

Executive Pay Policy



Dartmoor
MULTI ACADEMY TRUST

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Introduction

“Good governance in charities is not an optional extra, or a bureaucratic detail. Good governance is what underpins the delivery of a charity’s purposes to the high standards expected by the public.”

David Holdsworth, Deputy CEO, Charity Commission, August 2018

1. Setting the framework for the pay of the senior executive leader (s) and the leadership team in Dartmoor Multi Academy 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](#)

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

3. The AFH 2020 sets out the following requirements in relation to executive pay:

*“2.4.3 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 his or her own remuneration.”*

*“2.4.4 The board **must** discharge its responsibilities effectively, ensuring its approach to pay is transparent, proportionate and justifiable, including:*

- *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 any instance of poor financial management of the trust.”*
4. The Dartmoor Multi Academy 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.
 5. 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 Dartmoor Multi Academy Trust.
 6. Trustees to ensure decisions around pay evidence a robust decision-making process that ensures pay is transparent, proportionate, reasonable and justifiable for all staff.
 7. Trustees may, depending on role, take the following independent factors into consideration when setting pay and reviewing salaries:

Academic performance

8. Academic performance and the key outcomes of Dartmoor Multi Academy 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.
9. 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*)

Educational challenge

10. 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.
11. 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*)

Financial performance

12. 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.
13. 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*)

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

14. 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:
 - i. Permanent role and responsibilities that may not be typical of the role in other organisations
 - ii. Existing significant concerns at the trust
 - iii. A role in leading future plans for the trust (e.g. expansion)
 - iv. Additional accountabilities (e.g. leading a teaching school alliance)
 - v. Responsibility for engaging the local community

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

Experience of the individual

15. 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*)



Cost of total remuneration package

16. Trustees will consider the total remuneration package, not just the cost of the basic salary. *(Appendix 2: sets out evidence to consider and possible questions to ask).*

Fixed-term appointments

17. 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)*

Performance management and salary increases

18. **Decisions to award pay progression must be related to the individual's performance, as assessed through the Trust's appraisal arrangements.** *(Refer to Trust's Appraisal Policy)*

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19. The use of funds intended for education to pay large bonuses is a matter that has come under much scrutiny. It is important that Trustees fully justify any potentially contentious decisions.

20. 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. 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.

21. Pay increases should always be considered in the context of the wider organisation. Rewards must be applied appropriately at all levels. Executive leaders are not solely responsible for the performance outcomes at Dartmoor Multi Academy 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.

22. The Pay Ranges for the Executive Group within Dartmoor Multi Academy Trust are set out below:

Role	Pay Range
Chief Executive Officer/Accounting Officer	£125,000 - £145,000
Vice Chief Executive Officer	£97,273 - £102,159
Chief Finance & Operations Officer	£71,226 -£79,130



23. (NB: if CFOO role is split, such role(s) may not be included within the Executive Group Pay Structure)

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

Benchmarking

24. 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.

25. 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.

26. 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)

Characteristics of the trust

27. 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 Dartmoor Multi Academy Trust will be taken into consideration when setting salaries:

- i. Number of academies
- ii. Number of pupils
- iii. Range of provision
- iv. The quality of provision and their financial effectiveness

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

Location

28. Trustees within Dartmoor Multi Academy 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.)



Ratios

29. Decisions on executive salaries should not be made in isolation, but should be considered alongside other salaries and the wider context of the trust. While there is 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*)

Gender pay Gap reporting

30. 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](#).
31. 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.
32. Trusts are encouraged to consider [evidence-based actions](#) to address gender pay differences, including:
- Ensuring transparency to promotion, pay and reward processes
 - Clearly communicate the salary range on offer as the evidence indicates that women are less likely to negotiate their pay compared to men
33. 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.

Pensions

34. 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.
35. 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.
36. 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.*)

Succession planning

37. 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*)

Public scrutiny

38. 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*)

Other Resources

39. There are many other external organisations that may be able to offer additional training and support. (*Appendix 6: Website links*)



Appendix 1: Evidence to consider and possible questions to ask

1.0 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?

2.0 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?

3.0 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

4.0 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?

5.0 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).

6.0 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

7.0 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?

8.0 Performance management and salary increases

Possible questions to ask:

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

9.0 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?

10.0 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

11.0 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?

12.0 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?

13.0 Gender pay Gap reporting

Details in policy

14.0 Pensions

Evidence to consider:

Scheme	Eligibility	Cost
Teachers' Pension Scheme	Eligibility criteria	16.4% of employee's salary (rising to 23.6% from September 2019).
The Local Government Pension Scheme	Eligibility criteria	Employer contributions are determined on a risk basis so contribution rates will vary.

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. In the forthcoming year members will see a 42% increase 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

15.0 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.

16.0 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?

17.0 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](#)