



Medicines & Healthcare products
Regulatory Agency

Pay Policy and Procedure

April 2020

Policy review date: April 2023



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1. Introduction and aims

1.1 Introduction

This document sets out the pay and pay-related terms and conditions that will apply to those in the Medicines and Healthcare products Regulatory Agency (The Agency) who are in Grades AA to Grade 6.

SCS pay policy is centrally maintained by Cabinet Office with some delegated responsibilities concerning starting salaries. Contact the Head of Pay and Reward for [guidance](#).

This document does not apply to consultants, contractors and those who are not covered by a contract of employment with the Agency. Paragraph 2.4 of this document lists exemptions to this policy for staff on Agenda for Change or NIBSC terms and conditions.

The Agency seeks to reward staff fairly and, broadly in line with the external market, to recruit and retain the best people to deliver the Agency's objectives.

The pay system has been designed to achieve the right balance between delivering the Agency's business objectives and priorities while supporting the needs of our staff within overall Government pay control parameters.

1.2 Aims

The Pay Policy of the Agency is based upon the following principles and governed by prevailing Government pay policy:

- it is consistent, fair and transparent;
- it is underpinned and compliant with the principles of equality and employment legislation, for example the National Living Wage;
- it is affordable, offers value for money and is sustainable;
- it is part of a total reward strategy which recognises the value of both tangible and intangible elements, and supports employee recruitment and retention;
- it has processes for determining the specific pay for staff that is fair and auditable;
- it reflects comparable labour markets to that of the Agency's workforce, and enables recruitment and retention of staff with the necessary skills and expertise to deliver the Agency's objectives;
- it rewards staff both for achieving their objectives and how they have achieved them in the year they were earned; and

- it enables staff the ability to progress through their pay scale in line with prevailing Government pay policy.

1.3 Monitoring

The operation of this document will be subject to regular monitoring and review by the Agency's Pay Committee to ensure that it is applied fairly and consistently across the organisation.

2. Grading of Posts in the Agency

2.1 Introduction

The grading of posts in the Agency is closely bound to job evaluation. The full policy on job evaluation is available in the Job Evaluation and Grading Support (JEGS) Guidance on [INsite](#).

2.2 Job Grading

All jobs in the Agency are evaluated using the Civil Service Job Evaluation Grading Scheme (JEGS). This is used to evaluate the demands of each job and calculate a job weight score that in turn determines the grade for the job. It decides the appropriate grade when either new jobs are designed, or existing roles are evaluated.

2.3 Grading Structure

The grading structure for delegated grades in the Agency is:

- Administrative Assistant (AA)
- Administrative Officer (AO)
- Executive Officer (EO)
- Higher Executive Officer (HEO)
- Senior Executive Officer (SEO)
- Grade 7 (G7)
- Grade 6 (G6)

2.4 Other Grades

Some grades in the Agency are covered by Agenda for Change (AfC) and NIBSC terms and conditions. The grading structure in those cases are as follows:

Agenda for Change NIBSC

Band 1	Band I-A to I-B
Band 2	Band H
Band 3	Band G
Band 4	Band F
Band 5	Band E
Band 6	Band D
Band 7	Band C
Band 8a to 8d	Band B
Band 9	Band A

For staff in these grades paragraphs 5.1 to 5.3.2, 6.5 and 6.7 of this document **do not** apply. The pay scales for staff on these terms and conditions have been frozen and pay increments are limited to the those set out on [INsite](#). No new appointments to these grades can be made.

3. The Pay Structure

3.1 Pay Grades and Grading Structure

This document covers the pay structure for the delegated grades AA to G6. The latest pay ranges can be found on [INsite](#).

3.1.1 Base Pay Definition

Base pay is defined as salary, as determined by the pay scale for the grade, and excludes any allowances. Pay scales for each grade are dependent on the location of the post.

3.1.2 Work location and Pay Rates

There are two location pay rates; 'London', and 'National'. These are defined as:

- **London rates** will apply to those staff whose permanent base is an office location in London and within a further 40 mile radius outside of the M25; and
- **National rates** will apply to offices outside the 40 mile radius of the M25.

The primary Agency office locations can be found in the table below:

Primary MHRA Office Locations by Pay Scale and Location	
Geographical Pay Scale Region	Office Locations

London	10 South Colonnade, Canary Wharf NIBSC, South Mimms
National	Foss House, York

Offices that are not listed above are normally where small numbers of staff are located. If a location is not listed, then the pay rate will be covered by the same geographical rules as stated previously with reference to the M25.

3.1.3 Pay Changes Resulting from Location Changes

The policy recognises the difference in the cost of living between the regions and allows staff to keep their relative position in the new geographical pay scale on transfer. This will vary according to the circumstances of the transfer.

If the pay adjustment leads to a member of staff sitting above the pay scale maximum, they will be placed on the pay scale maximum. If the adjustment results in the salary of the member of staff being below the minimum, they will be raised to the minimum of the pay scale.

In some cases, staff will move as a result of a change in business requirements or as a result of restructuring or Machinery of Government changes. In these cases, it would be unfair to ask staff to accept immediate salary reductions in response to events they had not planned for and may have had little or no choice in conforming to. In these circumstances, where the relocation would lead to a reduction in pay, staff will retain their existing salary on a mark-time basis for a period of up to 36 months.

3.1.4 Pay for Staff working Part-Time

The Agency operates a number of different part-time working patterns. Part-time workers will be paid base pay, non-consolidated performance related pay and allowances on a pro-rated basis.

This is calculated as follows:

$$\frac{\text{Basic Pay}}{\text{Contracted Hours (36, 37 or 37.5)}} \times \text{Part-time Working Hours}$$

For further information see the Flexible Working policy on [INsite](#).

Part time staff (i.e. staff working less than net conditioned weekly hours), who need to work extra time (on a week day), for example to attend training courses, will be paid at the plain time rate for additional hours above their normal part-time hours, up to the conditioned weekly hours of the grade, they will not be paid over-time.

