



Additional Payments Policy

Introduction

LSE employees are paid in line with the terms set out in their contract of employment (including any subsequent amendments made to their contract).

Staff may occasionally be required to undertake work which falls outside of their main contractual duties. The School acknowledges that additional work can be beneficial - and often necessary - in achieving the School's Strategic Priorities (LSE2020) and as such should be encouraged where appropriate.

Policy Aims

This policy aims to ensure that payments for additional work are determined within a robust framework that offers financial assurance, transparency, fairness, equity, value for money and procedural compliance.

Other School policies which influence additional payments include:

- LSE Ethics Code
- Financial Regulations 2016-2017, Additional Payments - section 8.3
- Equal Pay Review 2013
- Terms and Conditions of Employment 2014

Policy Scope

The School will consider additional payments to School staff under the following broad categories:

- Teaching (outside of core teaching responsibilities)
- Consultancy
- Executive Masters teaching and Course Director honoraria
- Teaching on Summer School Executive and University of London International Programmes

It is not intended that senior staff whose pay decisions are determined by Remuneration Committee, on the recommendation of the Director, are covered by this Policy.

Policy Principles

Definition of Additional Pay

Additional pay refers to a temporary payment given as compensation for duties undertaken in addition to those expected as part of the substantive contract of employment. Payments will end when the temporary additional duties come to an end.

This policy does not include:

- Overtime payments
- LSE Enterprise payments
- Payments made under the LSE Research Incentive Scheme

Additional pay should not be confused with “additional work outside of normal contract” as per the Terms and Conditions of Employment, which is broadly concerned with work undertaken outside of the School. However, the principle that additional work should not impede an individual’s main contractual duties still applies.

Consideration of Requests for Additional Pay

Before approving additional payments, consideration will be given to whether an additional payment is the most appropriate method of payment for the additional work.

As a general guide, the following **do not** constitute additional pay:

- Increase in demand of “business as usual” work (overtime or time off in lieu)
- Covering the work of a peer who is absent
- Teaching hours that fall within the suggested teaching load of an individual
- Research work which falls within duties or profile of a substantive appointment
- Taking on additional responsibilities (responsibility allowance)
- Exceptional performance in role (contribution pay)

The following principles will be considered when deciding the appropriateness of requests for additional payments to staff for additional work:

- The work falls outside of the main duties and responsibilities of the employee's job description.
- The work undertaken for and paid for by the School is not so closely aligned to the employee's role as to create the impression of double payment.
- The work undertaken will not impact the proper performance of the employee's substantive contractual responsibilities. As with overtime, staff should not work excessive amounts of additional hours over their contracted hours.
- The member of staff has permission from their line manager to carry out additional paid work.
- An appropriate exercise has been conducted when selecting employees for additional work.

Rates of pay

The School evaluates all roles through a consistent process and assigns a salary band that fairly rewards the role and its responsibilities, ensuring equal pay for work of equal value across the School in line with the Equality Act 2010.

Additional payments will normally be based on the LSE Pay Scales and work matched to the appropriate salary band. Should it be deemed necessary to pay beyond these defined rates for hours worked, the following principles will be considered prior to any payment rate being agreed:

- There is suitable and appropriate evidence of market rate pay data.
- The additional payment represents good value for money for the School.
- Payment rates should not link to the direct cost saving of contracting external resources for work carried out by LSE staff. For example, it is not sufficient to simply demonstrate that hiring an external consultant or temporary worker would cost more than the proposed payment.
- The proposed rates must be in line with previously agreed comparable rates or frameworks. For example, the agreed School rates for teaching on EMSc courses.

Selection of staff for additional paid work

Selection of staff to carry out additional paid work should be fair, transparent and, where possible, be subject to open competition.

If specific staff are selected without open competition, reasonable explanation as to why they were selected for additional work should be documented.

Staff will not normally be repeatedly engaged for additional paid work without a reassessment of

whether any alternative potential staff are able to carry out additional paid work and whether the additional paid work is still appropriate.

Financial considerations and Ethics Code

As per the School's Financial Regulations, Budget Controllers are responsible to Finance Committee and Council for operating within budgets and managing budgets in accordance with Financial Procedures.

Payments will be made after work is completed through the payroll unless specifically agreed otherwise. Payments in advance of work being performed must be approved by the Finance Director.

As per the School's Ethics Code, the School requires members of the LSE community to act in accordance with the principles of Responsibility and Accountability, Integrity and Equality of Respect and Opportunity.

Additional Payments Procedure

Introduction

The purpose of this procedure is to set out the framework for requesting, reviewing and approving additional payments. It details the information and steps required in order to consider proposals for additional payments which fall outside of any contractual arrangements for staff. It also outlines how proposals will be considered and the timescales for submissions and outcomes to be communicated.

