

Pay & Reward Review

Aimed at	All staff in Pay Bands 1- 7 to receive an individual copy
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Contacts	Richard Williamson (6415) Fiona Wright (6204)
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Purpose

1. This notice provides information on the review of longer term arrangements for Pay & Reward for employees in pay bands 1 to 7, which was announced in Pay Notice 3 (2007). The provisions in this Notice have been agreed with the Trade Unions.

Changes

2. The EB has decided that, subject to agreement by the Trade Unions, performance related bonuses will not be paid in 2009 for the current reporting year (1 April 2008 to 31 March 2009).

3. The EB has also decided that the Choices flexible benefits scheme will not be renewed at the end of the existing contract in 2009.

Jean Lindsay
Director HR
5 June 2008

Pay & Reward Review

Background

1. HR has carried out a review of the pay system over the last 10 months, including a series of consultation meetings with the Trade Unions and with senior managers around the Commission, to seek their views on issues to be addressed and on emerging ideas. The Executive Board recently discussed the review report and agreed a number of recommendations. Implementation of the agreed changes will be negotiated with the Trade Unions as part of the annual pay negotiation process.

Performance Related Payments

2. The EB has acknowledged that there is insufficient evidence that the current performance bonus arrangements are helping individuals or the Commission as a whole to improve performance. As a result, the Board has decided that, subject to successful conclusion of the 2008 pay negotiations, the bonuses payable in respect of the current 2008/09 reporting year will be withdrawn (**ie there would be no performance bonuses paid at the end of the current reporting year**) and the money will be used to improve other elements of the pay system.

3. For probationers completing their probation period on or after 31 December 2008, performance related bonuses will also cease, subject to Trade Union agreement.

4. HR will review the Performance Management System later this year, but in the meantime the current assessment categories (TP/GP/NFE) will continue for performance management purposes.

Choices

5. Because of the widespread unpopularity of the Choices flexible benefits scheme, the EB also decided that the scheme should not be renewed or extended at the end of the existing contract in 2009. They have asked HR to conduct a review of the scheme, with a view to providing those benefits which employees most value, on an in-house basis. We will consult the Unions on this review.

Pay 2008

6. In addition, HR has now received the joint pay claim for the 2008 pay review from the Trade Unions. We will shortly seek Ministerial clearance of our proposed remit, and will then submit the remit and associated business case to HM Treasury for their agreement. Negotiations with the Trade Unions on the pay award and implementation of the review changes will commence once we have Treasury approval.

7. We will issue further information once negotiations are underway.