3.2 Equal Pay

The Agency is committed to ensuring that its reward policies are equitable and are applied fairly, and that they provide staff with equal pay for work of equal value. Job evaluation (JEGS) is used and this is referred to paragraph 2.2 of this document.

3.3 Payment of Salary

Staff are paid monthly and in arrears. Monthly gross salary is based on 1/12th of the annual rate and payments to new entrants or leavers who do not work the full month are pro-rated.

Payments will be made automatically by credit transfer and by BACS (Bankers Automated Clearing Services Ltd) method to the bank or building society account that has been entered onto Fusion.

Cash or cheque salary advances are not made.

3.3.1 Payslips and P60s

Payslips and P60s are accessible through iPayview. Registration guides are available on [Insite](#).

P60s are issued annually and show the amount of tax paid on salary in the tax year.

The Agency will issue P60s to all contracted and fee-paid staff who are in post at the end of the tax year.

3.4 Home Working

Where working from home is by mutual agreement and not a requirement of the role it is an informal flexibility and there is no requirement to amend existing terms and conditions. The salary paid to staff is based upon their contractual work base, which can be flexed in order for staff to meet business needs.

Staff are paid in accordance with their work base and **are not** eligible to claim travel expenses for any journeys to their contractual work base. The payment of travel

expenses is limited to staff whose contractual work base is specified as their home and they are required to travel to an Agency office location.

Homeworker pay is based on the pay rate outlined in paragraph 3.1.2 of this document and the latest pay ranges can be found on [INsite](#).

For further information see the Flexible Working policy on [INsite](#).

3.5 Occupational Sick Pay

Occupational sick pay benefits are payable from the first day of employment.

Sick pay entitlement varies and is dependent on individual terms and conditions of service but where staff have more than five years of service the entitlement will be the same: 6 months' full pay in a rolling 12 month period and 6 months' half pay in a rolling 4 year period subject to a maximum of 12 months' sick leave in a 4 year rolling period.

For further information on sickness entitlement see Managing Sickness Absence on [INsite](#).

4. Starting Pay on Appointment

4.1 Introduction

This section applies to all staff in the delegated grades.

SCS pay policy is centrally maintained by Cabinet Office with some delegated responsibilities concerning starting salaries. Contact the Head of Pay and Reward for [guidance](#).

4.2 Salary on Appointment to Grade

The normal starting salary for a new entrant would be the minimum of the pay scale for their grade. There may be times where the starting salary offered is not sufficient and there are flexibilities to pay a higher starting salary. More information on pay flexibilities can be found in paragraph 6.1 of this document.

4.3 External Recruits

External staff are those appointed to the Agency from outside of the Civil Service. The normal starting salary will be the base salary range minimum. However, where

the selected candidate brings specific skills and experience, the recruiting manager may offer a higher salary as outlined in paragraphs 6.1 and 6.2 of this document.

4.4 Level Transfer within the Agency

Where someone moves on a level transfer i.e. to a post in the same grade within the Agency, they will transfer on their existing base salary. Where there is a change of location paragraph 3.1.3 of this document refers. Any allowances applicable to their previous role will not apply unless there are special circumstances, such as those who have reserved rights to allowances. For further information on pay flexibilities see paragraphs 6.1 and 6.2 of this document.

4.5 Level Transfer from Other Government Departments (OGDs)

Where someone moves from an OGD on level transfer, in the same geographical location, they will transfer on their existing base salary subject to the maximum of the pay scale. Where the base salary of the OGD is below the Agency minimum of the pay range, they will be paid at the Agency minimum. Where the base salary is more than the maximum of the pay scale, the amount of salary above the maximum will be paid on a mark time basis, with the mark time element reducing over a period of time as a result of pay awards and any other pay adjustments until the maximum of the pay scale exceeds the base salary. More information on mark time can be found in paragraphs 11.1 and 11.2 of this document.

The individual will not retain any allowances paid by the former department/Agency, unless there are special circumstances, such as a reserved right to those allowances on transfer. More information on reserved rights can be found in paragraphs 11.3 and 11.4 of this document.

4.6 Appointment on Promotion

Staff appointed on promotion, whether from within the Agency or from another government department will be appointed on a salary equal to either the minimum of the new scale they have been promoted to or an increase of 10% on their existing base salary, whichever is the higher.

4.7 Secondments

Secondments are loans to and from organisations that are outside central government departments and therefore outside civil service terms and conditions. Secondees retain the terms and conditions of their employer and in most cases remain on their employers payroll. The Agency would not only pay the salary costs

of the individual but also any additional on-costs (National Insurance, pension, etc) as well as VAT.

Where an inward secondee takes up a post that has a Market Pay Supplement applied to it this payment will need to be considered on a case by case basis, based on the following:

- the guidance at paragraph 6.2 of this document;
- with reference to the Head of Pay and Reward where necessary; and
- taking account of whether the individual is already in receipt of a payment in their remuneration that rewards this pay element.

Opportunities may also arise within the Agency to allow staff to temporarily transfer to another work area, these are referred to as internal secondments. If staff receive an allowance relating to the work of their old post, and the new post does not qualify for such an allowance, the allowance will stop immediately in line with the guidance at paragraphs 11.3 and 11.4 of this document. If the secondment is a result of organisational change or at management's request staff should refer to the latest HR guidance on INsite at the time of the change.

For further information on internal and external secondments see the Secondments policy on [INSite](#)

4.8 Loans

Loans apply to staff on Civil Service terms and conditions that are loaned for a limited period to or from an OGD. Loans are normally for periods of up to two years. For the duration of the loan the individual will be on the payroll and terms and conditions of the borrowing department.

Where an inward loan takes up a post that has a Market Pay Supplement applied to it this payment will need to be considered on a case by case basis, based on the following:

- the guidance at paragraph 6.2 of this document;
- with reference to the Head of Pay and Reward where necessary; and
- taking account of whether the individual is already in receipt of a payment in their remuneration that rewards this element.

