

Professional Services Staff Contribution Pay Guidelines 2022/23

The following paragraphs set out the arrangements for awarding contribution pay to professional services staff in the School. They apply to all such staff excluding the LSE President and Vice Chancellor's direct reports for whom submissions are made to the Remuneration Committee by the LSE President and Vice Chancellor.

1. Introduction

- 1.1 The School is committed to recognising and rewarding continued exceptional contribution and outstanding performance of individual members of staff towards the furtherance of the School's objectives.
- 1.2 Contribution pay is a mechanism of recognising exceptional contribution and outstanding performance.
- 1.3 These guidelines are intended to encourage consistency in the application of contribution awards, by providing clear guidance to managers and staff about the criteria and related issues.
- 1.4 Service Leaders, Heads of Departments, Centre Directors, Institute Directors and other managers (henceforth referred to as managers) are reminded that they are expected to engage in regular reviews of the performance and contribution of all their staff. This is to ensure the fair distribution of contribution awards in accordance with the intention of the Equality Act 2010¹.
- 1.5 Managers should use the [Career Development Review](#) (CDR) process, to make

¹ The Equality Act 2010 states that people should not be discriminated against on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

informed decisions about contribution pay and the achievements of staff should be evidenced in supporting managers' contribution pay submissions.

- 1.6 The Human Resources Division is responsible for advising managers and staff through the process.
- 1.7 The contribution pay budget is set on an annual basis and is separate from other pay budgets. It takes into account the School's overall financial position and projected expenditure. Contribution awards are not a contractual benefit or entitlement and the School reserves the right to modify or suspend the process should the School's financial circumstances so dictate.
- 1.8 Contribution awards are discretionary and fall outside of the national pay award arrangements in higher education for which LSE subscribes to the Joint Negotiating Committee for Higher Education Staff (JNCHES).
- 1.9 The award of responsibility allowances and submissions for re-grading under the HERA job evaluation process are separate from contribution pay and are dealt with elsewhere:
 - Responsibility allowance: <https://info.lse.ac.uk/staff/services/Policies-and-procedures/Assets/Documents/resAll.pdf>
 - Re-grading: <https://info.lse.ac.uk/staff/divisions/Human-Resources/Review-reward-and-promotion/HERA>

For further information about the above please contact your [HR Partner](#) in the first instance.

Staff would not normally be considered for a contribution award in addition to a responsibility allowance if the reason for the award and responsibility allowance are the same.

- 1.10 The Spotlight Prizes and Praises Scheme is separate from, but complimentary to the contribution pay process and is intended to provide more instant recognition for staff when they really go the extra mile. More information can be found [here](#).

2. Broad principles

- 2.1 Contribution pay should be used to recognise, reward and retain outstanding performance and exceptional contribution which exceeds the normal expectations of an individual's job.
- 2.2 The School expects all staff to perform at a level which meets the normal expectations for the role and salary band. It follows that meeting normal School expectations as set out in the job description will not, of itself, justify a contribution award.
- 2.3 Assessment by managers of individual contributions should clearly relate to local or School level objectives as well as individual objectives as evidenced as part of the CDR process. Achievements and activities which contribute to the continuing success of the

LSE should be recognised. Managers should ensure that the CDRs over the previous relevant period support the ultimate decisions of each member of staff who is being rewarded.

- 2.4 Managers **must** consider all professional services staff within their area for contribution awards, whether they are on salaried or hourly paid contracts. Where senior managers are not as familiar with the performance of individuals or groups of staff themselves, they should pro-actively seek feedback from other managers and supervisors to ensure everyone in their area has been fairly considered, irrespective of their contract type or pay grade. Where staff have moved internally or are on secondment, current line managers should reach out to the previous line manager to gather additional information if needed.
- 2.5 Contribution awards can take the form of non-recurrent awards (one-off payment) or recurrent awards (increments).
- 2.6 Service Leads should take divisional salary relativities and pay equity into account alongside annual performance when considering their submissions. Salary information of staff considered under ASRC will be made available by the HR Reward Team to Service Leads.
- 2.7 Contribution awards can be given to teams or individual staff members. A team award may be appropriate where there is clear evidence of co-operative working leading to an exceptional outcome. In some cases, a team award may be appropriate for a group of staff who have continually worked well together to achieve their objectives and/or the nature of their work does not easily allow them to demonstrate individual exceptional contribution. This maybe the case for many hourly paid staff and managers are encouraged to consider team awards as a way to recognise their performance.
- 2.8 Managers should be sensitive to issues of equality and diversity when considering their submissions (see section 3 for more information).
- 2.9 Given the importance of continuing to enhance education and the student experience at the School, where it is felt that a member of staff has excelled in this area, line managers can also nominate the member of staff for an Excellence in Education Award when submitting their contribution pay nominations. These awards should be used when staff have **gone over and above** their normal role to further this objective. Illustrations of eligible contributions to education and improving the student experience include:
 - Implementing innovations in curriculum and/or delivery approach of educational provision.
 - Working effectively and inclusively with diverse groups of students.
 - Demonstrating excellence in advising and offering student support.
 - Providing excellent programme administration or management, support of programme review and renewal.
 - Effectively working with groups of colleagues at course or programme level including Graduate Teaching Assistant support and development and leading and coordinating programme teams

