

MINUTES - BOARD OF GOVERNORS Part 2 (Confidential)

5 October 2023

STAFF REMUNERATION

480. The Board had received and confirmed the Part 2 confidential minutes of the meeting held on 6 July and noted that the matters arising in relation to staff remuneration were covered in the Financial Update report.
481. The Board had received a Financial Update report from the Director of Finance which set out the 2022/23 financial outturn and proposed a revised budget for 2023/24, together with proposals for staff remuneration.
482. The Board agreed that matters relating to staff remuneration be discussed under confidential cover as these were subject to consultation and confirmation before being finalised and communicated to staff. *[Further consideration of the financial outturn and revised budget are recorded in the non-confidential minutes.]*
483. Following the decision of the Board at its 6 July 2023 meeting that, in the event of the year-end surplus outturn of the College Group being in excess of the budgeted surplus position, an accrual be made for an additional staff award, the Board noted the reported (draft) year end surplus and considered the recommended award.
484. The Board noted the improvements in the financial performance for 2022/23 and the update on the end of year cash position and anticipated ESFA financial health grade of 'good' or better.
485. The Principal noted that the discussions with the unions during 2022/23 had stressed that the payments at the time were limited by affordability and that the college would want to do more if this became affordable.
486. The Board noted that confirmation from the auditors would be required before announcing the additional 2022/23 award and that the SLT recommended paying the award in November.
487. **Resolved** – that a non-consolidated staff pay award equivalent to c£500 per FTE (£283k) based on over performance of the College Group budget for 2022/23 be approved, with the aim to make the payment in the November payroll, subject to confirmation of eligibility criteria satisfactory External Audit.
488. The Board went on to consider the proposals for staff remuneration in 2023/24 as part of the proposed revised College Group 2023/24 budget. It was noted that the new proposed pay awards budget totalling c£897,500 replaced the original pay award budget for 2023/24 of £0.2m and were afforded by the additional funding allocation, once the T Levels clawback and other budget adjustments were taken into account.
489. The Director of Finance explained the SLT's recommendation of a 7% pay award on all salary points and the further recommendation of three additional pay proposals for specific pay bands/scales/staff roles which had been developed to address specific workforce challenges in relation to retention and recruitment. The Director of Finance noted that legal advice was being sought by the Director of Human Resources regarding the proposal to introduce an increment linked to higher level qualifications (Masters/PhD) to ensure that the proposals were consistent with employment and equality law.

490. Responding to a member's questions, the Director of Finance confirmed that the staff pay budget figures included pension costs.
491. The Chair of Governors reported points raised by a governor who was unable to attend the meeting and who proposed a revised pay award of 6.5% for the majority of pay scales with a higher percentage award for the lowest salary pay scales, and who also advocated for the college becoming a Real Living Wage employer and wished this to be reconsidered by the Board.
492. In discussion, members noted that the pay awards for the previous two years had included elements focused on the lower pay scales and that the increased funding this year provided an opportunity to address the freeze in cost of living pay awards in the proceeding years and the wider impact of this, as well as the specific workforce matters identified in the additional proposals, including in relation to the Learning Support Assistants (LSAs).
493. The Director of Finance explained that the College Group met or exceeded the statutory National Living Wage and took into account the Real Living Wage in reviewing pay budgets, seeking to be above both of these wage thresholds if affordable, noting that it was also necessary to maintain the differentials between salary scales when making adjustments. The College Group had not signed up to the Real Living Wage to date as this would mean committing to unknown future uplifts each year. It was noted that the outcome of this year's review of the National Living Wage by the Chancellor and the increased to the Real Living Wage had not yet been confirmed.
494. The Board was content to maintain the current position of not signing up to the Real Living Wage but continuing to take it into account in pay considerations.
495. Members confirmed their support for the pay proposals as set out in the report from the Director of Finance.
496. **Resolved** – that, subject to consultation with unions and ICE and satisfactory legal advice, the pay proposals for 2023/24 be approved as follows:
- a) An increase of 7% on all salary scale points for staff from 1 January 2024;
 - b) The introduction of new 7/8 pay band increment for Lecturers and Curriculum Leaders linked to higher level qualifications;
 - c) The introduction of Business Support Scale 20b to allow those at the top of scale 5 to progress to the equivalent of the commencement of scale 6;
 - d) The introduction of a new role related allowance for Learning Support Assistants (LSAs) delivering special responsibilities.
497. Responding to member's question about whether the additional funding allocation to the college was in the public domain, the Principal reported that the DfE was considering publishing the additional funding allocations for individual colleges and that Landex was requesting that separate figures be shown for the land-based uplift element so that this could be explained in the context of additional cost pressures for land-based colleges and understood that not all of the increased funding was available for staff pay.
498. Further confidential business was recorded separately.