For further information on loans see the Secondments policy on [INSite](#)

5. Annual Pay Review

5.1 Introduction

The annual pay review consists of two components:

- an annual pay award; and
- a non-consolidated performance related award

The annual pay award may lead to a pay increase subject to the annual Civil Service Pay Guidance issued by Cabinet Office and HM Treasury, and is the subject of pay negotiations with Trade Unions.

5.2 Pay Settlement Date

The pay settlement date for delegated grades is 1 August and any pay award is determined by salary circumstances on 31 July, which means that the pay award amount paid is based on the grade of the individual at 31 July of that year.

The pay settlement date for the SCS staff is 1 April and any pay increase are determined by salary circumstances at 31 March.

5.3 Payment of Pay Awards

Where the pay award is made later than the settlement date all arrears due to that point will be paid as a lump-sum. This section sets out the timing of pay award payments and eligibility.

5.3.1 Eligibility – Length of Time in Role to receive the Pay Award

All staff are eligible for the full pay award if they are in post on the pay settlement date as defined in paragraph 5.2 of this document.

Staff who join the Agency from an OGD may also be eligible for a pay award. This is dependent on the pay award they received from their previous department and staff should contact the [Head of Pay and Reward](#) in such circumstances.

Staff who leave before the Pay Settlement date are not eligible for the pay award.

Where the pay award is delayed, and staff leave after the Pay Settlement date they are eligible for the pro-rated element of the award up to their last day in the Agency. This is paid automatically.

Where staff transfer to an OGD then the new department will also be informed of the change in salary, but it is for the OGD to decide whether to apply this or not from the date of joining.

5.3.2 Annual Pay Awards in Special Circumstances

The following is not an exhaustive list of special circumstances. Contact the [Head of Pay and Reward](#) if other circumstances arise.

Maternity / adoption leave / shared parental leave	Any staff on paid maternity / adoption leave / shared parental leave are entitled to a pay award. This may require maternity/adoption pay to be revised.
Staff on paternity leave and additional paternity leave	As above
Staff returning from career break	Staff who are on a career break on the Pay Settlement date do not receive an increase in pay, even if they have had a performance review completed. Returnees will have their pay progressed to the level it would have been had they not taken a career break. If the revised salary is above the salary maximum, they are automatically moved to the salary maximum.
Staff on long term sick leave	If the staff member has not been at work for at least 3 months of the reporting year they will be deemed a "Good" performer, unless they are subject to formal poor performance measures.
Part time staff	Staff who work part-time will have their salary pro-rated after the pay award has been made to their equivalent full time salary. If a non-consolidated award is made this will also be pro-rated.

6. Pay Flexibilities

6.1 Higher Starting Salary

The expectation is that staff will normally be appointed on a salary at the minimum of the pay range.

Critical to attracting and retaining the most talented staff is to ensure that the Agency is not disadvantaged and can offer pay which reflects similar roles in similar organisations and reflects the market pay for skills and expertise in order to recruit and retain an experienced workforce.

In very specific circumstances, where there is a need for a skilled and experienced specialist who can immediately make a significant contribution to the Agency, the Recruiting Manager can submit a business case to the Head of Pay and Reward via their Resourcing Advisor and HR Business Partner to apply for a higher starting salary.

This is subject to approval by the Agency Pay Committee, which is made up of a quorum of members from the Corporate Executive Team who will consider the case before the recruitment exercise starts. In most cases it would be expected that a recruitment process would have been conducted already with the outcome of that reflected in the business case.

A flowchart and business case template can be found at Annex A and B of this document.

6.1.3 Business Case content

The business case must be robust and based on a clear business need to apply a higher salary. Affordability alone is not a reason. The Recruiting Manager and HR Business Partner must ensure that the business case takes into consideration the wider benefits package (i.e. not just the salary) that the Agency offers. The business case will, as a minimum, need to identify:

- how the Agency is put at a competitive disadvantage through restricting pay to the salary minimum, by comparing pay data from competing employers;
- where previous unsuccessful recruitment campaigns have taken place;
- why it is not possible to fill the post through developing in-house talent and what the strategy is to bring this on in the future;
- how the additional experience in a specialist area would improve delivery in the post; and
- whether appointing at this salary could lead to any potential equal pay risks with existing staff, recognising that there is no scope to adjust those salaries.

The Recruiting Manager and HR Business Partner must also ensure that the business case takes into consideration the total pay offer for the role, including non-pay benefits like flexible working, working conditions, employee benefits and pay benefits like the pension, and access to tax free season ticket loans etc.

The Pay Committee will only consider exceptions where the business case provides strong and robust evidence that the individual has the required experience to justify the manager's decision to offer a higher award in order to protect existing staff from having their salaries overtaken.

The timing of implementation of any such recommendations by the Pay Committee will also consider the Civil Service pay guidance in force at the time.

6.2 Market Pay Supplements

Market Pay Supplements (MPS) apply only to grades EO to Grade 6. The Agency are committed to the principles of equal pay for work of equal value and uses a single job evaluation scheme (JEGS) to measure the relative value of all jobs. The grading, and therefore the salary range, of all posts is determined by the outcome of job evaluation.

Where the salary range is not enough to compete in some professional and specialist markets, and where the external market conditions make the recruitment and retention of some specific posts difficult, an MPS may be more appropriate.

An MPS can be applied to existing and new posts. For existing posts, once agreed, it will apply to the post. For new vacancies, it must be agreed prior to the post being advertised. Vacant posts (both new and existing) that attract MPS must be clearly advertised as such, specifying the monetary value of the MPS specific to that post. It is not possible to award an MPS on appointment where this has not been made clear in the advertisement.

For an MPS to be payable, there must be a proven business case in order to avoid recruitment and retention issues which could adversely affect the Agency's ability to meet its objectives and deliver its business plan.

