progression continued;

4. Developing the structure in partnership with MRC Trade Unions

- 4.1 Discussions between MRC management and MRC Trade Unions have been ongoing over the past two years to find a suitable solution to the pay problems.
- 4.2 The initial plans for this proposal were developed throughout 2010 and the first phase of consultation began with MRC Senior Unit Administrators and the HR community in December 2010 and ran until mid-February 2011.
- 4.3 The initial proposal consisted of two different pay structures for Science and Management and Administrative staff.
- 4.4 Following the initial consultation stage, significant changes were made to the proposal and this has resulted in the current proposal as given in this document.
- 4.5 Management and MRC Trade Unions have worked together throughout the development of this proposal to identify the key problems and find an appropriate resolution.

5. Second phase of consultation

- 5.1 Throughout July and August 2011, Ted Smith and Rebecca Leigh visited all MRC Units/Regions/Institutes to carry out pay roadshows. All staff were invited to attend the sessions and were given the opportunity to ask questions at the roadshows.
- 5.2 The sessions were well attended. Although no registration lists were taken at the events, an estimated 30-40% of MRC employees attended the sessions.
- 5.3 Staff were also invited to provide further comments and questions through the centralised email address payandgrading@headoffice.mrc.ac.uk.
- 5.4 MRC Trade Unions also carried out pay roadshows on a separate basis.
- 5.5 The learning and comments from both sets of roadshows has been considered and, where appropriate, changes have been made to this proposal to reflect this.

B. Outline of new pay and grading structure

6. Scope

- 6.1 The proposed pay and grading model consists of one pay and grading structure that includes scientific, research support, technical, management and administrative staff.
- 6.2 The new pay structure applies to MRC employees, this includes those employed on temporary or fixed term contracts but excludes Visiting Workers, students or those workers provided by a third party agency.
- 6.3 Also excluded under the revised pay structure are:
 - Clinical Consultants on NHS payscales (covered separately by NHS terms and conditions relating to pay)
 - Those employed on EURO funding
- 6.4 With the exception of responsibility allowances which are subject to revised arrangements (please see later in the proposal), all other allowances will remain as per current arrangements.

Key Principles of the new structure

1. Improve the structure

The pay structure will still consist of the 7 main bands (band 7 – band 1). In addition there will be now be Senior Contract Pay which sits above band 1 in the new structure, further detail is provided later in the document.

The current scales have been used as the basis for the new structure but have been revised to provide generally higher minimum and maximum points, which will led to more competitive pay for MRC staff in the long term.

2. More opportunities for progression

Bands 7 – 2 are split into 2 sections: the A and B section of the band to allow for more promotion opportunities for MRC staff. The principles of this are explained in section 7.

3. Increasing transparency in career progression

This is one of the longer term aims of the project. Development of banding descriptors, role profiles, promotion criteria and career pathways for underrepresented staff groups leads to more clarity for employees over their potential career at the MRC.

Introducing policy, guidance, structures, maximums and corporate governance that ensure that MRC is treating its employees fairly with regard to their remuneration.

C. Principles of the new structure

7. The new pay structure

- 7.1 The new pay structure will consist of the 7 main bands (band 7 – band 1). In addition there will be now be Senior Contract Pay which sits above band 1 in the new structure; further detail is provided later in the document.
- 7.2 Each of these bands (excluding Senior Contract Pay and band 1) is split into 2 sections: the A and B section of the band.

8. Starting salaries

- 8.1 New starters are expected to start on the minimum point of the relevant A section of the pay band.
- 8.2 Where the new starter can provide evidence of working at the same level as job they are starting then a higher starting point can be given within the band to reflect the number of years the new starter has already been practicing at that level.
- 8.3 It is expected that all employees will appointed in the first instance to the A developmental section of the band to allow for management assessment and advancement to the B section to take place in the future.
- 8.4 For at least the first year of operation of the revised structure, authority to recruit directly into the B section of the band will need to be obtained from Regional or Corporate HR, this is to ensure that decisions are being made consistently across the MRC. Following this, Corporate HR will continue to need to be notified of any intention to recruit directly into the B section of the band.

Future work

The governance and appropriate process for gaining authority to recruit into section B will be developed during implementation of the new structure.

9. Career Development Fellows (CDF's)

- 9.1 Due to the specialist training nature of CDF posts separate pay and grading arrangements exist which are described later in this document.
- 9.2 The arrangements fall within the scope of this pay structure but provide a more structured and consistent approach to pay for this group of employees.

10. Apprenticeships

- 10.1 The basic principle of pay for apprenticeships is provided later in this document.

11. Bands 1,2 and Senior Contract Pay

- 11.1 The lack of a maximum in band 2 has led to a wide range of salaries within the band and considerable overlap and confusion with the Band 1 category of staff which is difficult to justify from an equalities and transparency perspective.

