

# Professional Services Staff Starting Salary Policy and Procedure

## Introduction

The School aims to attract, recruit, and retain high-quality staff in academic, research, teaching and professional services roles. With the exception of the School's Management Committee, all professional services staff employed by the School are paid a basic salary on the LSE Single Pay Spine.

The School has designed its pay structures with a view to ensuring that it offers competitive salaries for all professional services roles, alongside a range of other benefits that make the School an attractive place to work.

The School evaluates all roles thoroughly before they are advertised 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.

This Policy should be read in conjunction with the Recruitment and Selection Procedures (Professional Services Salaried Staff).

Other School policies which influence starting salary are:

- Equality of opportunity (LSE Ethics Code)
- Paying Salaries (Financial Regulations 2015; C13.3)
- Equal Pay Review 2013
- Terms and Conditions of Employment 2014
- Advertising Policy

## Policy aims

This Policy is intended to support managers in their decision making regarding employment offers, enabling them to hire the best candidates, whilst ensuring pay equity considerations are taken into account i.e. equal pay for work of equal value.

This Policy sets out the key principles that will guide all starting salary levels for professional services staff, including the considerations required in documenting and approving the salary level.

## Policy principles

Recruitment at the School should be fair, transparent and subject to open competition, whether internal or external, with the consistent aim of identifying and appointing the best candidate for each role on the grounds of merit.

The design of the School's pay structures is based on incremental pay scales, which provides for annual salary increases (within ranges) to reward staff as they develop in their roles.

It is expected that external candidates should normally be appointed at the bottom step of the appropriate salary band. Advertising and appointing to new posts at the bottom step is designed to maintain equity across the School, consistent with the School's stated aim of adhering to equal pay principles and to allow annual reward through the auto increment system as an individual develops in their role.

The length of each pay band takes into account that the scope for development of the role will vary across professional services roles. The pay scales up to and including band 8 comprises two elements: a "standard" range and a "contribution" range. Progression within pay bands 1-8 to the "standard maximum" threshold is by means of an automatic increment awarded annually on 1 August. Thereafter, further progression within the contribution points is based on merit, with additional increments awarded on grounds of exceptional contribution. For information on the award of additional contribution awards please see the HR website.

It is recognised however, that some flexibility may occasionally be necessary in order to attract the best candidate to the role. In such cases, it will be expected that recruiting managers will select a point on the scale that suitably reflects the following:

Candidate's previous skills, qualifications and experience relative to any existing comparable staff.  
Candidate's current salary and the need to attract them to the School.

Recruiting managers need to ensure that they consider the salaries of new staff against those of staff whose work and banding is similar to that of the new recruit, i.e. with employees in the same band and, if appointing in the contribution range, employees in the overlapping band. Heads of Department/Service Divisions will be responsible for ensuring these considerations are carried out consistently and recruiting managers follow the local practices.

The current salary of the candidate will not normally be the sole determinant of the salary offer from LSE (although it may be quoted as a supporting indicator of the skills and experience of the candidate). This is because the current pay, benefits and terms and conditions package is unlikely to be equivalent, particularly in relation to the private sector.

It is important that recruiting managers consider all the points above when deciding on a suitable salary level, taking into consideration all evidence from all stages of the selection process including application, interview performance(s) and test results.

Managers may feel under pressure to meet the salary expectations of the candidate so as not to lose them and have to go out again for recruitment. It is advised that a recruiting manager takes time to consider other possible options and discuss the matter with their Head of Department/Service Division and /or their HR Partner.

The School recognises that for certain specialist roles there are recruitment and retention difficulties that may need to be addressed by the application of additional incentives, separate to the matter of placement within the salary scale. To this end, the School has developed explicit guidance on pay

supplementation. Please see the HR website for the Pay Supplement Policy.

If the manager considers that the post requires a pay supplement, this should be considered in consultation with their HR Partner prior to the advertisement of the post and in accordance with the Pay Supplement Policy.

## Equality Analysis

- Date of the Equality Analysis – July 2017

## Agreement

- School Management Committee

## Annual monitoring

The Human Resources Division will report on trend data annually to the Chief Operating Officer, Director of Human Resources and Director of Finance.

## Procedure

The purpose of this procedure is to set out the framework for setting and approving starting salary levels for external and internal candidates, detailing the information and steps required to confirm salary offers. It also details how and when salary offers will be considered.

This procedure applies to the starting salary of all new professional services staff appointed to the School. It also applies to all internal professional services staff moving to a different post, including secondments. It does not include the re-grading of posts, extension of posts or posts being made permanent, redeployment and reorganisation of posts.

