

Board of Management

MINUTES of the MEETING of the PERFORMANCE, REVIEW AND REMUNERATION COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 22 February 2018

PRESENT: Hazel Allen, Sarah Burton, Neil Stewart, Steve Walsh, John Wilson
CHAIR: Steve Walsh
APOLOGIES: Brian Henderson
ATTENDING: Principal
 Director of Organisational Development
 Secretary to the Board of Management

The Director of Organisational Development declared an interest in items 2 and 3 on the agenda. The Principal declared an interest in item 3.

1. MINUTES

The Minutes of the Meeting of the Performance Review and Remuneration Committee held on 13 June 2017 were **AGREED** as a correct record, were **APPROVED** and signed.

The Committee noted that the temporary adjustment to the salary of the Director of Organisational Development was still in place and **AGREED** that it should continue pending consideration, and a decision on the proposed SMT structure at item 2 on the agenda.

2. PROPOSED SENIOR MANAGEMENT TEAM STRUCTURE

A report by the Principal presented the rationale and a proposed new structure for the Senior Management Team. The Principal referred to the serious challenges facing the education sector in Scotland. Inverness and the wider University of the Highlands and Islands would be impacted, not least because of the financial impact of collective pay bargaining, but unlike the rest of the FE sector, it had the potential to grow income through HE funded and full cost delivery.

The Board had already committed to the seven principles that would drive the development of the college, including curriculum review, curriculum and market growth in Scotland, RUK, Europe and International.

Growth was possible (in volume) at HE level because of SFC imperative and non-regulated full cost recruitment. The unique tertiary position of the College within UHI meant that it could grow its income to maintain and enhance its position at a time when some FE based institutions were contemplating cutting costs in a two to three year period.

For this reason alone, the current SMT structure needed to be enhanced to develop capacity to deliver HE. Whilst the College were expert and successful in FE and aspects of HE, it had yet to achieve and fully realise a “tertiary” environment.

To support the proposed structure, the College had made a successful application to EO for a fully funded additional Deputy Principal post. It was envisaged that this DP would play a major role in developing and growing the HE offering. The post holder would have experience of the new University (Post '92) environment and come with a track record of curriculum growth and enhancement. EO had agreed to fund this post for an initial period of two years in order for capacity to be built within Inverness and the wider University.

The business plan for this post showed it becoming cost neutral within four years. This would be achieved across a number of developments that would include marginal gain in existing programme and full new programmes for local and international students. The optometry development alone demonstrated significant financial gains even before this programme entered an international market.

The proposed structure had been developed following internal consultation with senior staff, consultation with Prof Clive Mullholland, informal consultation with members of the Board of Management and informal “testing” with critical friends. The proposed structure would

1. Enhance and promote the College’s tertiary character.
2. Develop active links.
3. Improve resilience and succession planning by sharing responsibility through a matrix structure whilst giving clear themes and responsibility through committee, strategic and Board reporting.
4. Map the roles and responsibilities onto key functions and individuals within the centre via a “dotted line” principal.
5. Clarify and identify work streams for a successful integration.
6. Clarify the link between UHI strategy, Inverness’s overarching strategy and the underpinning strategies.
7. Ensure a reporting methodology was both formalised via committees and “informally” proactive.

The Committee had a robust discussion on the proposed structure and raised the following issues

- Timescale for implementation
- Affordability
- Impact of keeping the current structure
- Working in tandem with the integration process
- Communication strategy around the proposals
- Requirement of SMT roles to be based on job evaluation
- Clarity of role content across the two Deputy Principal posts

The Principal and the Director of Organisational Development both assured the Committee that the process to put the new structure in place would be open, transparent and objective.

The Committee **REQUESTED** the Principal to make a presentation to the Board of Management on the business case behind the proposed structure, highlight any other options which had been explored, as well as providing costs to justify the proposed structure.

The Principal left the meeting

3. **PRINCIPAL, SMT AND RESEARCH 2017-2018 PAY RISE**

A Report by the Director of Organisational Development advised that the Board of Management had responsibility for determining the Principal's Salary and on recommendation of the Principal, determining and agreeing the Senior Management Team pay. The Scope of the National RPA did not include the College Principal, SMT and Research staff.

Historically the Board had aimed to balance the need to attract high calibre people to manage the college with the need to ensure Best Value. As discussed at agenda item 2 above, the Principal had recommended a progressive, proactive and resilient senior management structure to respond to the challenges of integration and a changing funding environment.

The proposal was to pay the same flat cash settlement of £425 consolidated increase consistent with the nationally negotiated pay award for all staff (with the exception of lecturers and programme and development managers.)

The effect of a flat cash pay settlement would be that the Principal and SMT would receive the lowest percentage increase in real terms (0.52% to 1.07%). Despite this negative impact for the senior staff it was highly unlikely for colleges to agree a more favourable pay rise given their positioning nationally in relation to the impact and cost of the nationally negotiated settlement.

The Director of Organisational Development advised that the risks for research were different. It was proposed that a review of the research pay and terms and conditions in light of the progressive career structure and the lecturer transitional pay scale be carried out. It was also recommended that the research grades be considered in light of HE salary benchmarking to ensure the College continued to be attractive and able to encourage staff to develop and engage in research and scholarly activity to enhance the curriculum and the reputation of the University.

The Committee **AGREED**

1. That the Principal, SMT and Research Staff receive a flat cash settlement of £425 consolidated increase for 2017-18, to be effective from 1 April 2017
2. That the college undertakes a review of the Research pay scales and if the SMT structure is agreed, a further review of the Job Evaluation of both these areas to ensure relativities were maintained in line with the developing national pay scales.

The Board Secretary left the meeting

4. BOARD SECRETARY JOB EVALUATION

It was acknowledged that the role of the board secretary had manifestly changed since the incumbent had taken up post, with a significant increase in both responsibilities and number of objectives.

The committee unanimously **AGREED** that a re-evaluation of the post should be undertaken as soon as possible with a view to ensuring that the correct grading was in place.

Signed by the Chair: _____



Date:

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