Pay and grading proposal

- 11.2 Work reviewing band 2 is not new at the MRC and working groups have been set up in the past to try to resolve the issues within the band 2 scale.
- 11.3 Staff in Band 2 will be distributed between band 2 and band 1.
- 11.4 Many of those currently in Band 1 will move onto Senior Contract Pay. Senior Contract Pay (SCP) will start at £100,000 upwards, this aligns with the BIS governance requirements for those earning over £100,000.

Future work

Following agreement of the new structure, an exercise will be undertaken to provide greater clarity on the use of the new bands 2, 1 and SCP. This will involve further consultation with key MRC stakeholders and external job evaluation sources.

D. Job evaluation

12. Job evaluation and the new structures

- 12.1 Currently research support, technical and administrative roles are evaluated through the JEGS (Job Evaluation Grading Scheme) system of evaluation. Although scientific posts are not evaluated through JEGS, an initial evaluation took place of these roles so that generic band profiles are used for these roles.
- 12.2 The backbone of the current structure is based in JEGS and this provides a degree of assurance that the MRC bands as they stand are based on a fair evaluation system therefore employees will not be evaluated upon mapping to the new structure.

13. Research support, technical and administrative roles

- 13.1 JEGS will continue to be used for research support, technical and administrative roles in the new structure.

Future work

To enable job evaluation to be run more smoothly a number of actions will be worked on through development of the project:

- Corporate HR will develop a library of JAF forms/job descriptions for roles that have already been evaluated. This may enable HR/managers to see whether the role has effectively been evaluated already and therefore speed up recruitment processes;
- The existing band descriptors will be further developed to provide more information for managers on what is expected at each different band;
- Generic role profiles will be developed for roles that are present consistently across the MRC, these will enable a first step matching process to take place;
- All of these will be developed in consultation with relevant MRC stakeholders including MRC management, MRC Trade Unions and relevant staff groups and will be accessible in a special section on the MRC portal/KnowledgeBase as appropriate.

14. Scientific roles

- 14.1 Job evaluation will continue to not apply to scientific roles in the new structure however a number of actions will be undertaken as part of this project.

Future work

- Transparent promotion criteria for moving between scientific roles/bands will be developed; where appropriate building on the best practice already taking place in the MRC;
- These will be developed in consultation with relevant MRC stakeholders including MRC management, MRC Trade Unions and scientific members of staff and will be accessible in a special section on the MRC portal/KnowledgeBase as appropriate.

E. Career progression

Part of the MRC mission statement is to produce skilled researchers, therefore ensuring the opportunity for career progression for MRC employees is clear and transparent in the new pay and grading structure is vital.

15. Progression within the band

- 15.1 The MRC PDR process will continue to run in line with current policy.
- 15.2 The MRC management side is committed to providing normal progression through the pay bands, and to increasing the salary points each year by a rate that recognises the impact of inflation. To allow for this, the MRC will seek a sufficient annual pay remit from government.
- 15.3 As per the MRC PDR Policy where an employee's performance is classed as 'unacceptable' they will not be entitled to progress through their pay band in line with the MRC Basic Pay Adjustments policy.

16. Advancement from section A to section B

Principles

- 16.1 Central to effective operation of the new pay structure is the advancement from the A developmental section of the band to B the experienced section of the band.
- 16.2 The aim of introducing the A and B section to the band, is to be able to reward MRC employees financially for their development into their roles and give them an in-band advancement opportunity, effectively paying them the full rate for the job, once they have mastered it.
- 16.3 Advancement from A to B should be a natural and obtainable progression for all employees who receive acceptable PDR ratings. This is designed to provide realisable opportunities for progression for MRC employees and will not create a barrier for progression through a pay band.

The difference between the A and B section

- 16.4 The difference between the developmental A section of a band and the experienced B section will be characterised by the point when the employee is performing and fulfilling their role with increased experience and skill.

Due to the variety and breadth of roles at the MRC it would be difficult and time consuming to devise criteria by which all roles will operate.

The potential pitfalls in this would be that it would be onerous and bureaucratic in its nature, compromised due to the wide range of roles, and would not align with the current MRC PDR process.

- 16.5 To ensure transparency for individuals with regard to the A/B section, it will be built into the MRC Probation policy that during the induction and probation process that managers will advise and highlight specific role criteria that will support the

employees career development and facilitate progression into the B section of the band.

Adjustments will be made to the MRC Probation Review form to ensure these fields are completed and signed off by both the employee and manager.

Adjustments will also be made to MRC PDR form, in consultation with NTUS, to provide a space for the manager to comment on progress towards advancement, again and in line with current PDR process this will be signed off by the employee.

Expectations on when advancement will take place

16.6 To reflect the 'experienced' nature of the B section of the band, employees will not be expected to move from A to B for at the first two years and until they become fully competent in all aspects of the role. This is likely to take longer in the more senior roles.

16.7 The following guidelines show the expected minimum number of years working at that level of experience for each band before advancement to the B section of the band.

