



Professional Services Staff Responsibility Allowance Policy & Procedure

Introduction

LSE ('the School') aims to attract, recruit and retain the highest quality staff. As part of this commitment, the School promotes and encourages the appropriate use of responsibility allowances. This policy sets out the School's position on responsibility allowances and the principles that apply to them.

Employees are paid in line with the terms set out in their contract of employment (including any subsequent amendments made to their contract). With the exception of some members 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 acknowledges that using existing skills of staff can be beneficial - and often necessary - in achieving the School's strategic priorities and, as such, should be encouraged where appropriate. Where a member of staff is occasionally required to take on additional temporary responsibilities that fall outside their main contractual duties, a responsibility allowance may be an appropriate means of recognising this contribution beyond the individual's substantive role. However, there can be instances where an employee can take on additional responsibilities within their job description which would not require any additional remuneration, for example when an employee exchanges responsibilities or elements of their job description on a temporary basis.

Other School policies and guidance related to responsibility allowances are:

- LSE Ethics Code (in particular those sections related to Equality of Opportunity and Integrity)
- Secondment Policy
- Additional Payments Policy
- Financial Regulations
- Contribution Pay Guidance

The term 'responsibility allowance' is used to reflect the reward of a significant and temporary increase in an individual's responsibilities.

Policy scope

This policy is intended to apply to all professional services roles. It is, however, not intended that senior staff whose pay decisions are determined by Remuneration Committee, on the recommendation of the Director, are covered by this policy.

Staff who are under formal performance review will not normally be considered for an additional responsibility allowance.

Policy aims

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

The policy will aid managers to reward and develop an employee's skills and knowledge, enhance organisational effectiveness and offer a way to 'plug' short and medium-term skills gaps.

Policy principles

Responsibility allowances are paid to staff to support temporary business needs. In addition, they promote career development opportunities that provide additional means of career advancement. They allow the School to make full use of the skills and experience across the School and offer a solution to time limited skills gaps.

Managers are reminded that, as per all professional services staff job descriptions, some flexibility is expected in all roles. Responsibility allowances are only suitable for significant changes in roles.

Managers should carefully consider the suitability of the staff being given the additional responsibilities to ensure that any additional responsibilities do not impact the proper performance of the employee's substantive contractual responsibilities. Payment of a responsibility allowance should not result in staff being required to work excessive additional hours above their contracted hours.

When considering payment of responsibility allowances, managers should also carefully consider the suitability of staff in respect of ensuring that fairness and equality of opportunity is provided within the workplace.

It is expected that managers will have carefully considered all staff eligible to determine the most suitable member(s) of staff to be given an additional responsibility allowances. Reasonable explanation as to why specific staff were selected will be required. Equality data will be monitored as part of regular Equality Impact Assessments.

Responsibility allowances are paid for a defined period of time which may subsequently be extended, where appropriate. Responsibility allowances will normally apply between 1 to 12 months in total, inclusive of any extensions. Responsibility allowances of a longer duration will only be approved in exceptional circumstances with the review and approval of the Chief Operating Officer with support from the Human Resources Division.

Managers should also consider the impact, development and motivation of staff once a responsibility allowance has come to an end. It is advisable for managers to have progress meetings during the period of additional responsibilities.

Appropriate responsibility allowances

Before approving a responsibility allowance, consideration should be given to whether it is the most appropriate method of payment for taking on additional responsibilities.

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

- Increase in demand of “business as usual” work
- Covering short-term annual leave of colleagues
- Exceptional performance in role
- When taking on some additional duties at the same grade within the flexibility of the job description.
- Taking on career development opportunities which are not a requirement of the role

Rates of payment framework

It is expected that managers will offer responsibility allowances up to a total value of 10 percent of basic pay. This may be offered normally in the form of temporary incremental increases, fixed monthly payments or percentage pay allowances for the period in which the member of staff takes on the additional responsibilities.

Managers may sometimes feel under pressure to meet the salary expectations of staff to agree to take on additional responsibilities. It is advised that in such circumstances, a manager takes time to consider other possible options and discuss the matter with their Head of Department/Service Division and/or their HR Partner/HR Adviser before any verbal offer is made.

It is recognised, however, that some flexibility may occasionally be necessary in order to attract staff to take on additional responsibilities. In such cases, it will be expected that managers will select an appropriate level of additional remuneration, taking the following into account:

- The skills and ability of the members of staff required to take on additional responsibilities whilst maintaining appropriate levels of performance and workload in their substantive role.
- The nature of the additional responsibilities.
- Managers need to ensure they consider the salaries of existing comparable staff against the members of staff being offered an additional responsibility allowance. Heads of Department/Service Divisions will be responsible for ensuring that these considerations are carried out consistently and that managers follow the local practices.

