

The Institute of Development Studies

Reward and Incentive Scheme for Fellows

1. Introduction

IDS recognises the desirability of having a scheme that rewards high levels of achievement by its Fellows, although there is no ongoing obligation on IDS to maintain a Reward and Incentive Scheme. This policy document set out the aims, principles and rules of the IDS Reward and Incentive Scheme for Fellows.

2 Aims

Each Fellow's contract of employment states that:

"The Employee will participate in such institutionally agreed schemes for meeting the Employer's financial targets and fulfilling its work commitments over the period of the contract as shall currently be in force."

Such a scheme needs to be simple in operation, affordable in both the short and long term, and be supportive of the overall aims and objectives of IDS.

3 Principles

Fellows are expected to work to further the interests of IDS at all times.

Fellows are not expected to fall into deficit. IDS will monitor the financial performance of Fellows. Where a Fellow falls into deficit against their target, IDS will operate a performance improvement review, with the objective where possible of bringing the Fellow's financial performance to an acceptable level.

Subject to the giving of 12 months' notice, the Scheme set out below can be closed, withdrawn or amended. If this were to be the case, any accrued rights or balances will first be frozen, and then converted as set out in this policy (section 2. g, h, and l, and section 6.). If not used in accordance with the terms of the policy, they will be lost without any entitlement to compensation or transfer to such new scheme as may be in place.

Other than in extreme circumstances, IDS will consult with the recognised trades unions, with a view to reaching agreement, before making changes to this scheme, which shall include closure or withdrawal of the scheme.

4 The Scheme Rules from 1st April 2013

- a) A fellow at IDS has an individual target of days per IDS financial year (pro rata'd for staff on fractional contracts) for which income needs to be generated.
- b) For each financial year, the Fellow will be notified of the relevant number of days (currently 180) which has to be generated in order to achieve that year's target.
- c) Where a surplus above the individual target is generated in the financial year, 30% of that surplus shall be rewarded to the Fellow (the Individual Surplus), to be used in accordance with the Scheme Rules as set out below (subject to the Principles set out above).
- d) Fellows can accumulate surpluses from year to year. This will be called an Accumulated Individual Surplus.
- e) There is no cap on Accumulated Individual Surpluses.
- f) Access to the Accumulated Individual Surplus will not be dependent on a specific overall Institute surplus.
- g) Fellows can draw on their surpluses as a cash reward, subject to the rules in force for that year. The maximum cash drawdown which might be made in any year by an individual is 25% of their annual salary for the year during which the Individual Surplus was created (or the average of those salaries where the payment arises from an Individual Surpluses accumulated over more than one year). Only one cash drawdown can be made in any financial year in accordance with a timetable to be set each year.
- h) Fellows can use the Accumulated Individual Surplus for a range of research activities including covering their own time (at full rate), in line with guidelines, set and reviewed annually. Use of this surplus must not create obligations for the Institute outside of the Institute's financial year in which the surplus is being used.
- i) Each Fellow is expected to reach their target of days (currently 180) in any given year (pro rated for part time staff) and if they do not they will be described as being in deficit in that year.
- j) Deficits are not accumulated within this scheme.
- k) If there is an accumulated surplus and then a deficit year, the surplus will be used first to correct the deficit .

- l) If Fellows have generated a surplus in previous years, and not drawn upon the surplus, they can use that to contribute to that 180 day target in the current financial year (at full day rates) and so modulate their work flows, in line with point h) above.
- m) Financial performance over time will be monitored and
 - a. any Fellow in a position of chronic and/or persistent deficit will be the subject of management intervention and support
 - b. will continue to be considered by the FRPB as part of Fellow reviews
 - c. will be a factor in decisions about eligibility for the new sabbatical scheme

5 Who the scheme applies to

The scheme applies to all Fellows employed by the Institute at or after the date from which the scheme takes effect.

6 When the scheme applies

The scheme takes effect from 1st April 2013 and replaces all previous such schemes for the relevant group of staff.

7 Responsibilities and rights

The Institute will:

- Offer appropriate support, guidance and advice for Fellows to achieve their financial target;
- Offer relevant training for Fellows to assist in achieving their agreed objectives;
- Treat all Fellows fairly and consistently;
- Set an annual budget that includes provision for payments anticipated under this scheme.

Fellows will:

- Act in IDS' best interests at all time;
- Seek to fulfil the 180 day contractual target;
- Alert their Team Leader as early as possible of any potential difficulties in achieving their funding target;
- Keep their Team Leader informed of anything relevant that impacts on the funding target or their achievement of the funding target;
- Participate in any relevant training, coaching, mentoring or other information or updating events as required;
- Regularly record the time spent on different activities using whatever system the Institute has in place for time posting;

- Provide information as requested to their Team Leader, the Director or other senior managers on their financial progress and plans.

8 Special Circumstances

Leaving IDS

On termination of employment whether by reason of dismissal, resignation or retirement, (including the expiry of a fixed term contract), any outstanding Accumulated Individual Surplus will be retained by the Institute.

Career Break, Leave Of Absence, Maternity, Paternity and Adoption Leave

If a Fellow successfully applies for a career break or leave of absence, or is on maternity, paternity or adoption leave then their Accumulated Individual Surplus will be frozen for the period that they are away. On return the Fellow would be subject to the rules set out above on the use of their Accumulated Individual Surplus.

During the period of such leave the Fellow will not have an individual target. If the leave period spans financial years, the annual target for the periods they are present at IDS will be calculated on a pro rata basis.

Sickness Absence

If a Fellow is absent due to sickness and this is reported to Human Resources in line with the agreed Sickness Reporting Arrangements, the individual's target days will be reduced. The level of reduction will be based on the annual target number of days divided by the number of working days. This is currently, 180 /220 and gives a reduction of 0.8 target days for every day an individual is absent due to sickness.

Compassionate Leave

If a Fellow takes a period of compassionate leave, agreed with their Team Leader and Human Resources (and, where necessary, the Director) in accordance with the Institute policy, the individual's target days will be reduced. The level of reduction will be based on the annual target number of days divided by the number of working days. This is currently, 180 /220 and gives a reduction of 0.8 target days for every day an individual is absent due to compassionate leave.

Any special circumstances not covered here are subject to decision by the Director.

9 Review of the Scheme

This scheme will be subject to an ongoing rolling review process. There will be an initial review after the scheme has been in operation for eighteen months. It is anticipated that there will be a further review after the scheme has been in operation for three and then again at five years and then on a regular basis thereafter.

The review will consider the overall operational effectiveness of the scheme, specifically the review will seek to ensure that the scheme is:

1. sustainable,
2. adequately incentivising income generation,
3. affordable and financially viable,
4. meeting the objectives set out in this document;
5. not having a detrimental impact on the efficient operation of the Institute;
6. not incurring unnecessary transaction costs;
7. not having a detrimental impact on the wellbeing of those within its scope.

Our recognised trades unions will be asked to contribute to those reviews.

Revision History

Issue Number	Date	Changes Made	Owner	Approved By
1	July 2012 For 1 April 2013 implementation	First Issue	Paula Karalus	UNISON and UCU 1 August 2012