Band 7	2 years
Band 6	2 years
Band 5	2 years
Band 4	3 years
Band 3	3 years
Band 2	4 years

16.8 In the exceptional circumstance that this may be appropriate, authority to advance to the B section of employment before the above guideline years will need to be obtained from Regional or Corporate HR.

Future work

The governance and appropriate process for gaining authority to advance will be developed prior to implementation of the new structure.

How the advancement will work

16.9 Advancement from A to B can be initiated in two main ways:

1) Normal advancement

Through progression, employee reaches the top point of section A. This will happen at the time of annual pay review.

2) Accelerated advancement

Employee may be ready to progress before reaching the top of section A. This can happen at any time during the calendar year.

- 16.10 Although the PDR process is not the only trigger for an advancement discussion, where an employee is in the A section of the band a discussion will take place at each PDR meeting to discuss progress towards the B advancement.
- 16.11 Employees will be entitled to raise their suitability to advance to the B section of the band during the PDR process.

Route 1 – Normal advancement

When it will take place

Normal advancement will take place when an employee has reached the top of A section of the band.

At the next progression point, the employee will be, subject to satisfactory performance, automatically entitled to move into the B section of the band at the time of the next pay review.

The employee will receive the pay progression benefits associated with this as described in section 15.10 below.

Exceptions

The only exception to this is where it has been documented that the employee has performance issues in PDR discussions and/or the employee is subject to performance management measures e.g. through the MRC Capability policy.

Route 2 - Accelerated advancement

When it will take place

Accelerated advancement will take place when a manager believes that an employee may be ready to advance to the B section before reaching the top of section A.

Peer consultation

To assess if the employee is ready to progress from A to B, the employee's manager will consult with supervisory peers on the suitability of the person to advance taking into account other employees in similar roles, performance and development needs.

The HR Lead for the region/Unit will also need to be consulted with and will need to give their authority if advancement is going to be initiated.

The employee will receive the pay progression benefits associated with this as described below.

Where an employee is not ready to advance

Where the supervisor and peers decide that the employee is not ready to advance to the B section of a band at this time then the decision and the justification for this will be fed back to the employee. Performance management measures may be expected at this point to improve the employee's performance and opportunity to progress.

Pay progression on advancement

Pay and grading proposal

- 16.12 On advancement to section B of the band employees will either (whichever is the higher of the two):
- o receive a 5% consolidated pay increase on their current pay point
 - or,
 - o progress to the minimum pay point of the B band.

Governance

- 16.13 Centralised management information on advancement decisions will be compiled and reviewed to ensure that managers are making consistent and fair decisions.
- 16.14 Overall information on advancements will be provided to NTUS for reviewing and monitoring purposes.

Onward progression

- 16.15 Support for progression will not cease when an employee has reached the B section of the relevant band.
- 16.16 As a result of the clarity that will be provided by having band descriptors, role profiles and promotion criteria, employees will have a better idea of the skills and attributes they will need to show if they are to be promoted into the next band.
- 16.17 Employees and managers will both need to take the responsibility for planning any suitable development activities that will enable them to be ready to be promoted to the next band.
- 16.18 It is important to highlight here, that as per current process, promotion to a new band will depend on the needs of the Unit/department/team – where an employee is ready to move up to a new band then this will not automatically generate a promotion. The key factor will be whether the Unit/department/team has a need (including funding) for a post at that level. Advancement within the band from A to B will not be subject to this restriction.

17. Promotion to a new band

- 17.1 Promotions to a new band (e.g. 7 to 6) will continue to take place in line with current promotional and recruitment & selection processes.
- 17.2 On promotion to a new band employees will either (whichever is the higher of the two):
- o receive a 7.5% consolidated pay increase on their current pay point, or,
 - o progress to the minimum pay point of the A section of the new band.

18. Career structures

- 18.1 As an integral part of the pay and grading restructure, the MRC is committed to developing career pathways for those groups of staff where these have not traditionally been present. This work will review all the staff categories to see where development of career pathways may be appropriate including Research Support, Technical and Administrative categories.

Pay and grading proposal

- 18.2 The development of these will be done through wide consultation with various groups across the MRC.
- 18.3 The MRC recognises the benefits of career development in order to meet the challenges of doing research in a technical and intellectual environment. This includes an understanding that a research role (e.g. Research Project Support roles) can evolve with the researcher.

Future work

A composite approach will be taken where role descriptors are considered alongside the development of the role holder. This is aimed at providing researchers the opportunity to fully realise their potential within their current research group or institute and to provide for the development and continuity of expertise, technical skills and knowledge valued by the MRC.

- 18.4 The PDR is to be used as a forum where researchers can seek to discuss with research managers appropriate opportunities for promotion within their current role and to develop a career progression plan. When the post has developed to a level meriting promotion to a higher band the research manager should support re-evaluation by the process described earlier in this document.
- 18.5 The MRC is committed to a framework within the new Pay and Grading Structure that encourages career development and promotion for researchers.