It is expected that candidates should normally be appointed at the bottom step of the appropriate salary band. Advertising and appointing to new posts at the bottom step is designed to maintain equity across the School, consistent with the School's stated aim of adhering to equal pay principles and to allow annual reward through the auto increment system as an individual develops in their role.

## Documenting rationale for salary level of appointments

Recruiting managers, if considering an initial starting salary level above the bottom step, will need to be able to document well evidenced reasons for their decision for appointing above the bottom step, taking into account the following considerations.

### *Skills and experience of candidate*

Recruiting managers will need to provide clear, well-evidenced cases demonstrating how the salary level offer matches the skills and experience of the candidate in accordance with the person specifications of the role, taking into account the full development and expectations of the role holder.

### *Consideration of comparable salaries of staff*

Recruiting managers will need to confirm that they carried out an assessment of comparable salaries of similar staff and, where appropriate, consulted the Head of Department/Service Division.

### *Salary level of candidate*

Recruiting managers will need to confirm that they have seen evidence of the salary level of the candidate's current salary, where the intended salary offer matches or exceeds the candidate's current salary. Evidence of previous salary will be required to be uploaded onto the online recruitment system at the second fund check approval stage.

## Setting candidates salary

### **Salary band 1-8 internal candidates**

The initial starting salary for a member of staff moving to a different post within the School at a higher grade will normally be the bottom point of the relevant pay band for the new post unless this means that the increase is less than two increments in addition to their current salary. In this case, the member of staff will receive an increase of up to two further increments in total.

In cases where a member of staff moves to a different post within the School but where the new post is at the same grade as the post-holder's existing role, the member of staff will receive one increment.

### **Salary bands 1-8 external appointments**

Recruiting managers have the discretion to appoint staff above the bottom step of the appropriate salary band, providing the salary offer is within the standard range. The recruiting manager will be required to document the reason for the initial salary offer by completing the second fund check approval stage, and answering the questions regarding starting salary. As a rough rule of thumb, the further above the bottom of the scale the manager intends to offer, the more comprehensive the rationale and evidence expected.

Recruiting managers seeking to appoint staff within the contribution range of the appropriate salary band will require prior approval from their HR Partner and will be required to document the reasons for the initial salary offer at the second fund check approval stage.

### **Senior professional services staff roles, salary bands 9-10**

Senior professional service staff appointments at band 9 and above are considered to have significant School-wide impact. The salary level of these appointments should be considered across other comparable professional services staff across the School and not just within individual departments, divisions, centres and institutes for both internal and external appointments.

The starting salary for all band 9 and 10 salary appointments will require prior approval from the Chief Operating Officer and Director of Human Resources in consultation with their HR Partner. Recruiting managers will be required to document the reasons for the initial salary offer at the second fund check approval stage.

The Chief Operating Officer and Director of Human Resources will be provided with the following information to inform the salary proposal:

1. Comparable salary data for internal staff with equality analysis

## 2. External benchmarking salary data

### Senior professional services staff roles reporting to the Director

The Remuneration Committee will receive and approve recommendations of the Director's salary proposals for senior professional services staff reporting to the Director. The Director's proposals will be informed by:

1. Comparable salary data for internal staff with equality analysis
2. External salary benchmarking data
3. The Good Pay Guide for Charities and Social Enterprises dated December 2013
4. Compliance with relevant School guidance on best practice principles for salary setting, specifically applying to senior pay.

### Summary approval table below:

	External appointments	Internal appointments
<b>Salary bands 1-8 (standard salary range)</b>	Recruiting manager approval	As per parameters detailed above
<b>Salary bands 1-8 (contribution salary range)</b>	HR Partner approval	As per parameters detailed above
<b>Salary bands 9-10</b>	Approved by the Chief Operating Officer and Director of Human Resources	Approved by the Chief Operating Officer and Director of Human Resources
<b>Professional services staff reporting to the Director</b>	Director's proposal approved by Remuneration Committee	Director's proposal approved by Remuneration Committee

## Monitoring of starting salaries

The HR Division will monitor starting salaries on an annual basis, ensuring that the impact on equal pay of such decisions is understood by the School.

## Sources of advice

HR Partners, HR Advisers and the HR Policy team will provide advice and guidance on the policy and procedure.

## Equality Analysis

Date of the Equality Analysis – Completed July 2017

## Agreement

School Management Committee

## Review schedule

Review interval	Next review due by	Next review start
30/09/19	30/09/19	01/08/19

## Version history

Version	Date	Approved by	Notes
1	July 2017	SMC	

## Contacts

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