Requirements/conditions

The procedure applies to all staff where the payment does not form part of the employee's contractual obligations and/or is covered under an appropriate School payment policy.

All proposals must be submitted and approved **before** any additional work commences. If approval has not been granted before the proposed start date of the additional work, the proposed start date will have to be postponed until approval has been granted.

Steps to take to approve an additional payment request

- **by the manager/department**
 - Decide whether additional work requires a request for an additional payment **prior** to work commencing (see Additional Payments Policy).
 - Consult with your HR Partner on potential additional paid work.
 - Submit completed additional payments request form to HR for additional paid work for individual(s)/groups of staff if payment is required prior to work commencing (**please see flowchart and form for information**).
 - To provide appropriate fund checks from Finance Division.
- **by the employee**
 - Employees accepting proposed additional paid work outside of their department must seek prior approval on each occasion from their line manager.
 - Employees should ensure in accepting additional work that it is compliant with their Right to Work. For example, student visas in many cases restrict the hours per week that may be worked.
- **by Human Resources Division**
 - Provide guidance and advice on additional payments to managers and departments.
 - Review and process submitted cases communicating outcomes.
- **by Finance Division**
 - Where appropriate under Financial Procedures, provide appropriate fund checks.

Submission and authorisation of additional payments proposals

Additional payment proposals will be reviewed under the following groups:

- **Payments to academic, teaching and research staff**

Teaching

Additional payments for teaching which fall outside of agreed teaching frameworks, such as teaching on Executive Masters Programmes and Short Course Programmes, will be reviewed and authorised by the relevant HR Partner. If required, they will consult with the Pro-Director Faculty Development.

Consultancy

Additional payment requests for consultancy work will be reviewed and authorised by the relevant HR Partner. If required, they will consult with the Pro-Director Faculty Development.

Executive Masters Programmes, Summer School Executive and University of London International Programmes (SSEIP) and TRIUM

An Additional Payments Review Group (“APRG”) will be set up as a Scrutiny Panel comprising the Pro-Director (Faculty Development), the Pro-Director (Planning & Resources), the Pro-Director (Education), the Finance Director and the Director of HR. The panel will be responsible for reviewing and authorising rates of pay for the following:

- Payments which relate to teaching rates and Directorships fixed-term honoraria payments on EMSc programmes;
- Payment rates for teaching and fixed-term honoraria on SSEIP programmes, which have been set by the SSEIP Steering Committee; and
- Payment rates for teaching and fixed-term honoraria on TRIUM.
- Other payments as approved by SMC.

This Scrutiny Panel can be called upon either during a meeting of APCC or the APRC Executive Master Sub Group, or between these meetings, to sign off on additional payment rates. A quorum will constitute three members, with at least one Finance and one HR representative, and the panel will be called to convene by Madhu Murali, Finance Division. The panel will require sight of up to date and accurate rates across all areas and programmes to be provided by the Human Resources Division. The purpose of the panel will be to ensure consistency across additional payment rates prior to these being agreed.

Payments to professional services staff

All additional payment proposals for professional services staff will be reviewed and authorised by the Chief Operating Officer, having sought advice from the Human Resources Division.

Timings and communication

Proposals will normally take up to two working weeks to review and for an outcome to be communicated.

Once the proposal has been reviewed, the relevant HR Partner will communicate the decision to approve or not approve the proposal. If the proposal is approved, the relevant HR Partner will detail the approved arrangements of the additional payment.

Review of additional pay agreement

If additional payments are approved beyond a single occurrence, a review date of the arrangements will be set by the Human Resources Division.

Processing payments

Following approval, submission of payments will need to be authorised by the relevant budget holder/controller and submitted to the Finance Payroll team within the advertised monthly payroll deadlines. If required, relevant fund checks will be obtained prior to submission of payments to the Finance Payroll team.

Budget holders/controllers cannot authorise payments for staff that they are line managed by.

Sources of advice

HR Partners and the HR Policy team will provide advice and guidance on the policy and procedure and it is essential to consult with your appropriate HR Partner on the suitability of additional payments well in advance of any additional paid work being authorised by the School.

Financial Planning and Analysis managers within Finance Division will be able to provide advice on the funding of additional payments.

Agreement

SMC

Review of Additional Payments Policy and Procedure

An annual report of additional payments will be issued to the Director of Human Resources and the

Finance Director.

Any breaches of the Procedure will also be reported to the Director of Human Resources and the Finance Director to take appropriate action.

Review schedule

Review interval	Next review due by	Next review start
Annual	January 2019	

Version history

Version	Date	Approved by	Notes
1	January 2018	SMC	

Links

Reference	Link
HR Reward pages	https://info.lse.ac.uk/staff/divisions/Human-Resources/Review-reward-and-promotion

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Communications and Training

Will this document be publicised through Internal Communications?	TBC
Will training needs arise from this policy	TBC
If Yes, please give details	