F. Implementation and Mapping

19. Implementation date and the pay freeze

- 19.1 The MRC is currently subject to a 2 year pay freeze meaning that all normal pay increases are suspended with effect from the 1st April 2010 scheduled pay increase.
- 19.2 The effect of this is that employees will be notionally moved to a new band with the pay structures but the MRC will not be able to populate the new pay band points until April 2012.
- 19.3 Therefore the anticipated pay increases that are linked to the new pay band structures are likely to come into effect from 1st April 2012.
- 19.4 The exception to this may be where employees are mapped into the A section of the band, if the employee is ready to advance to the B section, then they may be advanced into the B section of the band. These employees will then receive the associated promotional increase to their salary (based on current salary). The first A-B promotions are likely to occur in January 2012.

20. Mapping principles and process

- 20.1 Employees will not go through a job evaluation exercise on transition to the new pay and grading structure.
- 20.2 Employees will transfer, within their current band, to the next equal or higher pay point in the new band structure. No employee will have their pay reduced as a result of the new structure.
- 20.3 For the purposes of mapping, an employee's current pay will be classed as their annual full-time equivalent basic pay on the implementation date.
- 20.4 Employees will not move to the appropriate salary point in the new band structure until the 2 year pay freeze has been completed.
- 20.5 Corporate HR will lead on the initial mapping process, in conjunction with the HR Leads.
- 20.6 Regional/Unit HR and, where appropriate, local management will provide the steer on the initial mapping proposals in relation to the impact on organisational structures within their establishments prior to starting to move any individuals across to new pay points.
- 20.7 When discussions have been held with all regions and Units, Corporate HR will review the overall mapping data to check the consistency of the outcomes.
- 20.8 As promotional advancements are exempt from the 2 year pay freeze there is an opportunity for employees in the developmental A section of the pay structure
- 20.9 to advance to the B section of the pay structure.
- 20.10 This will be carried out in line with the principles detailed in section 15; however this will be led from a corporate perspective in conjunction with regional/Unit HR and peer input during the assimilation process.

20.11 Decisions on advancement at any stage will be made on an objective, fair and consistent basis that is recorded and feedback provided to employees. Corporate HR will ensure that monitoring information is compiled as part of this process.

21. Review principles

21.1 All employees have the right to request a review of the decision to move them to a specific band in the new pay and grading structure.

Future work

A process for review of banding decisions will be agreed with NTUS and published prior to implementation of the new pay structure.

21.2 In the first instance employees should discuss this with their line manager with a view to resolving the situation. The MRC also encourages mediation as a form of resolving disputes of pay.

21.3 Where an employee is not satisfied after this discussion they should formally request a review to their regional/Unit HR representative.

21.4 During mapping onto the new structure only, Corporate HR will play a key role in advising on the review process to ensure a consistent application of the new scheme across the MRC.

21.5 Where appropriate, JEGS will be used as an objective means of review.

21.6 In all cases, feedback on the review will be provided to employees.

22. Pay protection

22.1 One of the key benefits of the new structure is that only a very small number of employees will be over the new band maximums. In the exceptional circumstances where an employee's pay point is above the maximum of their band in the new pay structure, regional/Unit HR, in conjunction with the line managers and corporate HR, will review the post to see which band it is correct for the individual to be in using the banding guidance for each band. JEGS may also be used, where appropriate, to provide an objective view of this.

22.2 Where appropriate, the individual may remain in their original band mark-time arrangements may apply. The MRC policy on this is that their pay will be protected for 4 years.

22.3 As the new pay structure cannot be implemented fully until 1st April 2012, at the earliest, pay protection will apply until **31st March 2016**.

22.4 If after 31st March 2016 the difference in salary has not been eroded, the difference remaining will be bought out as a one-off lump sum, non-consolidated taxable bonus equivalent to 12 months worth of the difference, and the employee will revert to the appropriate basic salary within their band.

G. Proposed salary scales

MRC revised salary Bands – notionally effective 1st April 2011 (subject to increase from 1st April 2012 pending the next pay review)

	Pay band	Point 1	Point 2	Point 3	Point 4	Point 5	Point 6	Point 7	Point 8	Point 9	Point 10	Point 11	Point 12	Point 13	Point 14	Point 15	Point 16	Point 17
Senior Contract Pay	£100,000+																	
1	1	£70,000	£71,875	£73,750	£75,625	£77,500	£79,375	£81,250	£83,125	£85,000	£86,874	£88,749	£90,624	£92,499	£94,374	£96,249	£98,124	£99,999
2	b									£58,933	£60,337	£61,742	£63,146	£64,550	£65,954	£67,359	£68,763	£70,167
	a	£47,699	£49,103	£50,508	£51,912	£53,316	£54,720	£56,125	£57,529	£58,933								
3	b							£42,240	£43,291	£44,341	£45,392	£46,443	£47,493	£48,544				
	a	£35,935	£36,986	£38,037	£39,088	£40,138	£41,189	£42,240										
4	b							£31,686	£32,578	£33,471	£34,363	£35,255	£36,148	£37,040				
	a	£26,282	£27,183	£28,083	£28,984	£29,885	£30,785	£31,686										
5	b							£24,713	£25,325	£25,938	£26,550	£27,163	£27,775	£28,387				
	a	£21,092	£21,695	£22,299	£22,902	£23,506	£24,109	£24,713										
6	b						£18,850	£19,442	£20,033	£20,625	£21,217	£21,808	£22,400					
	a	£16,088	£16,640	£17,193	£17,745	£18,297	£18,850											
7	b					£15,369	£15,798	£16,226	£16,655	£17,083								
	a	£13,470	£13,945	£14,420	£14,894	£15,369												