Managers should specify whether they are nominating a member of staff for an award based on the above when submitting their contribution pay nominations. Staff who receive a contribution award based on the above will also receive an Excellence in

Education certificate at an event ceremony in the Autumn term.

- 2.10 It is important to note that senior managers, especially those ultimately responsible for contribution pay funds, will need to ensure that recommendations are based on rational and justifiable performance outcomes as indicated in the CDR. Before submission of nominations for contribution awards, managers should 'pause for thought' to ensure that all staff have been considered.
- 2.11 Contribution pay is not intended to be a reward for long service alone. Managers should be alert to staff whose work is less transparent and those who make a quiet contribution to ensure the successful delivery of departmental or divisional objectives. These staff should not be overlooked. Managers should also avoid rewarding those they know best at the expense of other staff and should make whatever enquiries are necessary to make a fair overall assessment of their staff.
- 2.12 There is no set ratio or recommended percentage of staff who should be put forward for contribution pay. Managers will be provided with an indicative budget based on their proportion of the overall contribution budget. For academic departments, Heads of Departments are able to move funds from the Academic Staff Reward Committee budget to the Professional Services Staff Contribution (PSSC) budget if required (but not the other way).
- 2.13 Managers should avoid creating a climate of expectation of an award or any suggestion that not being recommended for contribution pay is a negative comment on an employee's performance. Contribution pay should be regarded as an exceptional event to reward either team or individual contribution. Whilst staff are unlikely to receive repeat awards there is no prohibition on those who have worked over and above their role receiving contribution pay for two or more years running.
- 2.14 Staff who have resigned and are working their notice period cannot normally receive a contribution award. The Reward Team will monitor leavers until the contribution letters are distributed. Staff who have left the LSE before 1 August 2023 cannot normally receive a contribution award for which they may have been nominated.

3. Considering issues of equity

- 3.1 An analysis of the awards given as part of PSSC 2021-22 showed that nearly an equal proportion of each gender were awarded (34% of men and 32% of women). In 2020-21, 27% of each gender was nominated.
- 3.2 When looking at ethnicity, the proportion of staff awarded increased in 2021-22 for nearly all of the ethnic groups compared to 2020-21. This shows some improvement over previous years. White and mixed staff received more awards compared to their proportion of the staff population.
- 3.3 Units with more than twenty salaried staff will be provided with a breakdown of data split by gender, ethnicity, salary band and contract type over the last three years to help identify any trends.
- 3.4 An analysis of nominations will be made at Group Head level prior to the PSSC moderation meeting to ensure that awards are fairly spread. Group Heads may ask

managers to review awards again if needed.

- 3.5 At the PSSC moderation meeting, an overall analysis will be provided to help monitor the situation for the current year compared to data from previous years.

4. Non-recurrent awards

- 4.1 Non-recurrent awards are one-off payments and can be an appropriate form of acknowledgement when staff have worked over and above their role to support a short-term team objective or to complete a specific, one-off, unscheduled project.

Examples of when a manager could consider a non-recurrent award include:

- rewarding staff for a special achievement
- rewarding staff for having dealt with a challenge or period of operational difficulty in a particularly noteworthy way

Such payments may also be appropriate where staff are well paid relative to their peers (including those already at the contribution maximum for their salary band) or where a permanent increase to salary would distort departmental, divisional or wider School pay relativities.

- 4.2 The terms and conditions for professional services staff state that any additional hours worked will normally be compensated by time off in lieu for staff on bands 1-5 (or payment if time off in lieu is not operationally appropriate). Before considering a contribution award, managers should check what time off in lieu arrangements have been in place throughout the period and whether any overtime payment has been made in respect of operational delivery or additional achievement.

Staff on bands 6-10 are normally expected to work such hours and such days as may be required to fulfil their responsibilities. However, members of staff will not normally be expected to work continuous or heavy overtime.