An MPS is not paid to individuals but to specific roles. The business case would be very similar to that described at paragraph 6.1.3 but in addition it should also identify:

- An analysis of the market where these roles are required and the local conditions where an MPS may be required;
- Turnover data, identifying who has left the Agency and the reasons, where these are available; and
- Recommended level of MPS, considering the market pay data and affordability

A flowchart and business case template can be found at Annex A and C of this document.

6.2.1 MPS value

The value of an MPS will be determined by an analysis of appropriate benchmarked pay data. HR Business Partners should be contacted for support in providing this.

6.2.2 Process for agreeing an MPS

The Recruiting Manager can submit a business case to the Head of Pay and Reward via their HR Business Partner. Once it has been reviewed it will be put to the Pay Committee prior to external advertisement.

Where the Pay Committee is not content that it is sufficiently robust, additional information or further clarification may be sought before a final decision is made and where a case is not approved the Recruiting Manager will be advised, together with the reasons why.

Where the business case is approved this will be communicated to the Recruiting Manager and the HR Business Partner by the Head of Pay and Reward.

The decision of the Pay Committee is final. In all cases, the Head of Pay and Reward will record the rationale so that if additional new evidence becomes available, the rationale can be re-visited as and when necessary by the Pay Committee.

6.2.3 Payment of an MPS

An MPS is payable monthly in addition to contractual base pay. It is non-pensionable and cannot be consolidated into base pay. Recruitment adverts for posts that attract an MPS will clearly state the amount payable.

The cost of the MPS forms part of the annual pay award and where new payments are agreed in-year these are then funded from the pay remit.

6.2.4 Change of role

Once an individual moves post, any MPS payments being paid will cease, except where set out below:

Temporary promotion to a post that attracts an MPS higher than their substantive post	Staff on temporary promotion will receive the MPS for the post which they are temporarily covering, where the rate is higher than that of their substantive post. This will be paid as an allowance and cease at the end
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	of the temporary promotion period.
Promotion	On promotion the MPS for the new role will apply. Where the role does not attract an MPS the payment will cease. The base salary is increased by the normal rules that apply on promotion and then any MPS for the newly promoted post is applied.
Part time staff	The MPS will be pro-rated.

6.2.5 Review

MPSs should be reviewed annually by the Head of Pay and Reward and every 3 years by the Pay Committee to ensure that they continue to deliver market competitiveness and continue to meet business requirements. Reviews will take into consideration the impact of the MPS has on vacancy and turnover rates, and the likely impact of any change to the MPS. This could lead to the MPS being removed or reduced.

6.2.6 MPS governance

The Head of Pay and Reward is responsible for considering MPS recommendations and agreeing appropriate implementation where there is agreement from the Pay Committee and objective justification, and will monitor the payments by gender, ethnicity, working patterns, disability and age and inform the trade unions quarterly and CET on an annual basis.

6.3 Competency Development Framework

The Competency Development Framework (CDF) is historic and part of a Medicines Control Agency (MCA) agreement covering non-managerial assessor (excluding Product Licensing – Parallel Imports and Patient Information Assessors) and Inspectorate staff. The Pay Agreement came into effect on 1 April 1999 and superseded previous pay agreements. This also supplements the overriding pay agreements for delegated grades and published pay policies for staff in the Senior Civil Service.

More information on CDF and how this is applied in the Agency can be found on [INsite](#).

6.4 Temporary Promotion

Temporary promotions should last for no more than one year. Where it exceeds this, it needs to be approved by the HR Director. Temporary promotions allow managers

to cover temporary pieces of work, short-term unplanned absences such as maternity leave or sickness, or to deal exceptionally with peaks of work on a temporary basis or as an interim arrangement subject to recruitment.

The starting salary on temporary promotion is the same as for substantive promotion, as outlined in paragraph 4.6 of this document.

More information on Temporary Promotion can be found in the Internal Moves Procedure on [INSite](#)

6.5 Special Bonus and Recognition Vouchers

Special bonuses are single, non-consolidated and taxable payments in the form of a lump sum payment. Recognition vouchers are direct payments made to staff. Both can be used to recognise and reward good performance

They can be paid either to individuals or to a group or team at any point in the year. More information can be found in the Reward and Recognition Policy and Procedure on INsite.

6.6 On-call Allowance

On-call allowance may be paid for designated posts that require staff to be either on call and contactable at home or on standby at the office. In all cases there is either a specific roster commitment or line management approval to be on call.

There are also some exceptional on-call arrangements in the Agency that apply to specific roles.

The Agency Overtime Policy on [INSite](#) sets out the rates and conditions relating to on call.

6.7 Overtime and Travel Time

Subject to prior approval by line managers, staff in the delegated grades can claim recompense for overtime and travel time and managers and staff are responsible for ensuring that all overtime work complies with the Working Time Directive 2003.

The rights and protections that the Regulations provide include a limit of an average of 48 hours a week which a worker can be required to work (though staff can choose to work more if they want to). All payments are non-pensionable.

The Agency Overtime Policy on [INsite](#) sets out the rates and conditions relating to overtime.

6.8 Night Duty Allowance

It will be rare that a member of staff is required to work between 8pm and 11pm and therefore claim night duty allowance. Where this is the case:

- A night duty allowance of 25% of the hourly overtime rate is paid for hours necessarily worked between 8pm to 11pm in addition to the overtime payment; and
- For hours worked between 11pm and 6am an additional payment of 33.33% of the overtime hourly rate is payable

Staff can only claim a night duty allowance provided their full daily conditioned hours have been worked that day

6.9 Late Meal Allowance

As with paragraph 6.9 it will be rare that a member of staff needs to work between 8pm and 11pm. Where this is the case they can:

- claim for the late meal allowance provided their full daily conditioned hours have been worked that day; and
- upload necessary receipts on Fusion

This allowance is £5.00 per meal

6.10 Care of Animals Allowance

An agreed allowance for planned work that is payable to staff within BSD at a set hourly rate who are required to attend the office out of normal working hours to support the requirements of the role.