H. Specific Staff Group pay

23. Career Development Fellowship (CDF) pay

- 23.1 The purpose of CDF posts is to offer a three year planned period of training and development for research scientists who have just completed their doctoral studies, or who are moving into new research disciplines, or who are clinically qualified with little or no research experience, or who have no previous training in key transferable skills.
- 23.2 In the MRC CDF posts fall in the band 4 range.
- 23.3 Due to the specific fixed- term and training nature of CDF posts, separate arrangements are present in the new pay structure to provide a fair and competitive rate of pay for CDF posts.
- 23.4 There will be no set specific pay points for CDF scales, however the following parameters will apply:
- Effective from 1st April 2013 - the CDF starting salary minimum point will fall between point 2 and point 5 of the band 4A salary scale;
 - Appointment of CDF salaries to a starting salary above this level will require sign off from Corporate HR based on a business case;
 - In line with the training nature of the post CDF posts will not benefit from the A and B advancement exercise. Where available incremental progression will apply up to point 9 of the band 4 scale.

24. Apprenticeships pay

- 24.1 Apprenticeships are work-based training programmes designed around the needs of employers leading to nationally recognised qualifications.
- 24.2 The use of apprenticeships within the MRC is not currently widespread at the MRC however work is underway in a number of areas to implement the use of these e.g. animal technician specialism.
- 24.3 Apprenticeships will be paid at a percentage rate of pay of the band minimum of the fully qualified rate. Starting pay for any apprentice must be no less than the rate of the main (adult) rate of the National Minimum Wage.
- 24.4 Guidance for specific staff group apprenticeship pay is under development.

I. Additional Salary Reward scheme

25. Additional Salary Reward exercise

25.1 The Additional Salary Reward (ASR) scheme has not been implemented at the MRC during the two year pay freeze (years 2010-2011, 2011-2012).

Future work

MRC management side is committed to providing an effective additional tool of rewarding outstanding performance through pay.

As part of the next phase of reviewing the MRC reward processes, the ASR process will be reviewed and further guidance provided at that time.

Initial guidance from government suggests that any future performance awards will be non-consolidated only (i.e. not added to basic pay as per the previous ASR scheme).

J. Revised responsibility allowances

26. Long term responsibility allowance

- 26.1 A responsibility allowance, pensionable, for situations where an employee has a long-term additional (often staff management) responsibilities which do not merit the job being in a higher band, but do justify some recompense for additional work and responsibility.

A typical case would be head of the electronics workshop, a band 4 post, primarily as an engineer, but which includes responsibility for managing the workshop and other engineers at band 4. The leadership role is not sufficient to justify a higher band but the role is undoubtedly larger than those whose only role is as an engineer.

- 26.2 This responsibility is pensionable, but will be withdrawn if the person gave up the role which justified the additional responsibility.

27. Temporary responsibility allowance

- 27.1 A responsibility allowance for those who have a temporary role (which could be for several years) of additional responsibility which needs to be recognised, but which does not justify a long term increase in salary. This is for roles which are likely to turn over, e.g. because they rotate through staff.

