

# EXECUTIVE PAY POLICY

**Document Control**

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## 1.0 Objectives

- 1.1 The Education Partnership is committed to taking decisions in accordance with the 'key principles of public life': objectivity, openness and accountability. It recognises the requirement for a fair and transparent policy to determine the pay and grading for senior executive staff.
- 1.2 The Board of Directors acknowledges that all school leaders are public servants in how they serve their students and surrounding communities. They are not only expected to lead schools but also to model best behaviours, including adhering to the Nolan Principles:
1. Selflessness
  2. Integrity
  3. Objectivity
  4. Accountability
  5. Openness
  6. Honesty
  7. Leadership
- 1.3 As such, appropriate expenditure of public money and transparent reporting and accounting procedures, including around the setting of leadership pay, are essential elements in maintaining public trust and confidence.
- 1.4 The Trust recognises the competitive nature of the labour market within the sector when considering executive pay, and as such, this will have an impact on the reward package made available. In recognising this and having the ability to attract the right candidates, this document sets out arrangements that are designed to:
- recruit, retain and motivate high calibre individuals
  - provide a framework that allows flexibility but that is fair and equitable
  - works within the parameters of the Academy Trust Handbook
- 1.5 It is essential that we have the best people to lead our schools, but at the same time, it is important that salaries:
- can be justified and are in the best interests of the charity and taxpayer
  - reflect the individual's responsibilities
  - demonstrate value for money

## 2.0 Scope

- 2.1 This policy specifically relates to the Chief Executive Officer (CEO) and any employee earning a salary of £100,000 and above.

## 3.0 Legislation and Guidance

- 3.1 As a Multi Academy Trust, we are free to determine our own approach in deciding executive pay, however the Board of Directors must operate within the provisions set out in the Academy Trust Handbook when setting or agreeing increases to executive pay as follows:

- process – that the procedure for determining executive pay and benefits, and keeping them proportionate, is agreed by the board in advance and documented
- independence – decisions about executive pay and benefits reflect independent and objective scrutiny by the board and that conflicts of interest are avoided
- robust decision-making – factors in determining pay and benefits are clear, including whether educational and financial performance considerations, and the degree of challenge in the role, have been taken into account
- proportionality – pay and benefits represent good value for money and are defensible relative to the public sector market
- commercial interests – ensuring the board is sighted on broader business interests held by senior executives, and is satisfied that any payments made by the trust to executives in relation to such interests do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction
- documentation – the rationale behind the decision-making process, including whether the level of pay and benefits reflects value for money, is recorded and retained
- a basic presumption that executive pay and benefits should not increase at a faster rate than that of teachers, in individual years and over the longer term
- understanding that inappropriate pay and benefits can be challenged by ESFA, particularly in instances of poor financial management of the trust.

3.2 The Trust is also legally required under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 to publish information on its website about the gender pay gap within the organisation.

#### 4.0 Roles and responsibilities

4.1 The Board of Directors has delegated its power to the Performance and Remuneration Committees to determine the pay level, pay progression and terms and conditions for all staff earning a salary over £100,000.

The Performance and Remuneration Committees have therefore adopted the policy set out in this document to provide a clear framework for the management of pay progression.

4.2 The terms of reference for the Performance and Remuneration Committees have delegated responsibility from the Board of Directors to monitor and evaluate the performance of the CEO and Senior Executives if appropriate. It is therefore the Performance and Remuneration Committees' responsibility to ensure the performance reviews takes place to fulfil the Board's responsibility for the strategy and performance of the Trust.

#### 5.0 Performance Evaluation

5.1 Performance evaluation should be built around a number of leading practice principles:

- Align their performance with the strategic aims of the Trust
- Be based on clear expectations developed and agreed in advance with both the CEO
- Have a clear, transparent and agreed link between performance outcomes and remuneration

- The CEO to set developmental plans and provide specific direction as necessary from the outcomes of the evaluation process
- Be conducted in a manner conducive to ongoing good governance
- Be tailored to the specific needs of the Trust (for example, including the role the CEO holds as an Executive Trustee) and
- Comply with relevant standards for accountability and communication of the results for the Trust

5.2 The review period will run in line with the academic year. The CEO's evaluation will include on-going discussions with the Chair of the Board of Directors about performance with regular feedback presented to the Board of Directors. Other Senior Executives evaluation will include on-going discussions with the CEO about their performance but also with regular feedback being presented to the Board of Directors.