7. Salary Advances

7.1 Loans and Advance

The Agency do not provide salary advances but do offer loans for Season Tickets and Bicycles. The purpose of the loan must be used only for the sole purpose for which it is given. The Agency will request staff to produce proof of purchase. Failure to do so may lead to disciplinary and/or legal proceedings. In addition, the Agency

will take immediate repayment for the balance of the loan amount through a deduction from salary.

The Season Ticket and Bike Loan policy can be found on [INsite](#).

7.1.1 Loan Thresholds

The loan threshold is £10,000. This is cumulative so will also take into account any additional loans during the tax year. Any loans that exceed £10,000 will be reported to HMRC as it is classed as a 'benefit in kind' and will attract interest. HMRC will calculate any interest owed and reclaim this through payroll.

8. Compulsory Deductions

8.1 Income Tax – PAYE Arrangements

Pay As You Earn (PAYE) is a system of deducting income tax and National Insurance from earnings as calculated and applied directly by our payroll provider, CGI. The Agency's PAYE reference is **948/HZ59823**.

The HR Division cannot intervene in any discussions which take place between members of staff and HMRC. All changes to tax codes are notified by HMRC directly to CGI. Where members of staff believe their tax code is incorrect they should contact HMRC quoting their NI number and the Agency's PAYE reference number.

The PAYE records of all individuals paid by the Agency are held by HMRC. They can be contacted at:

Government Buildings
Ty Glas Road
Llanishen
Cardiff
CF14 5YA

Their telephone number is 0300 200 3300 or 0845 302 1408 for staff who are hard of hearing or speech impaired.

8.2 National Insurance

All new entrants must provide their National Insurance (NI) number on starting work. National Insurance contributions are calculated and applied automatically by CGI based on the relevant NI code.

If a certificate of reduced / non-liability or age exception is held, it should be sent to [HR Operations](#).

8.3 Child Support Agency: Deduction of Earning Orders

The Child Support Agency (CSA) has authority to make a “Deductions from Earnings Order” under the Child Support Act 1991 to secure the amount due under the maintenance assessment that staff are liable for.

8.4 Attachment of Earning Orders

Deductions will be made in accordance with the attachment of earnings order that are received directly from Court. The amount to be recovered and the length of recovery period is stated in the Order.

8.5 Tax Position of New Entrants and Employees Transferring from an OGD

New staff should send a completed P45 to [HR Resourcing Team](#) as soon as this is received. This will ensure that the correct personal allowance and deductions from pay are applied. Where a P45 is not available then a New Starter Checklist (P46) should be completed.

Where a P45 or P46 is not completed HMRC will place an individual on a BR tax code and tax at the basic rate will be taken on all earnings until HMRC are advised otherwise. Staff on this code that have no other income sources should contact HMRC to seek an assessment of their code and request a refund on any additional tax paid. Once this is resolved HMRC will inform CGI of the correct code to apply and any overpayment of tax will be reimbursed through pay.

Full details on tax codes can be found at [GOV.UK](#)

8.6 Overpayments or underpayments of Salary

Overpayments of salary or related allowances/expenses happen for a variety of reasons. The Agency is guided by the provisions of HM Treasury guidance on Managing Public Money and in such cases they:

...should be pursued, taking proper account of how far the recipients have acted in good faith. Similar cases should be treated consistently. After warning recipients, recovery through deduction from future salary is

often convenient. Legal advice is often sought to make sure that proper account has been taken of any valid defence against recovery recipients may have. (Managing Public Money, Annex 4.11.1A)

Similarly, where underpayments of salary are identified arrears of pay will be processed within the next payroll period.

More information about this can be found on the Overpayments policy on [Insite](#).

9. Voluntary Deductions

9.1 Consolidated Voluntary Deductions from Pay

Subscriptions can be paid via payroll to a variety of organisations, such as HASSRA, Charity for Civil Servants, Civil Service Sports Council, Benenden Health. Staff should complete the relevant form for each organisation and forward to [HR Operations](#), who will apply the relevant payment rules automatically each month.

If staff wish to cease such an arrangement, then they must notify:

- The organisation concerned; and
- [HR Operations](#), no later than a month before the deductions are to cease stating from when they would like the deductions to stop.

Deductions made throughout the Civil Service (i.e., Civil Service Sports Council) will continue on transfer but staff should check their payslip to ensure that this is the case and inform [HR Operations](#) of any issues. Not all subscriptions are supported by the Agency's payroll. In those cases staff transferring from another government department may need to set up a direct debit.

Some deductions, such as childcare vouchers, are no longer open and will not transfer when a member of staff leaves the Agency for another government department.

9.2 Trade Union Subscriptions

Trade Union subscriptions can be paid through PAYE though increasingly organisations prefer to set up direct debit instructions instead. Relevant documentation is available from the appropriate Trade Union. To cease paying subscriptions, staff should complete the relevant membership form and take similar action to that given at paragraph 9.1.

9.3 Charitable Giving

Staff who wish to donate to a charity of their choice can do so through payroll through the mylifestyle employee benefits [portal](#). This is a Government supported tax relief scheme where donations are deducted before tax.

Any changes, including termination of the arrangement should be done in the portal.

10. Arrangements for Pay on Downgrading

10.1 Following Poor Performance or Misconduct Action

Where an individual is compulsorily downgraded following Poor Performance or Misconduct action, their salary will be adjusted. More information can be found in the Managing Poor Performance policy on [INsite](#)

There will be no mark time protection in these circumstances.

10.1.1 Downgrading by one Grade

Where there are no exceptional circumstances, as set out in paragraph 10.3 of this document, and if the downgrading is agreed, then pay will be reduced by approximately 10% using the following calculation:

$$\frac{\text{Existing salary} \times 100}{110}$$

They will then be placed in the new (lower) pay range on their reduced salary. However, if they are re-promoted their starting pay on promotion cannot be greater than the salary they would have reached, had they not been downgraded.

Where the calculation results in a figure higher than the pay range maximum, the new salary on downgrading will be set at pay range maximum.

