

2008/09 Higher Earners' Pay

For the year 2008/09 out of total of 3000+ staff (1961 full time equivalents or FTE's) there were 86 people, including the Director, with annual pay over £100,000. The Director's remuneration is reported in detail in the Annual Accounts, Note 6.

Over 90% of the 86 higher paid staff are senior academics and less than 10% are administrative and support staff. Just under 10% of the total teaching and research staff FTE's and less than 1% of administrative and support staff FTE's are in this higher paid category. No "higher paid" managerial staff received any honorarium or other payment for additional activities.

All staff in these higher earnings ranges receive the same annual scale increase as all other employees (0.5% at August 2009) and no staff in bands 9 or 10 receive automatic annual scale increments. Any increment is awarded based on a Remuneration Committee or Sub-Committee assessment of their contribution to the School. It is unusual for any individual to receive such an award more than once every three years.

The ability to pay competitive salaries to attract and retain excellent staff, and the opportunities for academic staff to supplement their salaries by taking on additional responsibilities or additional activities including consultancy work and summer school teaching are important contributors to the School's academic success, financial sustainability and its consistent position in university rankings.

The number of people other than the Director in each pay band for the last three years are as follows.

	<i>Employees by pay band</i>		
Banding	2006/07	2007/08	2008/09
£100,001 - £110,001	8	15	32
£110,001 - £120,001	13	16	10
£120,001 - £130,001	7	9	13
£130,001 - £140,001	6	11	9
£140,001 - £150,001	1	1	13
£150,001 - £160,001	2	0	1
£160,001 - £170,001	0	1	1
£170,001 - £180,001	1	3	1
£180,001 - £190,001		1	3
£190,001 - £200,001			1
£200,001 - £210,001			1
	38	57	85

The 2008/09 data in the Annual Accounts is based on pay for the academic/financial year, including salary for the individuals' substantive positions, honoraria for additional responsibilities, earnings from additional LSE activities including consultancy via LSE Enterprise Ltd and teaching at LSE Summer Schools. It does not include pay for any

private consultancy or earnings related to non-LSE employment. Where persons join LSE employment part way through the year, figures are grossed up to an estimated annual equivalent*. Where a person in this category leaves and is replaced directly by a new recruit during the year, this is counted as one person.

The 2007/08 data above has been restated to a basis consistent with the requirements of the HEI SORP (Statement of Recommended Practice) applicable for 2007/08 onwards.

*Note on year to year pay changes***

The national agreement provided for staff to receive increases of

<i>3.0%</i>	<i>August 2006</i>
<i>1.0%</i>	<i>February 2007</i>
<i>3.0%</i>	<i>August 2007</i>
<i>3.0%</i>	<i>May 2008</i>
<i>5.0%</i>	<i>October 2008</i>
<i>0.5%</i>	<i>August 2009</i>

In total, this is an increase of 16.5%

For example, a band 10 employee on step 64.5 in January 2006, where no automatic incrementation takes place, would have received a total 16.5% increase from £86,232 to £100,424 over this period.

A person receiving automatic increments, which is normal at bands 1-8 inclusive, will also have received increments on 1st August 2006, 2007, 2008 and 2009, worth an additional 12.6%: a total increase of 31.0%. For example, a band 3 employee starting on step 8.5 at £17,094 in January 2006 would now earn 31.0% more, £22,397 on step 12.5. A person reaching the top of the incrementation range of a scale during the period would have received an increase of between 18.2% and 29.1%.

Andrew Farrell
Director of Finance & Facilities
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**As some additional earnings are seasonal (e.g. Summer School) or are irregular (e.g. consultancy) there is estimation error in determining annual equivalent of part year earnings.*

*** All percentage values subject to minor rounding differences + or - 0.1%*