The Finance Committee is invited to recommend that the Council approve, and the Council is invited to approve, the proposal to commence the next five-yearly review process in 2019 and to conclude it by a decision by the Council in 2021.
Proposed timeline for the next five-yearly review
of the financial and social conditions of members of the personnel

Introduction

In accordance with Article S V 1.02 a) of the Staff Rules, the Council is required to periodically review and determine the financial and social conditions of the members of the CERN personnel through a five-yearly general review (“the five-yearly review”).

The procedure to be followed is detailed in Annex A 1 of the Staff Rules and Regulations, paragraph 1, which provides that:

The purpose of the five-yearly review is to ensure that the financial and social conditions offered by the Organization allow it to recruit and retain the staff members required for the execution of its mission from all its Member States. In accordance with Article S II 1.03, these staff members must be of the highest competence and integrity.

The procedure also stipulates that each five-yearly review must include a review of basic salaries but may also include any other financial or social conditions agreed by the Council. The scope can therefore vary from one review to the next.

Five-yearly reviews typically take several years to complete, from the initial data collection to decision-making by the Council and implementation of final decisions. Although no strict schedule is stipulated in the Staff Rules and Regulations, the usual rhythm would dictate for the next review that, as the Council’s decision-making process for the last five-yearly review was concluded in December 2015, its decisions for the next review should normally be taken in 2020, which would require preparations to commence in late 2018.¹

For the reasons set out below, the Management considers that this timeline would not be in the Organization’s best interests and therefore proposes that the next five-yearly review commence one year later, in 2019. The five-yearly review would thus be carried out from 2019 to 2021, for implementation in 2022. This proposal was unanimously supported by TREF at its meeting on 25 September 2018.

Implementation of the previous five-yearly review

The five-yearly review upon which the Council decided in December 2015 was extensive, comprising, in particular, substantial changes to the CERN career structure, including the introduction of a new salary scale and benchmark jobs, as well as numerous modifications and modernisation of diversity-related policies. The scope of the 2015 review was significantly greater than that of 2010 (see Annex 2 for a comparison of their respective content).

¹ The planning of a typical five-yearly review is provided in Annex 1
Given their scope, these decisions were expected to require implementation through a phased approach involving transition measures. The actual implementation, however, proved to be even more complex than anticipated, and additional time was necessary to ensure that the Council’s decisions, as well as the spirit and letter of the proposals made, were fully met. The Management expects that the exercise will be fully completed by the end of 2018.

An informed assessment of the impact of preceding reviews is key to any five-yearly review. It would therefore be less than ideal to commence the next five-yearly review prior to finalisation of the implementation of the previous review. The Management therefore considers that it is in the Organization’s interests to finalise the implementation of the five-yearly review upon which the Council decided in December 2015 and for an impact analysis to be conducted prior to commencing the next five-yearly review.

Timing of the five-yearly review schedule with respect to the Director-General’s term of office

Historically, a five-yearly review - from design to final implementation - took place within the mandate, and under the responsibility, of one Director-General, with the support of his or her management team.

Due to the exceptional two-year extension of the mandate of the previous Director-General, Rolf Heuer, there were two five-yearly reviews during his term: the five-yearly review upon which the Council decided in 2010, which, as foreseen, took place almost entirely under his management; and the five-yearly review upon which the Council decided in 2015, which he saw through to the Council decision-making stage in December of that year.

In 2016, the current Director-General, Fabiola Gianotti, and her incoming management team assumed the responsibility for the implementation of that five-yearly review, without having had the possibility to participate in its design or to be completely familiar with the background and the underlying motivations.

Future Directors-General would face the same challenge if the next five-yearly review were to start in 2018 and decision-making were concluded by the Council in 2020, i.e. at the end of the term of office of the present management team. Accordingly, it is considered to be in CERN’s interest that the five-yearly review be scheduled with one year of overlap between the current and incoming management team.

Proposed solution

It is proposed that the next five-yearly review commence in 2019 and that decision-making be concluded at the end of 2021. This timeline would allow the full implementation and the impact analysis of the previous five-yearly review to be completed first. It would also provide the opportunity for exchanges and the transfer of experience between the current and incoming Directors-General in 2020, during the key preparation phase of the five-yearly review proposals.

