



Medicines & Healthcare products Regulatory Agency

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4th August 2022

2022/23 PAY OFFER FOR MEDICINES AND HEALTHCARE PRODUCTS REGULATORY AGENCY (MHRA) STAFF IN GRADES AA TO GRADE 6

Following our pay discussions on 1 August I am writing to set out the 2022/23 pay offer for staff in grades AA to Grade 6 in MHRA.

Context

The Civil Service Pay Guidance for 2022/23 was published on 31 March 2022. This allowed for average pay awards up to 2% with the additional flexibility to pay up to a further 1% where the pay award is targeted to address specific workforce and pay priorities, which may include:

- workforce transformation and improvements, including delivering Spending Review priorities such as automation and location strategies;
- addressing pay anomalies; and
- adjustments to grades to allow for the impact of changes in the National Living Wage.

The pay remit, including the case for the full 3% award, was approved by the Secretary of State on 20 July 2022.

The Offer

The Civil Service Pay Guidance sets out the parameters for pay this year. Within these boundaries, we were keen to utilise the maximum available for consolidated pay awards, recognising the hard work and sustained contribution of the workforce to the delivery of MHRA outcomes over the last year.

The final offer we can make for staff is set out below:



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- This is a one-year offer, paid from 1 August 2022
- Consolidated awards have a budget equivalent of 3% of the overall paybill for MHRA. Our offer is to pay this as a consolidated cash sum.

You also requested that we consider the possibility of developing a wider pay business case and noted that you would be willing to work in partnership with us on this. There was a discussion about the merit in such an approach being a co-ordinated one with both DHSC and UKHSA, but we noted both our understanding of the limited likelihood of success and indeed conditions required of such a case.

Consolidated award

- Pay awards will be differentiated by grade to address pay anomalies. Based on staff turnover rates and comparable salary information from other departments all staff in grades AA, AO, EO and HEO will receive a 4% increase. Additionally, staff at AA and AO will move onto a spot rate salary to better enable future adjustments in relation to the National Living Wage.
- The remainder of the pay award will also seek to address pay anomalies. This will be calculated on the salary mid-point for each grade, with individual awards for salaries below the mid-point set at 2.55% and 2.15% for salaries above the mid-point.
- Awards will not be differentiated by location but where the individual pension rate increases as a result of the pay award then the individual pay award will be set at 4%, this will affect nine individuals.
- Except where spot rates have been introduced salary minimums will increase by 3% at EO and HEO and 2% for other grades. Salary maximums will increase by 0.5%. We recognise that there was a desire to increase salary maximums by a higher amount but this decision has been taken to continue the drive to shorten pay scales to assist with progression through the pay range.
- Fund the automatic uplift in variable allowances paid to staff which are set at a percentage of salary and the costs incurred from the introduction of additional allowances from the previous year.

Non-consolidated award

- While consolidated pay increases are capped at the salary maximum any pay increase that takes an individual over the salary maximum will be paid as a one-off non-consolidated payment and will be funded from the non-consolidated award.

In relation to the request that we also seek to mirror the approach proposed by DHSC and make a one-off non-consolidated payment to qualifying staff we would like to highlight the following:



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- The non-consolidated fund percentage available to MHRA is 0.85%.
- We introduced a new performance management process, My Progress Review, in April 2021: This was fully consulted and agreed upon at the time and included the introduction of a refreshed in-year award scheme, linked to our values and behaviours and aimed at rewarding staff more in the moment for their performance. We do not consider it appropriate at this time to reduce managers ability to use this to reward and recognise staff performance.
- Our usage of the in-year scheme is high: Equality data from the first year show that this is a more equitable scheme. 600 staff in the delegated grades received some form of recognition in 2021/22, compared to 494 in the last year of the old scheme, which was a combination of in-year and end of year awards. This has also helped to reduce the median bonus pay gap from 25.4% in 2020/21 to 0% for 2021/22.
- Our usage so far 2022/23 is higher: Funds have been committed to Groups already and in the first four months of 2022/23 95 nominations have been received for processing compared to 43 nominations in the same period from the previous year.

We will however continue to monitor spend closely and make a commitment to ensure that where funds are available towards the end of reporting year that a one-off payment to qualifying staff will be considered.

Eligibility for awards

The general pay award is paid to individuals based on their grade on 31 July 2022. Staff on marked time or not on Civil Service terms and conditions are not eligible for an award.

Next steps

At the meeting on 1 August, you noted this offer. It is my understanding that you will consider the terms of the offer and related communications with your members and then respond formally. We agreed that we would expect your formal response by 31 August 2022 as it is our objective to implement the pay award in September 2022.

I would be grateful if you could confirm if it is your intention to ballot your members on the terms of this pay offer.

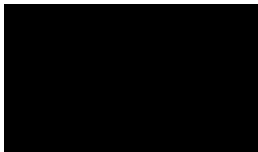
We will not formally communicate the outcome of the pay offer to staff until we are in a position to implement it. We will share those communications with local reps before they are published. In the meantime we will inform staff that it is our intention to implement the pay award once negotiations have concluded. If you have any further questions or clarifications about the pay offer then contact [REDACTED] our Head of Pay and Reward:
[REDACTED]



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In conclusion, I would like to express my sincere appreciation to you and your trade union colleagues for the positive and constructive manner in which you have approached these discussions, which is in keeping with the way that we have worked in partnership over the last twelve months.

Yours sincerely,



Director of Human Resources

cc:

