

Executive Pay Policy

TEAM Education Trust



Revisions approved by: Trust Board	Date: 14 November 2024
---	-------------------------------

Last reviewed on:	10 October 2024
--------------------------	-----------------

Next review due by:	31 October 2025
----------------------------	-----------------

List of associated policies/documents:	TEAM Financial Procedures TEAM Pay Policy Scheme of Delegation Academy Trust Handbook Annex 1: Executive Pay
---	--

Version History

Version	Date	Detail	Author
1	8.11.21	New policy, approved by Trustees (30.11.21)	NCO
2	17.10.22	Review policy and update reference to ATH	NCO
3	11.09.22	Updated Introduction with ATH clauses	NCO
4	10.10.23	Updated clauses 2.2, 3 & 5.2	NCO
5	10.10.24	Reviewed, no updates	NCO

Contents

Version History.....	2
1.1 Academic performance	5
1.2 Educational challenge	5
1.3 Financial performance	5
2. Broader factors that may increase the degree of challenge in the role	6
2.1 Experience of the individual	6
2.2 Cost of total remuneration package	6
2.3 Fixed-term appointments	6
3. Performance management and salary increases	7
4. Benchmarking	7
5. Characteristics of the trust	7
5.1 Location.....	8
5.2 Ratios	8
6. Gender pay Gap reporting	8
7. Pensions	8
8. Succession planning	9
9. Public scrutiny.....	9
10. Other Resources	9
Appendix 1: Evidence to consider and possible questions to ask.....	10
Appendix 2: Evidence to consider and possible questions to ask.....	11
Appendix 3: Evidence to consider and possible questions to ask.....	13
Appendix 4: Evidence to consider and possible questions to ask.....	14
Appendix 5: Evidence to consider and possible questions to ask.....	15

1. Introduction

Setting the framework for the pay of the senior executive leader(s) and the leadership team in TEAM Education Trust is the direct responsibility of the Board of Trustees. They must retain control and oversight of this critical function. They must also ensure that pay and leadership structures are underpinned by the 7 principles of public life, as set out by Lord Nolan, which are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Trustees are aware that compliance with the Academies Trust Handbook (ATH) is a condition of each academy trust's funding agreement. The ATH sets out the financial management, control and reporting requirements that apply to all academy trusts.

The ATH-sets out the following requirements in relation to executive pay:

Setting Executive Pay

2.27 The board of trustees must ensure its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence - based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their remuneration.

- 2.28 The board must discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable, including:*
- *an agreed process for determining executive pay*
 - *independent scrutiny by the board*
 - *robust decision-making*
 - *proportionality – that pay and benefits represent good value for money and are defensible relative to the public sector market*
 - *documented decision-making with rationale*
 - *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.”*

Publication of executive pay

- 2.29 The trust must publish on its website in a separate readily accessible form the number of employees whose benefits exceeded £100k, in £10k bandings, for the previous year ended 31 August. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits and termination payments. Where the academy trust has entered into an off-*

payroll arrangement with someone who is not an employee the amount paid by the trust for that person's work for the trust must also be included in the website disclosure where payment exceeds £100k as if they were an employee.

The TEAM Education Trust Board of Trustees is accountable and answerable for the decisions they make on setting pay and must robustly challenge escalating leadership costs where they are not clearly justifiable, or where it raises questions about financial sustainability.

In the event of schools, and therefore personnel joining the Trust, it may be necessary for salaries to remain the same following the transfer. The board will consider on a case by case basis whether it is appropriate to inherit salaries at existing levels. The board must ensure that salaries are in line with this pay policy, that all decisions around pay are evidence based, and that the trust is accountable for levels of pay within TEAM Education Trust

Trustees to ensure decisions around pay evidence a robust decision-making process that ensures pay is transparent, proportionate, reasonable and justifiable for all staff.

Trustees may, depending on role, take the following independent factors into consideration when setting pay and reviewing salaries.

1.1 Academic performance

Academic performance and the key outcomes of TEAM Education Trust will be factored into the responsibilities of all executive members, however the level of impact this will have on each decision should vary depending on the role in question.

When considering academic performance in relation to executive pay, Trustees will consider pupil outcomes across the Trust and the level of improvement required to ensure that the Trust is providing the highest standard of education to its pupils. When reviewing salaries Trustees will also consider the level of progress that is being made towards improvement and ensure that appropriate adjustments are made where expectations are not being met. (Appendix 1: sets out evidence to consider and possible questions to ask)

1.2 Educational challenge

When making decisions about pay, trustees will factor in any educational challenge the trust may face as a result of its individual mission, motivations and values.

Based on the context and circumstances of the Trust, Trustees may require additional expertise as a result of particular challenge in the educational setting to deliver a curriculum that meets the needs of your pupils.
(Appendix 1: sets out evidence to consider and possible questions to ask)

1.3 Financial performance

It is important for Trustees to consider the financial position of the Trust when considering salaries, both in terms of budgeting and in the level of challenge as a result of the Trust's current financial performance. Decision making by the board

will be undertaken using robust data and the board should ensure it has sufficient access to the current actual financial position and financial projections for the trust to inform these decisions.

Provisions should be made under the contract of employment to revise salaries where the financial position of the trust deteriorates due to poor management. Trusts should ensure there is flexibility in the employment contract of the accounting officer to make downward adjustments if appropriate.

(Appendix 1: sets out evidence to consider and possible questions to ask)

2. Broader factors that may increase the degree of challenge in the role

In addition to the factors set out above, Trustees will consider whether the role presents additional challenges outside of those that would normally be expected of this position.

These might include:

- a. Permanent role and responsibilities that may not be typical of the role in other organisations
- b. Existing significant concerns at the trust
- c. A role in leading future plans for the trust (e.g. expansion)
- d. Additional accountabilities (e.g. leading a teaching school alliance)
- e. Responsibility for engaging the local community

(Appendix 2: sets out evidence to consider and possible questions to ask)

2.1 Experience of the individual

When considering remuneration Trustees will consider any additional expertise that the individual may bring to the role which will add value to the leadership team.

(Appendix 2: sets out evidence to consider and possible questions to ask)

2.2 Cost of total remuneration package

Trustees will consider the total remuneration package, not just the cost of the basic salary.

The core executives on teaching contracts are entitled to five days holiday during term time depending on business needs however in exchange for this Executives will be required to work during the first week, and the last week of the holidays. This can be hybrid working to allow for flexibility for executives and to ensure that executives are working collaboratively over the summer period, with clearly defined holidays as well to support staff wellbeing

(Appendix 2: sets out evidence to consider and possible questions to ask).

2.3 Fixed-term appointments

Trustees will further consider the most appropriate contractual agreement for each individual. Where the Trust is looking for an individual to achieve a specific purpose at a trust over a pre-determined timescale, it may be more appropriate to recruit on a fixed term contract.

(Appendix 3: sets out evidence to consider and possible questions to ask)

3. Performance management and salary increases

Decisions to award pay progression must be related to the individual's performance, as assessed through the Trust's appraisal arrangements in the Appraisal Policy.

Pay increases should not be awarded automatically. Instead, they should be linked to a clear and measurable set of Key Performance Indicators within the parameters of the agreed contractual arrangements and Appraisal Policy. Trustees must be satisfied that there is an evident link between the levels of achievement of the individual and across the trust and pay progression. Pay ranges should only be reviewed when there have been significant changes to responsibilities and not just because the top of the current range has been reached.

Pay increases should always be considered in the context of the wider organisation and growth strategy (phases 6, 9, 11+). Rewards must be applied appropriately at all levels. Executive leaders are not solely responsible for the performance outcomes at TEAM Education Trust. It is important that awards for exceptional performance be applied across all levels. Executive leadership pay should not increase at a faster rate of that of teaching staff. Consideration should be given to the rate of increase across the board. The pay will only increase at this level with two years of excellent performance at appraisal and/or as agreed in line with growth strategy. The final decision remains with the board.

(Appendix 3: sets out evidence to consider and possible questions to ask)

4. Benchmarking

Benchmarking can be a very useful activity for Trustees to support quality decision making when taken into consideration alongside the specific context of the individual trust. When using benchmarking it is important to consider the individual trust perspective when comparing against statistically similar trusts. Where results show that the trust is at the high end of the benchmarking scale, Trustees will ensure clear reasoning and rationale as to why this is the case.

The Department for Education has a public benchmarking tool that includes information on staffing expenditure. A comparison on executive pay is not currently included as the Department does not hold data on each individual's executive pay, however, the tool can support in identifying comparable trusts based on financial information. Establishing relationships with other schools may aid future decision making by providing the opportunity for more in-depth benchmarking.

Where possible Trustees should aim to benchmark against individuals with similar responsibilities, as the responsibilities associated with different job titles vary across the sector. Trustees may also wish to contact similarly sized trusts in the area to enquire about their levels of remuneration.

(Appendix 3: sets out evidence to consider and possible questions to ask)

5. Characteristics of the trust

Generally, larger academy trusts equate to bigger responsibilities. Trusts with a large number of academies across a wide range of provisions may require additional expertise

in order to manage the trust effectively. The following characteristics of the TEAM Education Trust will be taken into consideration when setting salaries:

- a. Number of academies
- b. Number of pupils
- c. Range of provision
- d. The quality of provision and their financial effectiveness

(Appendix 3: sets out evidence to consider and possible questions to ask)

5.1 Location

Trustees within TEAM Education Trust will consider whether location should be factored into decisions about pay when considering levels of remuneration. *(Appendix 4: sets out evidence to consider and possible questions to ask.)*

5.2 Ratios

Decisions on executive salaries should not be made in isolation but should be considered alongside other salaries and the wider context of the trust and the growth strategy phases. While there are no ideal ratio figures to suit all trusts, it is important that the board considers these statistics alongside the individual circumstances of the trust to form the basis of discussion around whether costs are reasonable and relevant in the context of the trust.

