

PERSONNEL SERVICES

University Offices, Wellington Square, Oxford OX1 2JD
 Director of Human Resources



To: heads of division, divisional secretaries, heads of departments and institutions, faculty board chairmen, and departmental administrators

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cc. Mr Morgan, Ms Killick, Mrs Kinahan, Ms Zaccheo, Ms Mitchell, HR Business Partners

Recoding miscellaneous pay and the introduction of new allowances

The equal pay audits in 2014 for the University's main salary and grading structure and for the senior staff population identified actions to reduce the use of the pay element "miscellaneous pay" and to introduce guidelines for payments for administrative roles below the level of Head of Department.

Officers in Personnel Services have investigated payments categorised as miscellaneous and identified the types of roles and levels of remuneration for administrative responsibilities below the level of Head of Department.

As a result a number of new allowances have been introduced (see section 2) and miscellaneous pay will be recoded under the new allowances or other existing allowances. The HRIS Data Services team will carry out this work starting this week, with changes taking effect from 1 August 2016 and appearing in individuals' August payslips. No pay is changing as part of the recoding exercise and not all miscellaneous pay is being recoded.

Guidelines on the new responsibility allowance for remunerating temporary administrative roles below the level of Head of Department are provided in section 4.

1. Action required of departments and divisions

Departments and divisions are asked to:

- (a) Note the work carried out to date on miscellaneous pay and that a recoding exercise is about to be undertaken.
- (b) Familiarise themselves with the new allowances introduced as part of this exercise and the guidelines on responsibility allowances.
- (c) Discontinue the use of miscellaneous pay save for in exceptional circumstances with the approval of the Reward Team in Personnel Services.
- (d) Use the pay element "responsibility allowance" for temporary administrative responsibilities below the level of Head of Department, and discontinue the use of "schedule allowance" for this purpose.
- (e) Note the actions required of departments in September:

- (i) run report PERDEP01 (Tab3) to identify payments still coded as “miscellaneous” and payments coded as “schedule allowances” which are for administrative duties below the level of Head of Department;
- (ii) recode payments in CoreHR currently recorded as “miscellaneous pay” and “schedule allowances” as necessary and according to departmental records.

2. Background

When Payroll is instructed to make payments that cannot be categorised under an existing pay element, the payment is currently categorised as 'miscellaneous'.

Work has been ongoing in Personnel Services to investigate payments categorised as miscellaneous and to identify the types of roles and levels of remuneration for administrative responsibilities below the level of Head of Department. Such administrative responsibilities are currently recorded by departments in CoreHR as either “miscellaneous” payments or “schedule allowances”.

Officers in Personnel Services have over the course of the last year met with representatives from the four academic divisions to review existing miscellaneous payments, gathered information from payroll records and personnel files, and spoken with departments in order to capture the reasons cited for payments coded as “miscellaneous” in the CoreHR system.

As a result of this work the following new allowances have been introduced:

- Salary supplement: awards made on the grounds of recruitment and retention by the Senior Appointments Panel and the Vice-Chancellor and Registrar’s office.
- Responsibility allowance: payments made for temporary administrative responsibilities carried out by academic or research staff. Further information on this allowance can be found in section 4 of this circular.
- AP elect: payments made to research staff who have been successfully appointed to an Associate Professorship but where owing to the requirements of a grant the member of staff is delayed from formally taking up the position.
- RS Wolfson award: merit awards granted by the Royal Society.
- Pay protection: payments made to staff where an agreement has been put in place to temporarily protect their current level of pay.
- TUPE: allowances to which staff are contractually entitled under the terms of their TUPE agreement.
- Split costing: To capture allowances which are costed across more than one cost centre.

The HRIS allowance guide will be updated to capture these new allowances.

The pay code “miscellaneous” should now only be used in exceptional circumstances and the payroll guidelines for approving allowances have been amended in order to help ensure payments are coded correctly and that the use of “miscellaneous” pay is kept to a minimum. No “miscellaneous” payments can now be created without explicit approval from the Reward Team.



3. Recoding exercise

The HRIS Data Services team will be carrying out a recoding exercise of miscellaneous pay. Not all miscellaneous pay is being recoded. Where data gathering has indicated a reason for miscellaneous pay and that reason falls under a new or existing allowance it will be recoded. The recoding will start this week with changes taking effect from 1 August 2016 and appearing in individual's August payslips.

It is only allowance codes and not any pay that is changing.

Divisions and departments do not need to approve the changes; this will be done by the HRIS team. Salary approvers will see the approvals in their salary approval lists but need take no action. You might like to run report PERDEP20 just after the August payroll deadline so that you can see a summary of the allowances changed as a result of the recoding exercise.

Not all miscellaneous pay is being recoded and departments are asked to identify those still in receipt of miscellaneous pay and recode where possible according to departmental records. In September departments should therefore run report PERDEP01 (Tab3) in order to identify payments still categorised as miscellaneous and recode as far as possible under existing or any of the new allowances detailed in this circular.

4. Responsibility allowance

Schedule allowances for Heads of Department are determined by the Personnel Committee against agreed parameters, such as the size and budget of the department. Schedule allowances should only be used for academic and research staff who have been appointed as Head of Department and will be paid in accordance with the schedule agreed annually by the Personnel Committee.

Responsibility allowances should be used for remunerating administrative roles below the level of Head of Department can be paid to academic or research staff undertaking *temporary* administrative roles in addition to their substantive role. Where a responsibility is a *permanent* addition to a research role and therefore included in the job description, the post should be job evaluated and the responsibility included in the base pay for the role.

The following guidelines on responsibility allowances take into account the current rates of schedule allowance for Heads of Department. There are six levels of schedule allowance which currently range from £7,567 to £22,252; the full list of schedule allowances is available at www1.admin.ox.ac.uk/finance/epp/payroll/scales/allowancesandawards/.

Cost of living applies to responsibility allowances and they may be pensionable or non-pensionable depending on the duration of the allowance (in accordance with USS rules).

Responsibility	Current identified range of allowances	Proposed range of allowances	Proposed guidelines
Head of sub-department/faculty or Director of a unit/research centre – reporting to the Head of Department	£10,016 - £15,107	£7,567 - £15,107 (equivalent to Schedule V – Schedule III)	<p>Usually only applicable to staff undertaking the role in a department classified as Schedule I (or equivalent size) departments, or where the research unit or centre is larger in terms of income/FTE than the department to which it is attached.</p> <p>The level of allowance should be determined by the same parameters (income/FTE) as apply to schedule allowances and paid at the appropriate rate for the size of the sub-department/research unit.</p>
Deputy/Associate Head of Department/faculty	£3,000 - £15,000	<p>Up to £7,567 for staff in departments classified as Schedule III.</p> <p>£7,567 - £15,107 for staff in departments classified as Schedule I or II.</p>	Allowances can be paid up to the equivalent of Schedule III in a Schedule I - II department and up to Schedule V in a Schedule III department. Not usually applicable in Schedule IV or V departments.
Director of a unit/research centre – reporting to the Head of Division (where the reporting line is to the Head of Department/Faculty the responsibility should be remunerated as per the Head of sub-department/faculty)	£7,567 - £33,719	Up to £22,252 (equivalent to Schedule I)	Allowances can be paid up to the equivalent of Schedule I. The level of allowance should be determined by the same parameters (income/FTE) as apply to Schedule allowances. The allowance is only applicable if the directorship responsibilities are temporary.

Director of Graduate or Undergraduate Studies. Course Director	£1,200 - £9,917. The majority are paid at circa £7,000	Up to £7,567	Allowances can be paid up to the equivalent of Schedule V.*
Significant responsibility for an administrative function e.g. IT, Athena Swan, Options organiser, Safety Officer	£1,000 - £5,000	Up to £5,000	Allowances can be paid up to £5,000, where the responsibility being carried out is over and above the normal expectations for a role as detailed in the further particulars. Allowances should not be paid for roles that do not require a significant time commitment beyond that which would normally be expected for an active Faculty member.

* The complexity of this role varies, but this is not clearly linked to the size of department. Departments with oversight from divisions will have discretion to pay up to £7,567 and need to be mindful of equality issues when determining an appropriate level of pay. The level of allowances paid will be monitored by Personnel Services with a view to providing further clarification on the remuneration of this type of role.

Divisions will authorise any responsibility allowances above the equivalent of a level V schedule allowance (£7,567 at current rates), which is in line with present arrangements, and will determine their own authorisation procedures for payments below £7,567. Authority for determining the level of allowance below £7,567 might be delegated by divisions to departments, but divisions will retain oversight of such payments to ensure consistency. Consistency across divisions will be monitored by Personnel Services in the same way any other allowances are monitored, via ad hoc reporting and equal pay audits.

In all instances departments should document a list of duties to be carried out by the individual taking on the additional responsibilities, set a timeframe for the allowance and capture the responsibility being remunerated against the allowance on the individuals CoreHR record.

The list of roles is not exhaustive; departments with additional roles which they believe are comparable to those listed should speak to their divisional office. Additional examples of roles and levels of remuneration may be added to the guidelines by Personnel Services after consultation with divisions.

It is recognised that alternatives to pay may be used to compensate individuals for undertaking administrative responsibilities, such as teaching buyouts, or remission or offering an additional term of special leave at the end of a period of office to provide an academic with the time necessary to perform the duty. It is expected that these arrangements will continue and payment should not be expected in addition to these arrangements, but should be equitable with the level of payment specified in the guidelines.

In September departments should use the same report (PERDEP01 (Tab3)) as they are running to identify miscellaneous pay to identify payments coded as "schedule allowances" which are not for the role of Head of Department and recode these as "responsibility allowances".



Departments should also review any payments coded as “responsibility allowances” and speak with their division if they have concerns about any payments which appear out of line with the new guidelines.

5. Seeking further advice

If you have any further questions, please contact the Reward Manager, Sarah Kilgour.
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Mr Julian Duxfield

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