- 4.3 Managers are expected to use their judgement and discretion in recommending an amount of non-recurrent award and bear in mind the individual's current salary level.
- 4.4 As a guide, the range of awards could be 2.5% of gross annual salary for those who have worked over and above their role to 10% for an exceptional performance, up to a maximum of £5,000.
- 4.5 Non-recurrent awards are non-superannuable and are paid to staff in their July 2023 pay.

5. Recurrent awards

- 5.1 Recurrent awards are expressed in terms of increments consolidated into basic salary.
- 5.2 Managers should consider awarding increments when an individual has shown evidence of sustained exceptional contribution and outstanding performance, above the

level normally expected for the job. Examples (not exhaustive) might be:

- performance which meets the exceptional contribution levels with reference to the [Effective Behaviours Framework](#) (as evidenced through the CDR process)
- the acquisition of a relevant qualification with consequential outstanding performance
- greater responsibilities within the current job which are being delivered at an outstanding performance level
- evidence of sustained positive feedback from service users
- personal career 'growth' in terms of overall contribution, stature or reputation

5.3 Managers should be aware that, for those staff within the standard zone (in bands 1 to 8), the concept of career growth is, to some extent, built into the idea of incremental progression – at least until the employee reaches the contribution range. Staff who are paid in the contribution range or on salary bands 9 and 10 are dependent on contribution pay for any additional income and this should be factored into the decision-making process.

5.4 As with non-recurrent awards, there is no maximum for recurrent awards – managers are expected to use their judgement and discretion – though they should consider the individual's current salary level and consider salary differentials with other colleagues. As a guide, the range of awards could be half an increment for those who have worked over and above their role to two full increments for exceptional performance. Any awards for more than two full increments would need to be carefully considered and justified. Managers should also take into account if the member of staff will also receive an automatic increment.

5.5 Recurrent awards are superannuable and are effective from 1 August 2023.

6. The process

6.1 The budget for professional services staff contribution pay is separately identified and budgeted for by the Finance and Estates Committee.

6.2 The overall budget will be divided up into five “sub-pots” pro-rata to staff wage bill as follows:

Group	Staff included	Group Head
A	For staff reporting to the Chief Operating Officer, working in the Directorate, Planning Division or the Secretary's Division.	Chief Operating Officer
B	For staff reporting to the Vice President and Pro-Vice Chancellor (Education)	Vice President and Pro-Vice Chancellor (Education)
C	For staff reporting to the Vice President and Pro-Vice Chancellor (Research)	Vice President and Pro-Vice Chancellor (Research)
D	For staff reporting to the Chief Financial Officer	Chief Financial Officer
E	For staff in academic departments/centres and institutes.	Director of Human Resources

6.3 Each Group Head identified above is responsible for ensuring that the proposed contribution awards are distributed appropriately and fairly within their divisions,

consulting their own senior staff as appropriate and ensuring that the nominations are within budget. It is equally important that managers and Group Heads discuss nominations with their HR Partner.

- 6.4 In order to support managers in determining how much should be spent on contribution awards Service Leads and Heads of Departments will be provided with **indicative** budgets for contribution awards. This will be based on what proportion of the relevant Group's contribution budget and based on salary bill. For self-funded areas, the indicative budget will be based upon what the budget would have been if it was paid from the central budget which is based on a proportion of the salary bill. Please note that these values are for **indicative purposes only**.
- 6.5 Group Heads within groups A to D should keep a local record of the reasons for award nominations. Further details regarding nominations for staff in group E is provided in section 7. Nominations for all groups can be based on the CDR form reflecting progress against agreed objectives/performance and overall achievement. These sections of the CDR form can be used or simply cut and pasted to form the evidence.
- 6.6 Following all submissions, HR Partners, with analysis support from the Reward Team, will meet with the Group Heads to provide an analysis on how awards have been proposed across gender, ethnicity, salary band and contract type to ensure a fair spread of awards.
- 6.7 A moderation meeting will take place involving the Group Heads and chaired by the Vice President and Pro-Vice Chancellor (Planning and Resources) in accordance with good internal governance principles. The decisions of this committee are final.
- 6.8 Please note that proposals for awards for staff funded from budgets other than Cash Staffing Budgets (CSB) will require funding confirmation prior to submission and the budget code should be included in the nomination form. If necessary, further clarification can be obtained from the relevant [Financial Planning and Analysis Manager](#) within the Finance Division.
- 6.9 Departmental/Research Centre Research Investment Funding (RIF funding), which is made available by the School under the Research Grants Policy, may also be used for funding contribution pay awards for staff within research centres. It should be noted that for units that are funding their own awards, the award proposals will still need to be considered and potentially moderated in line with other requests across the School to ensure equity in the size of awards.
- 6.10 The Reward Team have responsibility for maintaining information on past awards and advising Group Heads and other managers on data in relation to issues around equality and diversity. To support managers and help to facilitate consistency of approach, HR Partners will provide advice and **should** be contacted to review the levels of proposed awards and the overall department submission.
- 6.11 Nominations for contribution pay received later than the deadlines outlined in section 9 **will not** be considered except in the context of exceptional circumstances. Likewise, submissions for contribution pay during the academic year will not normally be considered unless there is a clear rationale as to why an award is required outside of the contribution committees.
- 6.12 The Human Resources Management Board has responsibility for overall oversight of