10.1.2 Downgrading by more than one Grade

In the circumstances where an individual downgrades to a grade which is more than one grade below their current grade, the calculation used in paragraph 10.1.1 will be applied to each downgrading (e.g. an SEO downgrading to an EO will have the calculation applied twice – first to arrive at the HEO salary and then to arrive at the EO salary). They will then be placed in the new (lower) pay range on their reduced

salary. However, if they are re-promoted their starting pay on promotion cannot be greater than the salary they would have reached, had they not been downgraded.

Where the calculation results in a figure higher than the pay range maximum, the new salary on downgrading will be set at pay range maximum.

10.2 To avoid Compulsory Redundancy - Organisational Change or Machinery of Government

If, because of organisational change or a Machinery of Government, and as a measure to avoid compulsory redundancy, an individual may be prepared to accept a post at a grade below their substantive grade.

More information on can be found on the Managing Organisational Change policy on [INsite](#).

Such posts are likely to be one grade below the member of staff's current (substantive) grade. In these circumstances, if the individual accepts this post, they will be re-graded temporarily to the lower grade and their current salary will be protected on a mark time basis for a time-limited period of up to 12 months.

During that time, they will remain eligible to apply, or be considered, on a managed move basis, for roles at the higher grade. If after 12 months

- they have not secured a post at their substantive grade; or
- they have competed for, but not achieved a role in the substantive grade;

their mark time will cease (if not fully eroded) and the re-grading will become permanent. The new re-graded salary will be calculated as set out in paragraph 10.1.1.

Promotion back to the higher grade will be through successful application under fair and open competition. However, if re-promoted their starting pay on promotion cannot be greater than the salary they would have reached had they not been downgraded.

Where, exceptionally, an individual elects to accept a post more than one grade below their current (substantive) grade and, in recognition of the fact that they have opted for the downgrading as a means of avoiding redundancy, their salary will be adjusted on a temporary basis to one grade higher than the grade of the role they accept. For example, an SEO accepting an EO post (i.e. two grades below the current (substantive grade) will have one salary adjustment, as set out in paragraph 10.1.1 (as opposed to paragraph 10.1.2). If after 12 months:

- they have not secured a post at their substantive grade; or
- they have competed for, but not achieved a role in the substantive grade;

their mark time will cease (if not fully eroded) and the re-grading will become permanent. The downgraded salary will be calculated as set out in paragraph 10.1.2.

However, if they are re-promoted their starting pay on promotion cannot be greater than the salary they would have reached had they not been downgraded.

10.3 Exceptional Circumstances

If an individual downgrades due to exceptional circumstances, their pay may be protected. The circumstances of each case will be considered. Cases that may be considered, but not necessarily approved, include:

- part of reasonable adjustments as part of the Agency's responsibilities under the Equalities Act 2010;
- welfare reasons e.g. health issues or the need to relocate because of caring commitments; or
- part of an agreed partial retirement plan.

All such cases will need the prior approval of the Pay Committee and should be submitted to the [Head of Pay and Reward](#), based on a business case agreed by the HR Business Partner.

If downgrading is accepted the individual's current salary may be protected on a mark time basis, for a time-limited period of up to 36 months. Where the downgrading is by more than one grade, the new lower salary will be calculated as set out in paragraph 10.1.2, but again the current salary may be protected on a mark time basis for a time-limited period of up to 36 months.

If, after 36 months, the mark time element has not been fully eroded, its payment will cease, and the re-grading will become permanent. The downgraded salary will be calculated as set out in paragraph 10.1.1 or 10.1.2, as appropriate.

Promotion back to the higher grade will be through successful application under fair and open competition. However, if re-promoted their starting pay on promotion cannot be greater than the salary they would have reached, had they not been downgraded.

10.4 Internal Restructuring

For details of any downgrading arrangements that may apply during any organisational change exercise, staff should refer to the latest HR guidance on INsite at the time of the change.

11. Mark time Pay Arrangements and Reserved Rights

11.1 Definition of Mark Time Pay

Mark Time is a rate of pay an individual can retain following a change in circumstances such as grade or location following redeployment for instance, to avoid a drop in pay.

The mark time element will constitute the differential between the salary the individual is entitled to in their re-banded position and their existing salary. It is expected that the mark time element will be eroded as a result of pay awards and any other pay adjustments over a period of time.

Mark time arrangements may be applicable in respect of:

- Basic pay
- Allowances

11.2 Application of Mark Time Pay Arrangements

Mark time arrangements may typically apply in the following circumstances:

- when an individual transfers to a lower grade for health management reasons;
- when an individual opts to revert to a lower grade as an alternative to redundancy;
- when an individual transfers to a lower grade as a result of reduced capability;
or
- on level transfer from an OGD where they were paid a salary higher than the grade maximum

Mark time arrangements will not apply in situations where the imposition of downgrading is a disciplinary penalty. In such cases pay will be reduced immediately without protection.

The table below outlines further examples of where the Agency has mark time arrangements and the expected duration of the pay protection.

Reason for Mark Time	Duration	Action	Para.
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Level transfer from OGD where base pay is higher than the Agency maximum for pay band	No Limit	Retained until eroded by annual pay awards	4.5
Downgrading in exceptional circumstances	36 months	If not eroded it ceases by this time; regrading and pay is recalculated in accordance with policy	10.3
Downgrading to avoid Compulsory Redundancy - Organisational Change or Machinery of Government	12 months	If not eroded or individual does not successfully secure a post at their substantive grade it ceases by this time; the regrade then becomes permanent and the pay is recalculated in accordance with policy	10.2
Reserved rights to specific allowances	No limit	Protected on a mark time basis from the date of transfer to the new post and retained until eroded by annual pay awards	11.4

11.3 Reserved Rights

Some staff have reserved rights to the following allowances, many of which were in operation before 1996. These are:

- Automatic data processing (ADP) allowance;
- Typing proficiency allowance;
- Skill supplement;
- Local pay addition;
- London weighting; and
- Recruitment and Retention Allowance

Reserved rights to these allowances will continue and staff will continue to receive payment of the relevant allowance in addition to their basic pay while they occupy a qualifying post. Some staff have these allowances recorded as Additional Pay Allowance instead of their original name. In these cases, the amount in payment will usually indicate which allowance is being paid. In any case of doubt the information held on the staff members personnel file will show whether a reserved right exists.