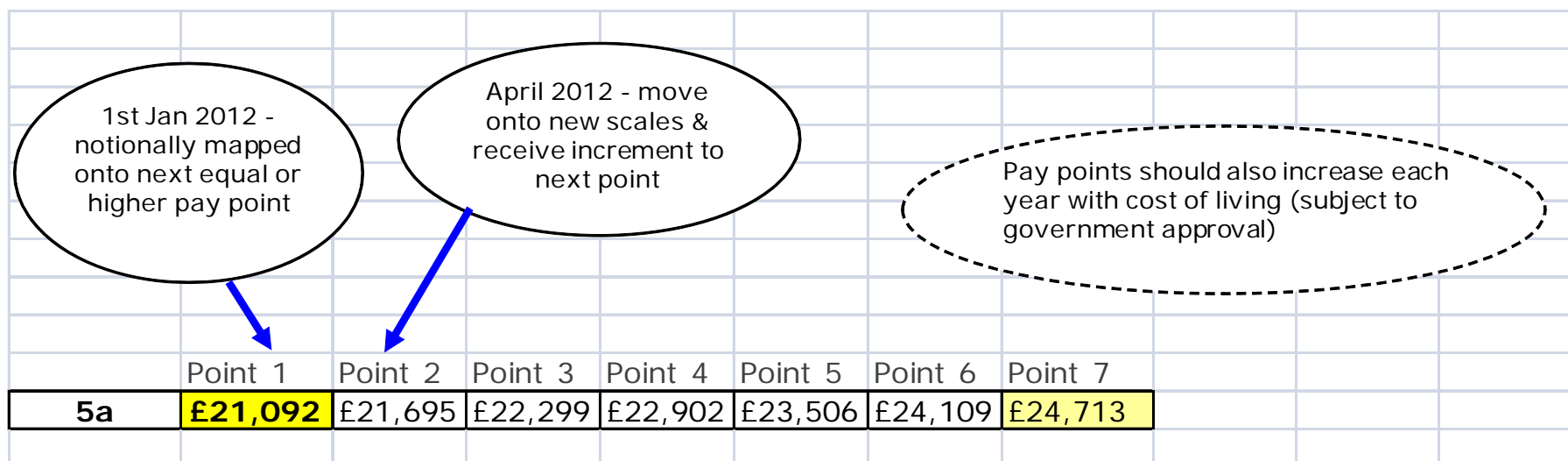
This could be roles such as academic librarian, chairman of the safety committee, or as radiation protection supervisor.

- 27.2 These are roles which are essential, justify some recompense, are often rewarded in the University etc, but which should not lead to a long term permanent increase in pay.
- 27.3 These roles attract a non-pensionable responsibility allowance directly and solely linked to the period for which the employee discharges this additional responsibility.

K. Examples of new pay structure

Example 1: Simple transfer onto the new structure

Band 5 employee,
Started in Band 5 with MRC: in July 2009
Current salary £20,074

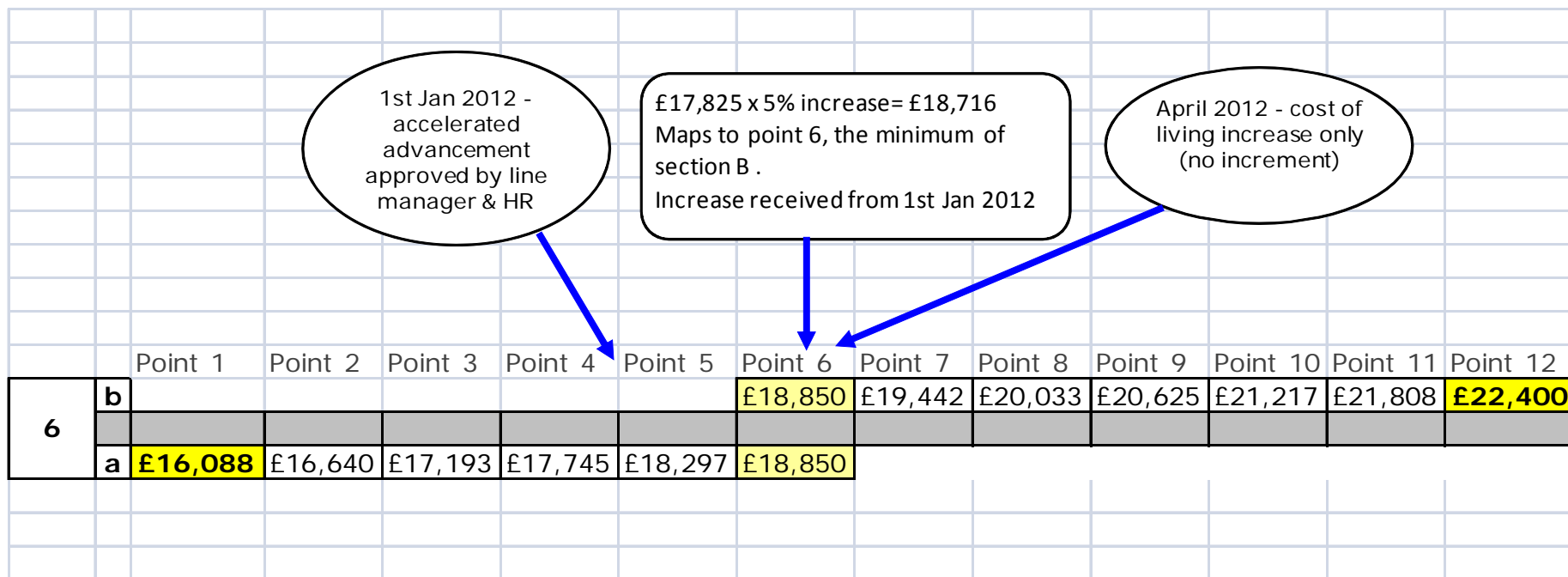


Key points:

- Employee earning less than the new band 5 minimum;
- Mapped onto point 1 end of 2011, no salary increase due to pay freeze;
- 1st April 2012 all pay points increase with inflation (at a rate approved by government);
- 1st April 2012 employee receives one increment and moves up to the new point 2.

