



# Remuneration Policy for Faculty Academic Staff

## Introduction

This policy explains how with effect from the 2016/17 Academic year faculty jobs at LSE are banded, how faculty pay is made up, how the starting pay for new faculty joiners are set, how pay progression works and how equal pay obligations are taken into account.

Heads of Department are reminded that all aspects of faculty pay impact upon a Department's financial position.

This policy should be read in conjunction with the School's Pay Supplement Policy.

## How jobs are banded

The School's remuneration policy is based on the following:

1. Job roles are graded under a job evaluation system which recognises a set of job factors (or tasks) which need to be performed in the role.
2. A base range is made up of incremental steps so that there is consistency in the actual amounts by which salaries rise and avoids the disadvantage of managing staff in the band on individual 'spot' salaries.
3. A salary range is applied to an evaluated job recognising that irrespective of current salary LSE has a mechanism to apply increases in pay, relating to performance.
4. In Bands 1-8, which include Lecturers and Senior Lecturers, staff can progress through a set number of increments automatically, on an annual basis. The higher range of these grades can be reached by contribution pay awards only. However, for Bands 9 and 10, and all staff on the New Academic Career, New Research Staff Career and Education Career Track structures, there are no automatic increments and pay progression can only occur via the specified mechanisms described further below.
5. The above structures are supported by the academic review and promotion structure allowing for salary increases at the time of successful review (Interim and Major Review) and promotion.

# How faculty pay is made up

In addition to base salary, which is superannuable, only the following additional components to faculty pay may apply.

1. Pay supplement (superannuable):
  - i) Market Supplements (MS) – this recognises that certain disciplines / professions may be highly demanded by other university employers and consequently the School's basic salary derived from the single salary spine is not sufficient to attract an appointment in line with the recruitment criteria. A supplement is therefore paid to attract and retain the individual (or all individuals that have the relevant skills).
  - ii) Advanced performance supplement (APS) – this recognises that an individual may be on a career trajectory which makes them highly attractive to other employers and consequently, to be competitive in recruitment (or for retention purposes) an APS is offered.
2. Honoraria:

Additional offices and posts in the School such as Pro-Director or Head of Department (superannuable) and other Office Holder positions (non-superannuable) are paid an honorarium. Honoraria are set amounts and cease to be paid once the office or post comes to an end.
3. Additional pay (not superannuable):

Where staff undertake additional work, for example summer school or executive teaching or contracted consulting via LSE Enterprise, they are paid additional amounts commensurate with this. Staff can also receive salary enhancement or personal research accounts from certain kinds of external research grants as part of the School's personal financial rewards policy.
4. Joining payments (not superannuable):

Very exceptionally, one-off joining payments can be made to help the decision of the new joiners whilst not causing long term inequalities in salaries.
5. Research allowances:

These are offered only exceptionally and either on a one-off or on a recurrent basis, normally up to a period of three to five years, to support faculty with their research. The allowance will take the form of a budget, from which faculty will be able to draw expenses, on the submission of receipts to the Finance Division.

## Starting pay for new faculty joiners

The default position for new faculty joiners is that their salary is set at the bottom of the relevant pay band. Any deviation from this default position needs to be justified and can only be justified on the basis of one of the following:

1. Existing salary relativities within a department
2. The need to pay a market supplement, in line with the School's salary supplement policy
3. Demonstrated academic excellence and/or potential including the anticipated trajectory of academic excellence (this may also result in an advanced performance supplement, in line with the School's salary supplement policy)
4. The remuneration level to secure a successful acceptance of an offer (influenced by pre-joining salary and/or competing outside offers).

For appointments at the SBA1 band or below, the salary offer is made by agreement between the Head of Department and the Vice-Chair of the Appointments Committee, unless a salary significantly above the bottom of the relevant pay band is suggested, in which case the approval by the Pro-Director Faculty Development is required. All supplements, any joining payment and any research allowances require the approval by the Pro-Director Faculty Development.

For appointments at the SBA2 band (including Senior Lecturers of Practice), all aspects of pay require the approval by the Pro-Director Faculty Development.

For appointments at the SBA3 band (including Professors of Practice), all aspects of pay require the approval by the Director who may delegate this authority to the Pro-Director Faculty Development.