There is no entitlement to these allowances for anyone not currently in receipt of them through reserved rights.

11.4 Reserved Rights moving to a New Post

Where staff with reserved rights to allowances move either laterally or on promotion, the following rules will apply:

Allowance	Rule
Automatic data processing (ADP) allowance	Retained as long as the new post requires qualifying information technology skills. On the date of movement to a new post where these skills are not needed, or a change to the duties of the current post removes the need for these skills, the ADP allowance is protected on a mark time basis.
Typing proficiency allowance and skill supplement	These allowances are retained if appropriate to the new post; otherwise they are protected on a mark time basis from the date of transfer to the new post.
Local pay addition	This is lost from the date the person moves from a qualifying post
London weighting allowance	Retained if remaining in London and protected on a mark time basis if moving out of London, from the date of transfer to the new post.
Recruitment and retention allowance	Retained if the new post is a qualifying post, otherwise protected on a mark time basis from the date of transfer to the new post.

11.5 Employees Currently in Receipt of Other Allowances

Where staff receive other allowances, but where no reserved right exists, then these will stop once they take up a non-qualifying post.

Where posts become eligible for a MPS once this is agreed then those currently in receipt of other allowances that were awarded for the same reason as the MPS (e.g. in recognition of specific skills) will be offered the option to transfer to the new arrangements. Staff will have a period of one calendar year from the point of an MPS being agreed to make this decision. Where they decide not to transfer to the new arrangements, existing allowances will be frozen and retained on a mark time basis.

The decision to transfer to new arrangements or to retain existing allowances will be irrevocable.

12. Disputes

Managers should discuss any decisions about pay and the placing of a post in a pay grade with the staff member concerned, explaining clearly the reasons behind them.

Any disputes about pay should be resolved informally between the manager and employee.

If the dispute still cannot be settled, the Agency's grievance procedure should be used.

13. Glossary of Terms

Consolidated Pay Award	An increase that is added into basic pay and counts for pension purposes.
Machinery of Government Changes	These are departmental changes arising from a restructuring of government departments following the appoint of a new government. The roles of functions of ministerial responsibility are reviewed and if necessary restructured to ensure they are best placed to deliver the new government's mandate.
Market Pay Supplement	Market supplements are temporary payments applied to an individual post (or group of posts) in addition to the standard salary established through the job evaluation process. They are paid when it has been demonstrated that the salary offered is not sufficient to attract, recruit and retain staff in comparison against other similar posts within the market. The initial payment is normally for a fixed period and is then subject to review thereafter. It is not pensionable.
Mark Time	A rate of pay an individual can keep following a change in circumstances such as grade or location to avoid a drop in pay. This is often time limited dependent on the circumstances and may be reviewed annually.
Non-Consolidated Pay Award	A payment usually paid over twelve months, that does not become part of basic pay. This is paid

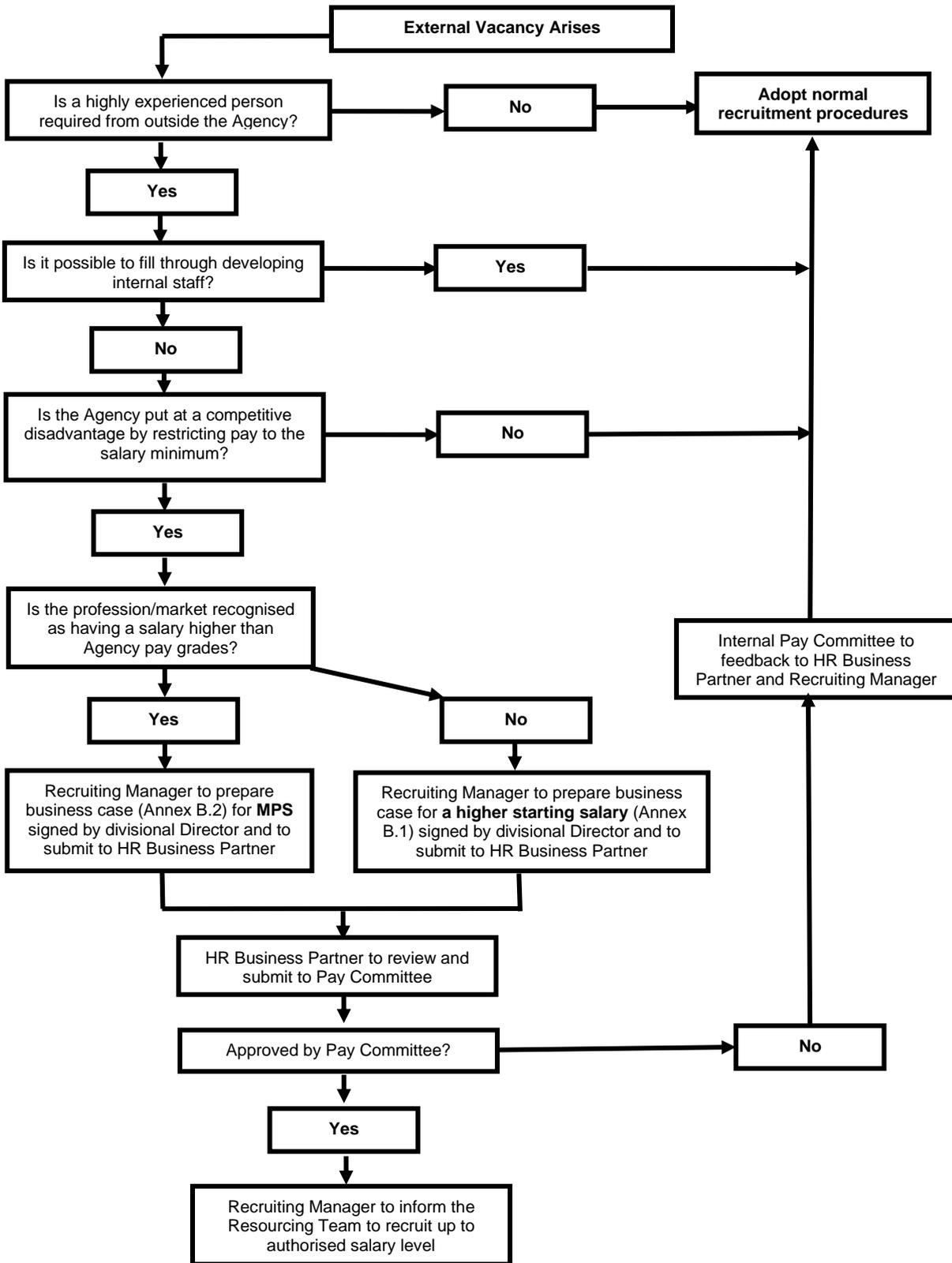
typically when the individual has reached the maximum of the pay grade and the base pay cannot be increased any further by annual pay reviews. It does not count for pension purposes.