## 6.0 Performance and Pay Review

### 6.1 CEO

The annual performance review process will be undertaken by the Performance and Remuneration Committee which will include the Chair and one other Director. An externally appointed consultant (who is independent and appropriately qualified) will support this process.

6.2 The following process will be followed:

- Reviewers receive self-review and evidence paperwork at least 1 week prior to the review.
- Reviewers meet prior to the review to ensure impartial assessment of the self-review and evidence, including mid-term review notes where applicable, and to ensure considered decisions about performance.
- Review leads to assessment of salary and presentation to the Board of Directors for ratification.

6.3 The Performance and Remuneration Committee will have the responsibility to report to the Board of Directors on the outcomes of the performance review process, in order for the Committee to make any pay award decision.

### 6.4 Headteachers (>£100,000)

- CEO, Chair of Governors and externally appointed consultant receive self-review and evidence paperwork at least 1 week prior to review.
- Reviewer completes evaluation of performance including mid-term review notes (if applicable).
- In review meeting, Reviewers and Headteacher discuss performance and evidence and agree to what extent objectives have been met.
- Recommendations on salary made to the Board and signed off by them. Objectives agreed and signed off by Reviewers; shared with the Board

### 6.5 Senior Executives (>£100,000)

- CEO and Director receive self-review and evidence paperwork at least 1 week prior to review.

- Reviewer completes evaluation of performance including mid-term review notes (if applicable).
- In review meeting, Reviewers and Executive discuss performance and evidence and agree to what extent objectives have been met.
- Recommendations on salary made to the Board and signed off by them. Objectives agreed and signed off by CEO; shared with the Board

6.6 Any remuneration award should take into account:

- Current and past performance of the individual
- Academic performance of the trust including Ofsted judgements
- Financial performance of the trust
- Levels of pay for comparable roles within other Trusts and across government organisations
- Impact on the general levels of pay within the Trust
- Levels of pay increases for teachers and other staff in the Trust
- Size and complexity of the Trust
- Gender pay
- Educational and organisational challenges
- Experience and previous pay of the individual
- Cost of the total remuneration package
- Location of the Trust
- Retention and succession planning
- Public Scrutiny
- Affordability

6.7 Any decision taken by the Performance and Remuneration Committee must be agreed and ratified by the Board of Directors.

## 7.0 Appeals

7.1 If the CEO, Headteacher or Senior Executives are unhappy with the outcome of their performance review (PR), they should confirm this in writing to the Chair of the Board within 5 working days of receiving the PR outcome letter. The appeal will be heard by the Chair of the Board along with two other Board of Directors members who have not previously been involved with the matter.

7.2 The outcome of the appeal will be confirmed in writing within 10 working days, stating if it has been upheld or not upheld. There will be no further right of appeal.

**Appendix 1 - Performance & Review Process**

Reviewee	Performance Reviewer	Performance Review	Process
CEO	Chair of the Board 1 Director External expert	October 2020	<ul style="list-style-type: none"> <li>Reviewers receive self-review and evidence paperwork at least 1 week prior to the review.</li> <li>Reviewers meet prior to the review to ensure impartial assessment of the self-review and evidence, including any additional independent reviews, and to ensure considered decisions about the performance.</li> <li>In review meeting, Reviewers and CEO discuss performance and evidence.</li> <li>Review leads to assessment of salary.</li> </ul>
Headteacher (>£100,000)	CEO Chair of Governors External expert	October 2020	<ul style="list-style-type: none"> <li>CEO, Chair of Governors and External consultant receives self-review and evidence paperwork at least 1 week prior to review.</li> <li>Reviewer completes evaluation of performance including mid-term review notes (if applicable).</li> <li>In review meeting, Reviewers and Headteacher discuss performance and evidence and agree to what extent objectives have been met.</li> <li>Recommendations on salary made for Board approval.</li> </ul>
Senior Executive (>£100,000)	CEO 1 Director	October 2020	<ul style="list-style-type: none"> <li>CEO and Director receive self-review and evidence paperwork at least 1 week prior to review.</li> <li>Reviewer completes evaluation of performance including mid-term review notes (if applicable).</li> <li>In review meeting, Reviewers and Executive discuss performance and evidence and agree to what extent objectives have been met.</li> <li>Recommendations on salary made for Board approval. Objectives agreed and signed off by CEO; shared with the Board.</li> </ul>