Example 2: Accelerated advancement from A to B on 1st January 2012 example

Band 6 employee
 Started in Band 6 with MRC: in February 2007
 Current salary £17,825

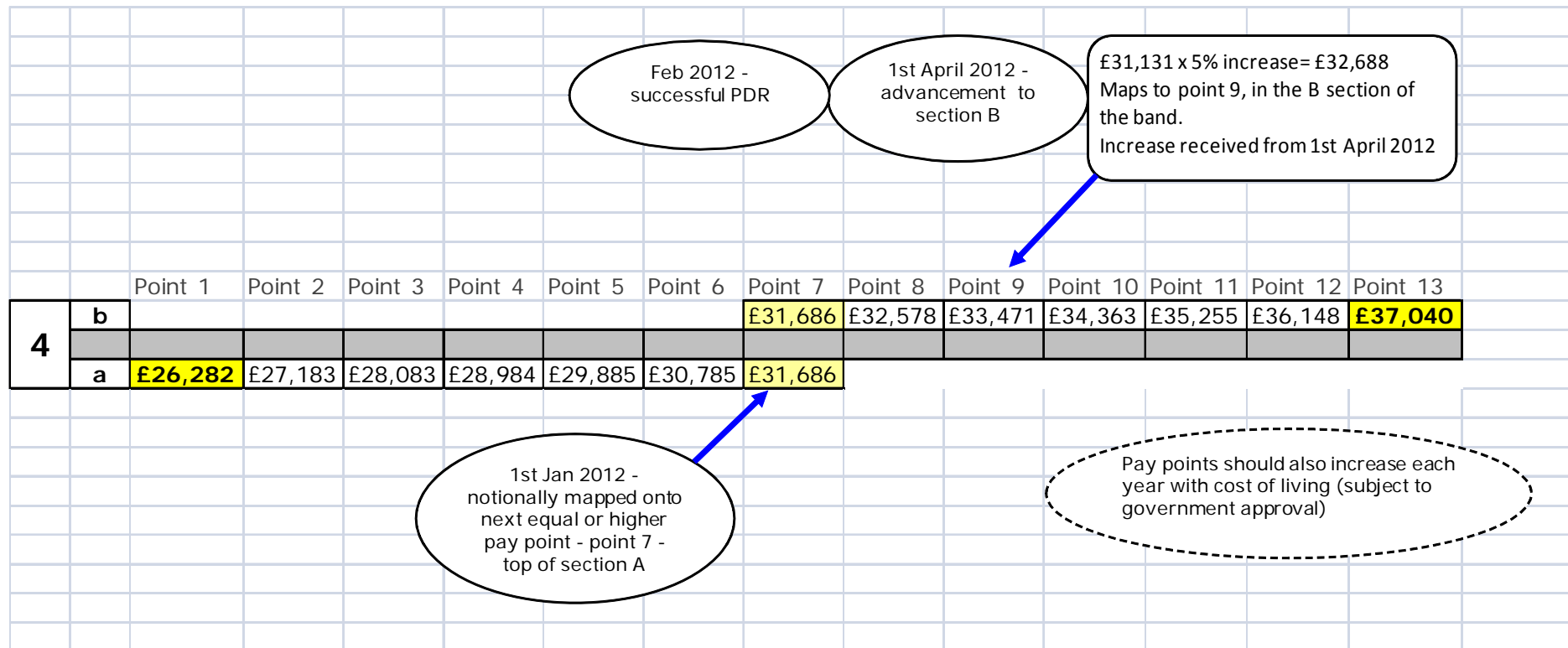


Key points:

- A to B advancements taking place in January 2012 based on current salary;
- 5% applied to current basic salary – then mapped to the next equal or higher point on the current notional scale;
- Employees advancing from A to B in January 2012 will only receive cost of living increase in April 2012 pay review. This applies only to the January 2012 promotions (which would not have occurred otherwise) and in future years will not occur

Example 3: Normal advancement from A to B on 1st April 2012 example

Band 4 employee
 Started in Band 4 with MRC: in May 2002
 Current salary £31,131



Key points:

- Normal advancement for acceptable PDR's only;
- Employees receiving unacceptable ratings will not advance to B section until their performance has improved;

L. Benefits and risks

28. Benefits of the new pay and grading structure

28.1 Aside from the key points as highlighted above outlined below are the key benefits of the new pay and grading structure, this list is not exhaustive:

- In general the pay bands start at higher rates and finish at higher rates;
- Significant increase in headroom in many of the bands
- Based on existing structure so a full job evaluation exercise, which can be lengthily, is not needed;
- Increased emphasis on performance management – more responsibility on managers to manage the performance of their employees and to reward them accordingly;
- Increased emphasis on employees to take responsibility for managing their own career and development;
- Development of career pathways for different staff groups;
- Development of promotional criteria for scientific roles.