(Appendix 4: sets out evidence to consider and possible questions to ask)

6. Gender pay Gap reporting

The gender pay gap is the difference in the average hourly wage of all men and women across a workforce. Trusts with 250 or more employees are legally required to publish their gender pay gap figures annually, on the Government's reporting portal and on their own websites. The statutory deadline for public bodies to publish their data is 30 March each year. More information on the reporting requirements is available on the Acas website.

All trusts have an important role in helping to reduce the gender pay gap, in order to build a fairer society and ensure that everyone is able to reach their full potential.

Trusts are encouraged to consider evidence-based actions to address gender pay differences, including:

- a. Ensuring transparency to promotion, pay and reward processes
- b. Clearly communicate the salary range on offer as the evidence indicates that women are less likely to negotiate their pay compared to men

The Government Equalities Office has published guidance to help employers understand their gender pay gap figures and take the right actions, including advice on using evidence-based actions to close the gap, eight ways to understand your gender pay gap and a four-step guide to developing an action plan.

7. Pensions

The Teachers' Pensions Regulation 2010 and the Teachers' Pension Scheme Regulations 2014 mean academy trusts must put anybody who meets the criteria for the

Teachers' Pension Scheme (TPS) into the scheme following the guidance that explains the eligibility of senior leaders. Eligibility of leaders is for the trust to decide.

Where members of the trust are not eligible for the TPS they may become eligible for The Local Government Pension Scheme. The individual may choose to opt out of these pension schemes.

You must consider whether the individual is on the correct pension package that represents the best value for money for your trust.

(Appendix 4: sets out evidence to consider and possible questions to ask.)

8. Succession planning

It is important to give consideration to succession planning during recruitment, and not just when seeking a replacement. Individuals should not automatically be recruited at the same level as their predecessor.

(Appendix 5: sets out evidence to consider and possible questions to ask)

9. Public scrutiny

As academies operate with the use of public money, executive pay must be proportional and defensible to the public sector market and should reflect value for money. You should consider the public perception and the public benefit of your decision while considering salary decisions.

(Appendix 5: sets out evidence to consider and possible questions to ask)

10. Other Resources

There are many other external organisations that may be able to offer additional training and support.

(Appendix 5: sets out evidence to consider and possible questions to ask)

Appendix 1: Evidence to consider and possible questions to ask.

Point 9 Academic performance

Evidence to consider:

- At primary, Key Stage 2 headline measures
- At secondary, Key Stage 4 headline measures
- Post-16 performance
- Ofsted rating
- long and short term educational targets of the trust

Possible questions to ask:

- How does performance compare with the national average?
- How does performance compare with the schools of trusts in the same area or which have a similar context?

Point 11 Educational challenge

Evidence to consider:

- % of SEND pupils
- % FSM
- % EAL pupils
- Level of deprivation
- Number of looked after children

Possible questions to ask:

- Is the level of complexity and challenge significantly above other similar-sized trusts?

Point 13 Financial performance

Evidence to consider:

- The trust's deficit/surplus position
- The auditor's view of the trust - and the trust's progress towards implementing audit recommendations
- Requirement for additional financial support

Possible questions to ask:

- Is the trust in a financially stable position – both current and forecast?
- What level of improvement (if any) is required in order to reach a balanced budget position?
- How does financial performance compare with similarly sized trusts?

Specifically when reviewing existing salaries:

- Has the trust delivered to its financial forecast under the management of the individual?
- Is the trust forecasting a deficit in the forthcoming 3-year period, in excess of the operating surpluses generated in the previous 3 years?
- Have the trust's pupil number projections been reflected in the annual census?

Appendix 2: Evidence to consider and possible questions to ask

Point 14 Broader factors that may increase the degree of challenge in the role

Evidence to consider:

- Previous significant experience in improving educational and financial outcomes
- School Business Management qualifications and experience
- National Leaders of Education/National Leaders of Further Education
- Other relevant qualifications

Possible questions to ask:

- Does the level of complexity and challenge warrant a higher salary?
- How do the responsibilities of executives compare with trusts of a similar size and complexity?

Point 15 Experience of the individual

Evidence to consider:

- Previous significant experience in improving educational and financial outcomes
- School Business Management qualifications and experience
- National Leaders of Education/National Leaders of Further Education
- Other relevant qualifications

Possible questions to ask:

- Is this level of expertise essential for the role?
- What value does this additional expertise bring?
- Remuneration levels of other individuals with this level of expertise (within the trust, or within other similarly sized trusts).

