

To: All support staff paid on the Trust CAN scales plus union representatives of NEU, Unison and GMB

### **CAN Support Staff Salary Scales Consultation**

**NB Confidential to the Trust, its workforce and relevant unions**

**A Background:**

The Trust has its own salary scales for support staff. It makes a commitment to review the CAN Support staff scales each summer term, with a view to implementing any increase with effect from 1 September. There should be no assumption of an automatic salary scales increase.

**B The Trust Board has now reviewed its salary scales and considered the budget position as well as the rates of inflation and the pressure that this puts on staff. It makes the following proposal:**

**To increase the CAN scale points by the equivalent of 3% as a minimum.** (The cost to the salaries budget will be nearer 4% of salaries costs once NI and Pension costs are taken into account and would mean an increase of approximately £200k).

**To increase all salary points by a minimum of £1000 where this is greater than 3%.** The attached shows the resulting salary points. (The increase in cost would be approximately £250k for the two proposals combined).

**C Why choose this figure of 3% as the minimum:**

This figure is proposed for the following reasons:

1. The Trust funded a pay increase for both teachers and support staff at 5% last year, despite no additional funding income. This was above its consultation figure of 3% that was accepted by support staff and unions. Despite its concerns about affordability, the Trust wanted to increase support staff salaries by the same proportion as teaching staff. We indicated at the time that we could not guarantee any increase in the next year and/or would need to take this award into account in future decisions.
2. The pay increase last year was unfunded (ie no additional money for the cost of salary increases). The government had indicated it does not intend to fund any pay award this year either. However, the current teacher pay offer does allow for part of the cost to be funded. This means that the Trust will be funding pay increases for support staff and the majority of any teachers' increase from its own resources. There is, therefore, a limit to what can be managed without putting the Trust's financial stability at risk.
3. Teachers were expected to be getting a 3% unfunded pay rise. The current offer is proposing a partial funding, leaving approximately 4% unfunded. The proposal to support staff will be similar with regard to the unfunded elements.
4. The figure of 3% increase on salary costs impacts at a higher level on the Trust/school staffing budgets. This cost will be closer to 4% of the salary bill once NI and Pension costs of the increases are taken into account, above per pupil funding increases for each school.

5. Projections indicate an ongoing and increasing use of reserves to sustain existing pay increases. Further increases will worsen the situation meaning this is a short-term solution. For example:
  - 5% increase last year for support staff alone cost an additional £280k across the Trust
  - Over three years, this requires an additional £840k
  - Should we increase by 3% in 23/24 or £1000 if greater, then the extra budget cost (on top of the £280k from last year) will be approximately £250k for support staff alone
  - Taking the 5% increase last year, and the proposed increase this year, that would give an additional cost of £1.34m over three years for support staff budget costs alone.
  
6. We are fortunate that we have healthy reserves; however, these can quickly erode if outgoings exceed income or inflation outstrips increases in funding as indicated above. This academic year:
  - There was a draw on reserves by one school in order to fund pay increases; further increases will need further use of reserves and this is not sustainable in the long-term.
  - The other school was protected by a long-term utilities contract that meant it did not have the same level of expenses. This is not the case for next year.
  
7. We need to make sure that we have the flexibility to respond to other rising costs – whether energy or the general cost of living – so that we don't put the financial stability of the Trust at risk and/or have to reduce staffing levels.

**D Why increase the offer for those on lower spine points ie where a flat rate of £1000 is more than 3%?**

The Trust is aware of the pressure of inflation for all staff, and that 3% (whilst in line with offers for some other public sector workers) is a smaller amount for those on lower spine points. It, therefore, proposes to enhance the scale point increases up to the flat rate amount for scale points where the proposed flat rate is higher than 3%. We hope that will help with basic living costs.

The Trust is aware that this means an additional cost for the budget to absorb and that these extra costs will be a continuing commitment for future budget expenditures.

