

MINUTES OF THE REMUNERATION COMMITTEE MEETING HELD ON 23 FEBRUARY AT 2:45pm. MEETING HELD REMOTELY DUE TO COVID-19 RESTRICTIONS.

PRESENT:

Sandra Heidinger	Committee Chair
Gordon McGuinness	Board Member
David Newall	Board Chair
David Watt	Board Member

IN ATTENDANCE:

Jon Vincent (JV), Principal
Lorraine McGaw (LMcG), Assistant Principal: Human Resources
Alex Killick (AK), Leading Kind (item 22.05 onwards)
Kirsty Mavor, Clerk to the Board (Minute Taker)

22.01 WELCOME AND APOLOGIES

The Committee Chair welcomed everyone to the meeting.

22.02 DECLARATIONS OF INTEREST

Both the Principal and Assistant Principal declared an interest in the discussion about Senior Management pay. It was agreed that, whilst it may be appropriate for them to contribute to general discussions pertaining to senior management as 'a class', they should not participate in discussions concerning their individual roles. It was confirmed they would be asked to leave the meeting for the final part of the discussion by Committee members only.

22.03 MINUTES OF MEETING HELD ON 4 MAY 2021.

The minutes of the last meeting were approved as an accurate record.

22.04 MATTERS ARISING/ACTION GRID

The Committee noted the actions from the last meeting had been completed or were on the agenda as referred to in the action grid.

22.05 STRATEGIC DISCUSSION ON SENIOR PAY OPTIONS

AK joined the meeting to present his options paper on Senior Manager Pay and Performance Arrangements.

The Committee noted that this paper was being considered against the background of the Public Sector Pay Policy and the increasing financial challenges facing the College sector.

Whilst this background restricted what the College could do to reward individual performance, the Committee was interested in exploring options available to encourage and support high performing individuals.

AK outlined the current College practice for the Senior Leadership Team which has followed the Public Sector Pay Policy and associated restrictions. Whilst it was recognised that College remuneration levels tended to reflect favourably when compared with the FE market, there was some concern about whether this restricted approach encouraged or rewarded high performing individuals.

The various options available were outlined to the Committee:

- (i) Do nothing – status quo
- (ii) Performance increments
- (iii) Base and progression
- (iv) Base and Bonus
- (v) Spot and Team bonus

The Committee agreed that these proposals should not be considered in isolation and the current approach to pay rewards for lecturing and support staff should be considered. Also, whilst the Committee wanted to have the option of rewarding individual performance, any approach taken had to be in line with the College's value-based culture and not just target driven. The Committee wanted to preserve the positive team culture within SLT and wanted to ensure that there were no unintended consequences.

The Committee agreed that any revised reward system should not be overly complicated or formulaic. Also, it should support the College's long-term strategy rather than just focus on short term targets.

The Committee thanked A Killick for his report and for his input into discussions.

J Vincent, A Killick and L McGaw left the meeting at 16:10.

The Committee discussed the available options and reached the following initial view: -

- The initial preference from the options outlined in the AK paper was to adopt the 'base and progression' (option iii) approach, with appropriate adaptations to ensure alignment with the College's values.
- This approach to performance and pay required a robust and trusted performance management system which was capable of differentiating performance levels for individuals in a way which was evidence based,

credible and trusted by the Senior Leadership Team. Such a system would need to be in place prior to the introduction of pay arrangements which differentiated between assessed performance levels.

- Once a performance-based review system is implemented, steps will be taken to develop a pay system which differentiates between performance levels, with the Base + Progression model being the current preferred option for this pay design. The current system of determining pay increase would continue to apply until these two elements were in place.

It was agreed that the following steps should be taken:

- (i) Feedback to J Vincent and L McGaw the current thinking and ask them to prioritise improving the performance management system.
- (ii) To facilitate a move to an updated performance pay system, consider changes required to the Senior Staff Pay Policy and present any such changes to the Board for approval. S Heidinger will progress this.
- (iii) A further meeting will take place around April 2022 to consider pay levels for 2022/2023 and recommendations for the performance management system which would be Phase 1 of the two-stage approach sought by the Committee.

22.06 EQUALITIES IMPACT ASSESSMENT ON DECISIONS MADE

No additional equality impact assessment required at this stage.

22.07 REVIEW OF PAPERS (including disclosable status)

All papers are non- disclosable.

22.08 ANY OTHER BUSINESS

None

DATE OF NEXT MEETING

TBC – April 2022