In all cases in which the starting pay of a new faculty joiner would significantly impact a Department's financial position, the Pro-Director Planning and Resources will be consulted.

## Pay progression for faculty

The pay progression of faculty occurs through the following mechanisms:

1. Annual cost of living awards:  
Appropriately agreed nationally as part of the 'New National Negotiating Machinery' (new JNCHES), including the University and Colleges Employers Association (UCEA) and all the Unions in the sector.
2. Annual contribution pay awards:  
Since the introduction of the common pay spine and the Higher Education Role Analysis (HERA) for both academic and professional services, systems for the award of contribution pay for sustained high performance or specific contributions beyond the normal requirement of roles have been reviewed and revised, to ensure consistency and control. Annual contribution pay awards can come in one of two forms: firstly, consolidated contribution awards, i.e. additional increments, to recognise exceptional performance in the role which is anticipated to add ongoing value to the School; secondly, non-consolidated one-off payment awards for the reward of exceptional performance on a specific piece of work during the year under consideration (given these are one-off awards, they do not impact on salary progression). For those who have

reached the top of a salary band, consolidated contribution awards will take the form of an advance performance supplement. The Academic Staff Reward Committee (ASRC) considers and approves contribution pay for faculty staff. Remuneration Committee (a sub-committee of the School's Council), sets the direction of remuneration policy. The Finance Committee (a standing committee of the School's Council) sets the budget, on advice from the School Management Committee and taking into account the School's financial position.

3. Pay equity awards:

For the first time, ASRC annual contribution pay award guidelines in 2015-16 explicitly allowed Heads of Department and Research Centre Directors to make submissions for contribution pay on the basis of pay equity rather than performance (alone). In 2016-17, an extra-ordinary pay equity review for all academic staff with a particular, but non-exclusive focus, on female academics was undertaken. The School reserves the right to undertake extra-ordinary pay equity reviews in future years.

4. Changes in Market Supplements:

In line with the School's pay supplement policy, market supplements are reviewed at regular intervals.

5. Review and promotion awards:

Automatic salary increases are attached to success at Interim Review, Major Review with promotion to Associate Professor and promotion to Professor. Similar salary increases come with promotion success within the New Research Staff Career. There is no promotion route within the Education Career Track (ECT) as such. The salary of anyone progressing to a higher level within the ECT will be assessed individually.

6. Retention awards:

The School reserves the right to award an increase in salary to those it wishes to retain at the School in response to an outside offer or the threat of an outside offer. The salary increase may come in the form of an increase in base pay, an introduction or increase in market supplement, an introduction or increase in advance performance supplement or a combination of these. The expectation is that only outstanding faculty are retained. A retention award normally requires written evidence of a higher salary offered at a competitor peer university though the School reserves the right to act in the absence of such evidence in order to fend off the risk of an explicit outside offer. Doing so requires clear evidence, though not necessarily in written form, of the threat of an outside offer. Retention awards need to take salary relativities and pay equity considerations within Departments into account as well as the affordability of an award in the context of the Department's financial position. For staff at SBA1 and SBA2 pay band, the decision whether to attempt to retain a faculty member and the decision on what retention award to offer is made by the Pro-Director Faculty Development in consultation with the Head of Department. For staff at SBA3 pay band, these decisions are made, in consultation with the Head of Department, by the Director who may delegate this authority to the Pro-Director Faculty Development. In all cases in which a retention award would significantly impact a Department's financial position, the Pro-Director Planning and Resources will be consulted.

## Equal pay

The School carries out regular equal pay audits to monitor trends on gender and ethnicity pay gaps and to put in place actions needed to reduce the pay gaps, if any. The initiatives can include specific investment by the School to address the pay gaps as well as ongoing changes in practices which are the potential causes to the underlying pay gaps. The School will also conform to the statutory gender pay reporting requirements.

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Division:	Human Resources		

### Review schedule

Review interval	Next review due by	Next review start
123	00/00/00	00/00/00

### Version history

Version	Date	Approved by	Notes
123	00/00/00	abc	abc
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### Links

Reference	Link
123	abc
123	abc

### Contacts

Position	Name	Email	Notes
abc	abc	abc@lse.ac.uk	abc

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Will this document be publicised through Internal Communications?	Yes/ No
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If Yes, please give details	