policy-related issues and will be provided with an appropriate analysis of the awards (with particular attention to equality and diversity).

7. Additional process guidance for managers of staff in Group E

- 7.1 For Group E, whilst the Director of Human Resources is the Group Head, the source of the nominations come from a large number of separate management units with independent reporting arrangements. The following additional guidance is therefore provided.
- 7.2 Full salary information will be made available to Heads of Departments, Research Centres Directors, and Institute Directors within Group E. This information will also be copied to Department, Institute or Centre Managers (unit managers) and the relevant HR Partner so that they can provide full support to the process.
- 7.3 Managers should discuss any recommendations with their unit managers and with their HR Partners who, because their remit extends across several areas of the School, will have a broader view of performance relativities. They will also be able to relate contribution pay recommendations to any performance issues that may be of concern.
- 7.4 For non-recurrent awards, managers should specify the reason for the award on the nomination form by ticking the relevant box. For recurrent awards, managers should provide a paragraph outlining why the award should be approved.
- 7.5 Nominations for unit managers should be made by the relevant Head of Department, Research Centre Director or Institute Director who should ensure that there are sufficient funds to allow the award.
- 7.6 All recommendations should be signed off by the Head of Department, Institute or Centre Director before submission to the HR Partner.
- 7.7 Prior to the main PSSC moderation, the Director of Human Resources, along with HR Partners will meet to ensure that nominations are reviewed and moderated as appropriate. This is to ensure awards are fair across the Group as well as within the overall budget of the Group. At the meeting, a gender and ethnicity breakdown will also be provided.

8. Monitoring issues of equity

- 8.1 The School is committed to monitoring and evaluating its reward procedures and activities to ensure consistency, equity and fairness.
- 8.2 In line with the School's commitment to reducing the gender pay gap, additional scrutiny will be provided when considering applications for individuals at bands 9 and 10. These applications will be considered as part of a distinct cohort at the PSSC moderation meeting and specific School-wide peer benchmarking will be carried out prior to approval of awards.

- 8.3 The Reward Team will keep the pattern of applications and awards across and within the School under review in the context of equitable treatment and the need to promote diversity, and to ensure that there is no adverse impact or detriment to any staff group as a consequence of School policy and procedure.
- 8.4 An annual report on decisions and policy will be made to the Human Resources Management Board and Remuneration Committee in the Summer term.

9. Timeline

Date	Process/task/meeting
Mid-March 2023	Reward Team to send link to guidance, indicative budget and salary data to Group Heads and Group E line managers.
26 April 2023	Service Leads in Groups A-D send their nominations to the Group Heads to collate.
3 May 2023	Group E only: Head of Department/Institute/Centre to send nomination forms to HR Partners. Group Heads A to D: send nominations to the HR Reward Team.
7 June 2023	Moderation meeting chaired by the Vice President and Pro-Vice Chancellor (Planning and Resources).
26 June 2023	Remuneration Committee meeting
29 June 2023	Human Resources Management Board meeting
Mid-July 2023	Reward Team informs Group Heads of the Committee's decision and issues letters for Group Heads, Service Leads and Group E line managers to pass on to staff.
Effective date of awards: 31 July 2023 for non-recurrent awards 1 August 2023 for recurrent awards	

Human Resources
March 2023

Review schedule

Review interval	Next review due by	Next review start
1 year	1 December 2023	1 October 2023

Version history

Version	Date	Approved by	Notes
1	8 December 2022	PSSC Group	
2	6 March 2023	PSSC Group via email	
3	16 March 2023		Updated paragraph 6.9 with the name of the new policy

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Communications and Training

Will this document be publicised through Internal Communications?	No
Will training needs arise from this policy	No
If Yes, please give details	