

Response to Prospect Questions 4.3.25

Any potential for progress on parental leave equality?	The work on family friendly policy/procedure is ongoing with no changes agreed yet.
Can you ask if NPL has any interest or plans to engage with the London Living Wage campaign?	We have made progress towards this target. If the current pay offer were to be accepted, all eligible individuals at Z2 and above would be earning the London Living Wage hourly rate of £13.85.
The 4-day working week will apply to all staff? or only those with flexible working arrangements? there are some teams that are not allow to the flexible working arrangements	It is too soon to give any answers. We have offered to set up a working group to consider flexible working arrangements and will work together to agree the scope if we proceed as part of a successful pay offer.
Has there been any mention of Benchmarking exercises to also help with the pay lifts? Fuel / travel allowance, might be other ideas.	NPL has access to benchmarking data which has been shared with the Prospect pay team. The benchmarking data helps inform the pay offer along with other significant factors including affordability. We are not planning a benchmarking exercise this year. With regards to other ideas, we considered and responded to all 'non pay' elements raised in Prospect's pay claim.
Then a suggestion will be another benefit to be proposed e.g. energy discount (home working takes energy too	As detailed above, we considered and responded to all 'non pay' elements raised in Prospect's pay claim.
Did they mention anything about how they've redistributed pay based on the fact that they've eliminated performance-based pay?	Following discussions with Prospect, we paid a non-consolidated bonus of £750 in December to recognise that we are reviewing performance related pay and that there will not be a performance element in the 2025 pay offer. The future approach is currently under development and Prospect reps are engaged in discussions.
Is there any update on how NPL plan to reward "high achievers"?	As above. We are currently working with stakeholders and intend to come to employees for their views in March
I would be interested if we could get an explanation on London weighting - comparing NPL v OPSS	Our London Weighting was created at the time of the last benchmark exercise, in response to feedback from the working group. The salary data was derived by the application of a regional lens (London and outer London area) to the data analysis in the Korn Ferry Pay Hub. OPSS employees are civil servants, our pay bands are comparable to their range and slightly more favourable.
Given the changes in performance management, and removal of performance linkage to pay, has there been any comments on alternative approaches to reward excellent performance? We had town hall meetings asking for our comments in this area, but we haven't heard anything back about this.	See response. We are working with stakeholders at the moment and intended to come to employees for their views in March.

<p>Anyone on a performance improvement plan is already struggling, why also penalise people financially and increase stress</p>	<p>When individuals are not delivering against what has been agreed or their behaviours are not what is expected, line managers address it and put the right support in place as soon as possible. If the initial informal intervention does not work, it is necessary to move to the formal process - Performance Improvement Plan (PIP). PIPs are designed to create a very clear framework to support the employee to deliver, whilst considering their stress and pressure. Rewarding individuals financially, who are not delivering in their role would be unfair. It is more incentivising to ensure that they are rewarded once they are able to meet the expectations of the role.</p>
<p>In addition to the lack of clarity on rewarding good performance, there is a total lack of clarity on how we support those who are struggling to meet target performance. Did they provide any information about this, and in particular dropping the dreadful pay freeze that has been inflicted in the past?</p>	<p>The process by which we support people with development needs has not changed – full details are still available on the intranet. Response on ‘pay freeze’ as above.</p>
<p>If they need to increase revenue/profit due to financial pressure (expected or real) and they're also floating a 4-day workweek/9-day fortnight, then surely the expectations are for more work from people in less time? It sounds like they want it both ways and this needs to be clarified before we could possibly agree or disagree.</p>	<p>We are concerned with how a 4-day week could work successfully in our business and hold high standards of employee wellbeing as central to any proposed solutions. Prospect have asked for a working group to explore, and we will work together to agree the scope if we proceed as part of a successful pay offer.</p>
<p>Please can you ask if the exec will be reviewing fuel/travel and 5 star accommodation expenses afforded to the exec?</p>	<p>This is a perception rather than a reality. <u>All</u> employees follow NPL’s expense guidelines.</p>
<p>Have NPL changed their stance on who decides pay rises? their excuse last year was that their hands were tied by DSIT as the budget had already been approved. Are they able to go back to DSIT and increase the budget or will we just be negotiating the underpin (i.e. rearranging deckchairs on the titanic).</p>	<p>The pay claim from Prospect was fed directly into spending review discussions with DSIT. However, as you will be aware there is severe pressure on government spending, and this has been a challenging year where many other science organisations have had their funding reduced substantially. On our largest contract, we have been fortunate to receive a funding increase that is just large enough to fund the pay offer and National Insurance increases without reducing the amount of science delivery.</p> <p>There are two important factors in why we have been able to achieve this - the strong partnership we have developed with our customer and owner - DSIT, AND, the body of irrefutable evidence of the IMPACT of our work on the issues most prominent in Minister's minds - growth of the economy and maintaining public services.</p>

<p>In the interests of NPL being open and transparent, will they share the pay increase and bonus calculations for the exec team so that we can be sure that we are all being treated fairly?</p>	<p>The same pay increase applies to all employees at NPL.</p>
<p>Would they also be reducing the amount of bonus they receive?</p>	<p>Bonus amounts will continue to be agreed by our independent Remuneration committee. It will be directly linked to business performance (i.e. no individual performance element in line with changes to the rest of the organisation), however agreement on amounts has yet to take place.</p>
<p>The past two years we have had non-consolidated bonuses - is this down to poor financial planning on their part?</p>	<p>No – In 2023 we committed (as part of the pay deal) to paying a one-off bonus at the end of 2022 if our financial results enabled us to do so (£150 was paid in Dec 2022) – we also promised to pay an additional £100 bonus for every £130,000 we achieved above our £7.1 profit target for 2022 (which we exceeded by a modest amount and paid £300 in February 2023). The bonus payment in Dec 2024 was made to acknowledge the changes to performance management and to recognise the hard work and impact that the NPL community made in 2024.</p>
<p>The Measurement Service work pricing increase for 2025 was 6 %. I expect the csm form staff pricing values increased by a similar amount.</p>	<p>We take all of our costs into consideration when pricing our work (both staff and non staff costs) as well as considering the value we deliver to industry. We have seen a decline in Measurement Service gross margins in 2024 and we hope to reverse this trend in 2025, as the return we make from these services is a key factor in assessing future pay affordability.</p>
<p>Usual comment, still relevant If the pay offer is below inflation, it means performance is bad If performance is bad, clearly exec should not have a performance bonus, right?</p>	<p>NPL is primarily measured by the impact we deliver from science - how we support UK growth and the government missions. Inflation is outside our control. In determining pay rises we have to balance increases with affordability by our largely government customers along with longer term sustainability. Exec bonuses are decided by an independent Remuneration Committee.</p>
<p>How can we count the 4 day point in the offer if effectively there is no commitment?</p>	<p>The offer includes a commitment to establish a flexible working group to explore potential options and we are unable to commit to potential options before they have been evaluated from both a staff welfare and a business perspective. -We are concerned with how a 4-day week could successfully work in our business with no obvious solution that fits with customer expectations and our business model and ensures staff wellbeing. Prospect have asked for a working group to explore, and will work together to agree the scope if we proceed as part of a successful pay offer.</p>