Non-Consolidated
Performance Related Pay
Award

This is a performance related annual award to an individual who received an overall 'excellent' rating for their performance during the performance year. It is a single payment paid in arrears, often as a cash lump sum, that does not become part of basic pay and does not count for pension purposes.

Annex A

Pay Flexibilities – Recruitment above the salary minimum or request for MPS (Flowchart)



Annex B

Pre-Recruitment Business Case – Higher Starting salary

Flexibility on pay on appointment to recruit above the salary minimum for the grade

Approval Status

Post	Approved/Declined	Signature	Date
Recruiting Manager			
HR Business Partner			
Agency Pay Committee			

Post applied for

Post Title	
Grade	
Current Pay Range	
Maximum amount over the salary minimum	

In accordance with the policy and guidance relating to flexibility on pay on appointment, a comprehensive business case must be prepared and presented to the Agency Pay Committee before proceeding with a recruitment exercise that may lead to starting pay above the salary minimum.

Please ensure that you complete information in every section, even if only to identify that that section is not applicable in this case. Once completed this pro forma should be submitted to the Head of Pay & Reward via your HR Business Partner.

- 1. Overall business context: please set out the requirements of the post illustrating clearly how the work will contribute to the objectives set out in the Agency Business Plan**

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2. Identify the posts to be recruited into and grade, including current pay data of any existing staff in post

--

3. Set out the skills, experience and capability requirements for the post(s) and an assessment of scarcity of these, both internally and externally. It is particularly important that you explain:

- why more than a basic level of skills/experience is required which would come from recruiting at the salary minimum; and
- why these skills and level of experience are required now

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4. Describe any recent recruitment activity analysis, specifying difficulties in filling posts externally.

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5. Describe any actions taken to address resourcing issues and their outcomes, such as targeted advertising, job redesign, offering career development structures and opportunities, re-skilling existing staff, and any other non-pay incentives to recruit staff with scarce skills in competitive markets

6. Identify the scope and impact of the proposal i.e. is the proposal limited to the Agency?

7. What level of flexibility is being sought? This should include any evidence of the rates being offered by local competitors, including other Government Departments

8. Give an indication of any savings that are anticipated through reduced recruitment costs (perhaps as a result of running fewer competitions)

9. Confirm that the budget is available to recruit at the proposed level.

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10. Have you conducted an [Equality Impact assessment](#) of recruiting new staff at the proposed pay level? This should include consideration of any equal pay issues that might arise through comparison with existing staff in post. If an assessment has been conducted, please include with this business case or present a summary of the outcome below

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11. Please give any other information you feel is relevant in support of the case

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RECRUITING MANAGER: **DATE:**

Annex C

Pre-Recruitment Business Case – Agreeing a Market Pay Supplement

Flexibility on pay on appointment to recruit with an MPS

Approval Status

Post	Approved/Declined	Signature	Date
Recruiting Manager			
HR Business Partner			
Agency Pay Committee			

Post applied for

Post Title	
Grade	
Current Pay Range	
MPS amount requested	

In accordance with the policy and guidance relating to Market Pay Supplements, a comprehensive business case must be prepared and presented to pay committee.

Please ensure that you complete information in every section, even if only to identify that that section is not applicable in this case. Once completed this pro forma should be submitted to the Internal Pay Committee via your HR Business Partner.

- 1. Overall business context: set out the requirements of the post illustrating clearly how the work will contribute to the objectives set out in the Agency Business Plan**

--

2. Identify the posts to be recruited into and grade, including current pay data of any existing staff in post

--

3. Set out the skills, experience and capability requirements for the post(s) and an assessment of the scarcity of these, both internally and externally

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4. An analysis of the market and demand for scarce skills where these have been identified

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5. Recent staff turnover data, clearly identifying those staff that have left the department, with reasons where available

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6. Recent recruitment activity analysis, comprehensively specifying difficulties in filling posts externally.

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7. Description of actions taken in addressing resourcing issues and their outcomes, such as targeted advertising, job redesign, offering career development structure and opportunity, re-skilling existing staff, and any other non-pay incentives to recruit and retain staff with scarce skills in competitive markets

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8. Identify the potential scope and impact of the proposal i.e. is it limited to the Agency or does it also impact on DHSC, etc.

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9. Recommended level of MPS (based on market data)

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10. An indication of the savings that are anticipated through the reduced turnover due to application of the MPS

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11. Confirmation that budget is available to fund MPS

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12. What is the [Equality Impact assessment](#) of increasing remuneration for this post or group of staff

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13. Any other information in support of the case

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RECRUITING MANAGER: **DATE:**.....