There is precedent for adapting the usual five-yearly review schedule as, in 2006, the Council approved a postponement of part of the review proposals at that time, allowing a total delay of one year.
This proposed solution has been discussed with the Staff Association. Although the Staff Association has expressed a strong preference for strict application of the five-year interval between five-yearly reviews, it has also recognised that the exceptional extension of the mandate of the previous Director-General, Rolf Heuer, has de facto synchronised the timing of five-yearly reviews with that of the change of management of the Organization, which had negative repercussions for the implementation of the last five-yearly review. Hence, the Staff Association does not oppose this proposed solution and concurs that an exceptional shift of the five yearly-review schedule would indeed be in the Organization’s best interests.

Since the Staff Rules and Regulations do not provide for a detailed schedule of five-yearly reviews, the Council can make such a decision based on its implied powers.

**Conclusion**

The Finance Committee is invited to recommend that the Council approve, and the Council is invited to approve, the proposal to commence the next five-yearly review process in 2019 and to conclude it by a decision by the Council in 2021.
ANNEX 1: Typical five-yearly review planning

Having regard to usual timelines, the planning generally comprises the following milestones and deliverables, often in succession, to the Standing Concertation Committee (at the internal level), TREF, the Finance Committee and the Council, as appropriate:

Year N-2: Preparation

- Preliminary data-gathering for reports.
- Preliminary discussions with external stakeholders (OECD, consultants).
- Summary of the outcome of previous five-yearly reviews.

Year N-1: Study and scope

- Report on recruitment markets for staff members.
- Report on recruitment and retention of staff members.
- Report on comparator research institutions for fellows.
- Data collection for salary comparison and elaboration of related mandates (local salary survey and international salary survey).
- Data collection for subsistence and stipend comparison.
- Management's proposal identifying the financial and social conditions to be reviewed.

Year N: Proposals

- Reports on results of data collection for international salary survey.
- Reports on results of data collection for local salary survey.
- Reports on results of data collection for subsistence and stipends.
- Discussion of proposals (October/November)
- Council decisions (December)

Year N+1: Implementation

- Implementation of proposals (January)
ANNEX 2: Outline of measures adopted during the last two five-yearly-reviews


Mandatory components

- **Basic Salaries**
  - Proposal 1: Maintain the basic salaries at their current value

- **Stipends of Fellows**
  - Proposal 2: Maintain overall fellows stipend levels at their current level

- **Subsistence for Associated Members of Personnel**
  - Proposal 3: Maintain the subsistence allowances granted to associated members of the personnel at their current value

Additional components

- **CERN Career Structure**
  - Proposal 4: Streamline salary structure
  - Proposal 5: Review the financial recognition of merit
  - Proposal 6: Clarify the promotion process
  - Proposal 7: Place emphasis on long-term career development
  - Proposal 8: Extend eligibility for international indemnity

- **Diversity Related Aspects**
  - Proposal 9: Extend recognition of registered partnerships
  - Proposal 10: Improve flexibility during maternity leave
  - Proposal 11: Increase the duration and scope of paternity leave
  - Proposal 12: Enhance the conditions offered during parental leave
  - Proposal 13: Support reduced working time for new parents
  - Proposal 14: Support dual-career couples
  - Proposal 15: Enhance the Saved Leave Scheme
  - Proposal 16: Extend the teleworking scheme
  - Proposal 17: Enable leave donation


Mandatory Components

- **Basic Salaries**
  - Proposal 1: Career Paths AA to C: none; Career Path D: + 2%;
  - Career Paths E-F: + 4%

- **Stipends of Fellows**
  - Proposal 2: -6% for Technical Engineer Level, -3% for MSc Level,
  - no change for most senior researchers. Savings invested in Fellowship programme

- **Subsistence for Associated Members of the Personnel**
  - Proposal 3: Maintain the subsistence allowances granted to associated members of the personnel at their current value

Additional Components

- **CERN Health Insurance Scheme**
  - Proposal 4: Increase the total HIS contribution rate by 8% in 2011
  - and 4% each year from 2012 to 2015. No change in the overall envelope of benefits