29. Risks

Cost of the new structure

- 29.1 There is a risk that the MRC will not be able to afford the new pay and grading structure. Following the mapping exercise, full costings will be drawn up.
- 29.2 Consultation has taken place with MRC Corporate Finance to ensure that the new payscales are affordable within Unit budgets.

Lack of management buy-in with progression

- 29.3 The major benefit of the new pay structure is the increased emphasis on progression and a management responsibility to proactively manage their employee's career development. Current anecdotal evidence suggests that many MRC supervisors are not comfortable discussing career progression and potential weaknesses with their employees. This may inhibit the effective functioning of the new pay structure.
- 29.4 Guidance will need to be developed as well as full governance arrangements will to provide information on those being advanced and those being rejected for advancement.

Pay remit for 2012

- 29.5 There is a risk that the MRC may not be able to agree a pay remit with BIS in 2012 that allows for progression up the salary scales.
- 29.6 This risk will need to be tolerated and the MRC will need to ensure the 2012 pay remit is carefully put together and a strong case made for the level of pay remit required. The MRC is committed to providing normal progression through the pay bands.

M. Equal pay

30. MRC Commitment

- 30.1 The MRC is committed to eliminating unjustified discrimination and promoting equality of opportunity and good relations across and between staff in all of their relevant functions.
- 30.2 To this end an Equal Pay Audit was carried out on the existing pay structure and several issues were raised that will be improved by the new pay and grading structures:
- Lack of maximum salary points in bands 1 & 2
 - The current Band 1 salaries will now be replaced by the Senior Contract Pay, however there will now be maximum salaries in the structure for the current band 2 employees thus limiting the differentiation in pay rates between different employees.
 - The number of employees paid above the maximum
 - This will significantly be improved by the new pay structure as the maximums of the new bands will be higher than the current band maximums. This problem will not be totally eliminated and cases will need to be managed on an individual basis.
 - Policy on promotion not adhered to.
 - The new structure will ensure more governance around this as the set pay increases associated with advancement/promotion will need to be adhered to. Acting outside of these limits will require corporate approval.
- 30.3 General equality issues have been considered in the drafting of the new pay structures e.g. one of the key reasons the initial proposal to have two pay structures (administrative and science) was abandoned was because of concerns of the equality principles of this.
- 30.4 The proposal for a new pay and grading structure has been through an Equality Impact Assessment, which has been reviewed by NTUS.

N. Communications and consultation

31. Communications and consultation with employees

31.1 In addition to the consultation arrangements and agreement with MRC Trade Unions, regular and effective communication with employees will be central to the implementation of the new pay and grading structures. Key to this will be to manage the expectations of employees given the pressures that have been put upon MRC staff by the current pay freeze.

31.2 The key elements of the communications strategy with employees are:

▪ Verbal communications (getting out there)

Throughout July and August 2011 a series of *Pay Roadshows* were held across MRC Units/Regions, all staff were invited to attend the Roadshows. The roadshows were led by the Head of Reward and Recognition and the HR Director.

▪ Written communications (providing a resource centre)

A portal page has been set up where all information relating to the pay and grading restructure is held. This includes:

- The proposal paper – available to all staff
- A FAQ document
- Information on timescales
- Updates as appropriate.

In addition to this, regular updates will be provided through the news@MRC network.

▪ Feedback loop

A centralised email address has been set up to give employees the opportunity to ask questions and to provide comments.

Questions fed into this loop are answered through the FAQ document, which will be an evolving document.

▪ Trade Unions

The MRC acknowledges the vital role the MRC Trade Unions have played in supporting the communications strategy and ensuring that employees across the MRC understand the objectives and impact of the new pay and grading structure.

▪ Localised arrangements

Regional/Unit HR teams may choose to carry out additional communications activities to support local structures. Corporate HR will provide support for these where possible in the form of providing information, presentations, FAQ's etc.

32. Communications with senior management

32.1 Regular updates on the progress of the project will be provided to MRC Operations Board.

33. Communications with MRC Trade Unions

33.1 The MRC will continue meetings with MRC Trade Unions either as part of the existing MRC/TUS monthly meetings, or through extraordinary pay meetings.

33.2 The Head of Reward and Recognition will maintain regular informal dialogue with the National Trade Unions Side Chair on the progress of the project and issues raised.

34. Communications with RCUK Ltd

34.1 The Head of Reward and Recognition will liaise with the RCUK Reward and Recognition team to ensure that the transactional and system requirements of the new pay and grading structure can be met.

O. More information and support

35. Sources of information and support

- 35.1 Further information can be found on the MRC portal on the [Pay and Benefits](#) page
[MRC Corporate HR > At the MRC > 08.0 Pay & Benefits > 08.0 Pay & Benefits](#)
- 35.2 National and Local Trade Unions side representatives are available to provide support and guidance to employees with questions on the proposals.
- 35.3 General support can be provided by FirstAssist, the MRC Employee Assistance Programme provider on 0800 716 017.

Questions on the pay and grading proposals should be sent to payandgrading@headoffice.mrc.ac.uk