Point 16 Cost of total remuneration package

Particular elements to consider include:

- Performance-related pay and other bonuses awarded during the financial year
- Pension contributions and payments in lieu of pension contributions
- Salary sacrifice arrangements
- Compensation for loss of office
- Any sums paid under any pension scheme in relation to employment with the provider
- Other taxable benefits
- Non-taxable benefits that are available only to senior members of staff
- Other remuneration and the cost to the provider e.g. car allowance
- Non-teaching staff should not be on a teaching employment contract:
- They should not be entitled to salary protection to prevent or delay a reasonable reduction in salary
- 14 weeks of annual leave should not be standard in contracts of non-teaching staff.
- Notice periods for non-teaching staff should not exceed 3 months.

Possible questions to ask:

- If the individual is on a part time or fixed term contract, is the FTE still reasonable within the context of the trust?
- Where the individual is also a trustee, could expenses be considered a conflict of interests?

Appendix 3: Evidence to consider and possible questions to ask

Point 17 Fixed-term appointments

Evidence to consider:

- Any intended outcomes of recruiting the individual (outside of business as usual responsibilities)
- Specific problems at the trust that are going to be addressed through the recruitment of this individual

Possible questions to ask:

- Are there time restrictions on the responsibilities of the individual?
- What length of contract would be appropriate for achieving the desired aims?

Point 20 Performance management and salary increases

Possible questions to ask:

- Does the level of staff turnover seem high and potentially indicate poor management practice?

Point 23 Benchmarking

Evidence to consider:

- Local trusts of similar size and challenge
- Other organisations, for example, Local Authority CEOs and Director of Children's Services (who generally have significantly greater responsibilities)

Possible questions to ask:

- Have any other local/similarly sized trusts recently recruited?
- Are there any organisations that may be able to provide benchmarking support?
- Is external independent advice required?

Point 24 Characteristics of the trust

Possible questions to ask:

- Does the size and provision of the trust provided any additional challenges?
- How do similarly sized trusts remunerate their executive leaders?
- Does the type of school present additional challenges to that of an academy trust of a similar size?

Appendix 4: Evidence to consider and possible questions to ask

Point 25 Location

Evidence to consider:

- Whether the trust or its academies need to recruit to central London
- Whether the trust is in a sparse/rural setting (balanced against the cost of housing in that area)
- Whether the location results in additional financial burdens for the trust as a whole

Possible questions to ask:

- Is it necessary to increase the salary level due to location?
- Are there cheaper alternatives to increasing the base salary? (eg subsidising transport)
- How does the salary level compare to trusts of a similar size facing similar challenges?

Point 26 Ratios

Evidence to consider:

- Cost of salary per pupil when benchmarked against comparable trusts
- Cost of total leadership team compared to trusts of a similar size
- % difference between highest and lowest paid staff
- Rate of pay increase across the trust
- Senior leadership team cost as a % of total staff cost

Possible questions to ask:

- Is external independent advice required to determine a fair ratio?

Point 27 Gender pay Gap reporting

Details in policy

Point 33 Pensions

Evidence to consider:

- Scheme Eligibility Cost
- Teachers' Pension Scheme Eligibility criteria
- The Local Government Pension Scheme Eligibility criteria

The TPS is a very generous scheme which provides a benefit structure designed to appropriately reward teachers for the excellent, but demanding, job they perform. Increases in employer contributions, which should be taken into consideration when agreeing remuneration packages for executives who are opted into the scheme.

Appendix 5: Evidence to consider and possible questions to ask

Point 34 Succession planning

Evidence to consider:

- Whether severance payments are reasonable and justifiable
- Intended length of service
- Required notice period
- Length of time required to recruit a replacement.

Point 35 Public scrutiny

Evidence to consider:

- Levels of teacher pay within the trust – and how your proposed salary compares to these
- Salary levels in the local area
- National salary levels
- Justification in response to ESFA challenge of salaries over £100,000 (and publication on GOV.UK)
- Local and national media interest in salaries
- Local economy

Possible questions to ask:

- Does the salary demonstrate VfM and can you publicly justify paying the level? Is it in the best interest of the charity (trust)?
- If the individual is requesting a higher salary, do they have the right interests?
- Is the remuneration package proportionate and defensible in relation the public sector market?

Point 36 Other Resources

- Department for Education: Implementing your schools approach to pay
- Department for Education: Governance handbook and competency framework
- Confederation of School Trusts Code: Principles for determining executive pay
- The Charity Commission guidance: Trustee expenses and payments (CC11)
- The Charity Commission: Trustee Welcome Pack
- Confederation of Schools Trust
- National Association of Head Teachers
- National Governance Association