**E Risks associated with this offer:**

The Trust is aware that there are the following future financial risks as a result of making this financial commitment to increase the CAN salary scales:

1. Future spending levels by the government on education are not clear. It appears that funding from the government will increase by 3-4% per pupil for 23/24 and may increase by 2.5% for 24/25; there is no information for beyond that time though indications are that the government intends little or no further increase.
2. Inflation levels have been volatile; this has impacted upon both the Trust and its staff; however, income is not keeping up with the inflation rates. Instead, the inflation rates are a further draw on Trust income as other services and materials have increased in terms of cost.
3. Energy costs have been highly punitive for all businesses; schools are no exception. The Trust's utilities contracts end in October 2023 and this could mean that:
  - a. Cheam's utilities costs will increase by up to 300% based on current market rates
  - b. Oaks' bills may return to last year's very high levels of approximately £40k per month.

Whilst we hope that any new contract will show the recent trend of reducing rates, we can not assume that. The high rates that have recently applied in the market would imply a cost of approximately £1,000,000 on utilities alone each year, well over double previous rates with no additional funding provided.

4. Any further increases to pay are likely to be unfunded. This will include changes to the national pay scales for teachers that are out of the control of the Trust, further putting the budget at risk.
5. The Trust expects outgoings to exceed income over the coming years and this offer will contribute to that outcome.

Nonetheless, the Trust has confirmed its commitment to this pay increase. It recognises that there are ongoing cost of living pressures for its staff and wishes to take this into account in this offer. However, it also needs to retain enough flexibility to manage future years including any further pay increases agreed.

| CAN Points | Current Scale point | Proposed scale point | CAN Points | Current Scale point | Proposed scale point | CAN Points | Current Scale point       | Proposed scale point |
|------------|---------------------|----------------------|------------|---------------------|----------------------|------------|---------------------------|----------------------|
| 10         | 22,812              | 23,812               | 25         | 28,380              | 29,380               | 40         | 43,185                    | 44,481               |
| 11         | 22,891              | 23,891               | 26         | 29,229              | 30,229               | 41         | 44,268                    | 45,596               |
| 12         | 22,970              | 23,970               | 27         | 30,128              | 31,128               | 42         | 45,332                    | 46,692               |
| 13         | 23,050              | 24,050               | 28         | 31,040              | 32,040               | 43         | 46,417                    | 47,810               |
| 14         | 23,128              | 24,128               | 29         | 32,110              | 33,110               | 44         | 47,507                    | 48,932               |
| 15         | 23,252              | 24,252               | 30         | 33,167              | 34,167               | 45         | 48,515                    | 49,970               |
| 16         | 23,411              | 24,411               | 31         | 34,181              | 35,206               | 46         | 49,650                    | 51,140               |
| 17         | 23,569              | 24,569               | 32         | 35,114              | 36,167               | 47         | 50,736                    | 52,258               |
| 18         | 23,975              | 24,975               | 33         | 36,095              | 37,178               | 48         | 51,819                    | 53,374               |
| 19         | 24,406              | 25,406               | 34         | 37,051              | 38,163               | 49         | 52,879                    | 54,465               |
| 20         | 24,988              | 25,988               | 35         | 37,784              | 38,918               | 50+        | by 3%; not currently used |                      |
| 21         | 25,820              | 26,820               | 36         | 38,728              | 39,890               |            |                           |                      |
| 22         | 26,582              | 27,582               | 37         | 39,764              | 40,957               |            |                           |                      |
| 23         | 27,203              | 28,203               | 38         | 40,860              | 42,086               |            |                           |                      |
| 24         | 27,564              | 28,564               | 39         | 42,116              | 43,379               |            |                           |                      |

## Performance Management

Finally, to clarify, the progression arrangements for support staff paid on the CAN scale remain as previously, meaning that the PM review will take place in the Autumn term as usual and those not at the top of their salary scale have the potential for relevant progression.

## FEEDBACK

Please let us have any views on this proposal and the potential ways that this could be delivered by **9am on 31 May 2023** by emailing the Trust HR via [HR@cheam.sutton.sch.uk](mailto:HR@cheam.sutton.sch.uk). You may also email any questions or queries to the same address and we will respond; in addition, we will also put out a FAQ sheet as questions come in where these are not concerning individuals.

In addition, we are consulting with unions as promised and they may make arrangements with you to gather your views.

We also intend, subject to interest, to hold drop in sessions at each school. Please let us know if this would be of interest by the end of April and we will then schedule dates during the month of May.

*Cheam Academies Network is a company registered in England & Wales, company number 07588097, registered address Cheam High School, Chatsworth Road, Cheam, Surrey, SM3 8PW.*