Pay and Grading Update and FAQ

Pay Award 2012/13

Following Staff Bulletin 457, the purpose of this bulletin is to update staff on the MRC Pay Award 2012/2013 and the revisions to the pay and grading structure.

As a reminder, the MRC Pay Award date is the 1st April every year, this means that any pay award approved by government e.g. salaries increase, is effective from 1st April. As a Non-Departmental Public Body (NDPB) of the Department of Business Innovation and Skills (BIS) the MRC is required to gain sign off on any pay changes it intends to make in its pay award on 1st April.

The government has a set schedule for the submission, consideration and approval of pay remits that takes place over the spring and summer of each year so it is extremely rare that MRC has been able to get the pay award approved in time for the 1st April.

For the 2012/2013 pay award (effective 1st April 2012) the MRC is putting together a business case that will allow the full implementation of the revised pay and grading structure. So far the only changes we have been able to implement are A to B promotions as promotions are not required to be considered through the pay remit and were not subject to the pay freeze.

We have yet to have confirmation from BIS of the timescales for the submission and consideration of our pay award business case. However, MRC is working constructively with the National Trade Unions side to build a strong case to get enough remit to make our revised structure effective. We intend to submit our remit towards the end of July 2012 but we do not yet know when we will receive a response.

We will continue to update you when information becomes available.

FAQ

1. I don’t understand, we were supposed to finish the two year pay freeze at the end of March 2012 because our pay award date is 1st April but nothing has happened to my pay yet. Why not?

   You are right, our pay award date is the 1st April each year.

   However, as an NDPB the MRC has to seek approval to make any changes to pay (excluding promotions) through the annual pay remit process that is run by central government on a set schedule.
Unfortunately this is a fairly lengthily process as the government need to review all pay remits before they will give approval for individual remits to progress.

This means we are not able to make any pay changes until we get approval from government on our remit.

2. **Why haven’t all employees been moved onto the revised pay structure from 1st April 2012?**

   The Civil Service Pay Guidance makes it very clear that any costs incurred from pay restructuring, i.e. moving people onto a new structure, need to be accounted for in the annual pay remit proposal process. Therefore until we get the approval from BIS we cannot move everybody onto the structure.

   We are able to implement the A to B promotions outside of this because promotions are not covered by the pay freeze and pay remit process.

3. **When will we find out the outcome of the pay award?**

   Given that we still are not able to submit our proposal to BIS, and the complexity of the MRC proposal it would be unlikely that we will receive a response before the autumn.

   Following a response from BIS the MRC will need to implement the award through the RCUK SSC and Oracle system. Given the checks that will be needed to complete the move from one pay structure to another pay structure, it will most likely be late in 2012 before the pay award is implemented.

   Any pay increases will be backdated to 1st April 2012.

4. **Why don’t we just apply for the pay award early so it is not implemented so late each year?**

   As an NDPB we are restricted to the governments set schedule for the consideration of pay remits.

   Normally we are permitted to submit our case in April each year prior to a cross civil service review taking place by BIS.

   This year we have not yet been given the go ahead from BIS to submit our case so we are anticipating delays in gaining approval. In addition to this as the MRC remit is more complex, it may take further time to gain approval as it is likely that BIS will refer our case to Treasury.

5. **Why is the MRC pay remit proposal complex?**

   As you are probably aware, the government has announced that public sector pay will be capped at 1% for the next two years.

   The MRC pay remit proposal will make a case that MRC should be allowed greater than a 1% pay remit to allow for the full implementation of our revised pay and grading structure and to give increases to those who have not received any pay increase during the pay freeze period. Because this will exceed the government’s 1% set limit we expect that the approval will be more lengthily and will be likely to involve HM Treasury for ultimate approval.
6. **When will MRC be submitting the pay remit proposal to BIS/Treasury?**

BIS have yet to inform us of their schedule for the submission and consideration of pay remits. However, the MRC is working towards submitting a case to BIS by the end of July 2012.

7. **How are the Trade Unions involved in the pay award?**

As with the revisions to the pay structure, the MRC is working constructively with the MRC National Trade Unions Side. They have been really helpful in collecting together some of the data that will be required for the business case and attend regular meetings to review the proposals with senior management.

8. **I received an A to B promotion in April 2012, will I receive an increment as part of the pay award process?**

No, to ensure that the system is fair for those who are mapped straight into the B section those employees who advanced to the B section in January 2012 will not also receive an increment in the April 2012 pay award, but the pay scales may be increased if the pay remit is approved.

9. **What is happening with band 2 and 1 at the top of the structure?**

Work is continuing to clarify the differences between band 2 and 1 for different staff groups and this will continue until the pay award is implemented.