Further information on setting appropriate levels of remuneration for responsibility allowances is provided in the supplementary guidance document.

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.

Responsibility allowances will not normally be backdated. For all approved cases, employees will receive a contractual letter before any additional responsibilities are taken on.

In accordance with 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 in the awarding and management of responsibility allowances.

Agreement

HRMB and JNICC

Responsibility Allowance Procedure

The purpose of this procedure is to set out the framework for requesting and approving responsibility allowances, as well as the levels of remuneration to apply during periods of additional responsibilities.

Requirements and Conditions

This procedure applies to all professional services 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 the start of the additional responsibilities. If approval has not been granted, including signed acceptance from the employee, before the proposed start date of an additional responsibility allowance, the start date will be postponed until the required approval has been granted.

Roles and responsibilities

- **The manager/department is responsible for:**
 - o Deciding whether additional responsibilities fall within the scope of this policy and, therefore, whether a request for an additional responsibility allowance should be made **prior** to work commencing.
 - o Consulting with the relevant HR Partner on the use of responsibility allowances.
 - o Submitting a completed responsibility allowance request form to HR.
 - o Securing appropriate fund checks from Finance Division.
 - o Acting in line with the Ethics code.

- **The employee is responsible for:**
 - o Ensuring that any additional responsibilities taken on are compliant with their Right to Work. For example, student visas in many cases restrict the hours per week that may be worked.

- **Human Resources Division is responsible for:**
 - o Providing guidance and advice on additional payments to managers and departments.
 - o Reviewing and processing submitted cases. For all agreed cases, HR will provide the employee with a contract amendment letter for the responsibility allowance.

- **Finance Division are responsible for:**
 - o Providing appropriate fund checks where appropriate under Financial Regulations.

Setting and documenting responsibility allowances

Roles at salary bands 1-8

Managers have the discretion to approve a responsibility allowance up to a total salary level of 10 percent of a member of staff's basic salary. Options and structures are provided in the policy and guidance document. Managers will be required to document the rationale for responsibility allowances by completing and submitting the responsibility allowance form to Human Resources

Division. As a general rule of thumb, the higher the responsibility allowance the manager intends to offer, the more comprehensive the rationale and evidence expected.

Managers seeking to exceptionally approve a responsibility allowance above a total value of 10 percent of the member of staff’s basic pay will require prior approval from their HR Partner and the Director of HR. Managers will be required to document the reasons for the responsibility allowance in the previously discussed form. This is also the case for extension requests in excess of 12 months up to a maximum of 14 months.

Senior professional services staff roles, salary bands 9-10

Senior professional services staff at bands 9 and above are considered to have significant School-wide impact. Any responsibility allowance at these levels should be considered across other comparable professional services staff across the School and not just within individual departments, divisions, centres and institutes.

Responsibility allowances for all band 9 and 10 staff will require prior approval from the Chief Operating Officer and Director of Human Resources in consultation with the relevant HR Partner. Managers will be required to document the reasons for the responsibility allowance in the form provided on the HR website.

The Chief Operating Officer and Director of Human Resources will be provided with the following information to inform the responsibility allowance 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 responsibility allowance recommendations from the Director 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:

Staff levels	Approval required
Salary bands 1-8 – Up to 10 percent of basic salary	Manager approval
Salary bands 1-8 – Above 10 percent	HR Partner approval and the Director of HR
Salary bands 9-10 (all cases)	Approved by the Chief Operating Officer and Director of HR
Professional services staff reporting to the Director	Director’s proposal approved by Remuneration Committee

Monitoring of responsibility allowances

The HR Division will monitor responsibility allowances on an annual basis, ensuring that the impact of such decisions, including regular Equality Impact Assessments is understood by the School.

Sources of advice

HR Partners, HR Advisers and the HR Policy team are able to provide advice and guidance on the policy and procedure.

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Review schedule

Review interval	Next review due by	Next review start
1 year	December 2021	

Version history

Version	Date	Approved by	Notes
1	December 2019	HRMB and JNICC	

Links

Reference	Link

Contacts

Position	Name	Email	Notes
Senior HR Policy Adviser	Raj Lakhani	r.lakhani@lse.ac.uk	abc

Communications and Training

Will this document be publicised through Internal Communications?	No
Will training needs arise from this policy	Yes
If Yes, please give details HR Partners will liaise with areas on the impact of this policy.	