



# Little Lever School

be kind | work hard | take responsibility

## **EXECUTIVE PAY POLICY**

01 September 2024

# EXECUTIVE PAY POLICY

## 1. Introduction

The Trust is both a charity and company limited by guarantee and must operate to further the trust's educational charitable purpose.

The Trust is accountable to the Education and Skills Funding Agency (ESFA), the Secretary of State for Education as principal regulator, and the communities we serve for the education we provide to pupils.

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

We are free to set our own salaries for staff. This places a responsibility on the board to ensure that the use of public money represents best value and adheres to the Nolan Principles.

1. [Selflessness](#)
2. [Integrity](#)
3. [Objectivity](#)
4. [Accountability](#)
5. [Openness](#)
6. [Honesty](#)
7. [Leadership](#)

This policy aims to support the trust in making decisions about pay and further enabling the board to be confident about, and accountable for, these decisions.

## 2. Executive Pay Policy

The pay of all executives will follow the requirements of the Education and Skills Funding Agency Financial Handbook. Any changes to these requirements overrule anything included in this policy. Therefore this policy needs to be reviewed and if necessary updated annually.

2.1 The board of trustees must approve all executive pay levels, and these must be reviewed annually.

2.2 The board of trustees must ensure they have received external expert advice when setting levels of executive pay.

2.3 The board of trustees will ensure its decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities. No individual can be involved in deciding his or her own remuneration.

2.4 The board will discharge its responsibilities effectively, ensuring its approach to pay is transparent, proportionate and justifiable, including:

- Process - that the procedure for determining executive pay is agreed by the board in advance and documented, *see appendix 1*. The process will be documented and retained. All evidence used to justify executive pay will be recorded and retained.
- Independence - decisions about executive pay reflect independent and objective scrutiny by the board and that conflicts of interest are avoided. The Trust will always have an independent external expert as part of the assessment process.
- Decision-making - factors in determining pay are clear, including whether performance considerations, and the degree of challenge in the role, have been considered.
- Proportionality - pay is defensible relative to the public sector market.
- Documentation - the rationale behind the decision-making process, including whether the level of pay reflects value for money, is recorded and retained.
- A basic presumption that non-teaching pay will not increase at a faster rate than that of teachers, in individual years and over the longer term understanding that inappropriate pay can be challenged by ESFA, particularly in any instance of poor financial management of the trust. If ESFA believes that a robust process for deciding on executive remuneration has not been followed, or that the salary is inappropriate in the context of the trust, ESFA will challenge the trust directly to resolve this issue. High salaries have been factored into ESFA's approach to risk management and are now considered alongside other risks when making decisions about academy trusts.

2.5 All decisions will be made based on a consideration of relevant evidence. The board will consider the following when deciding the level of executive pay:

- Current and past performance of the individual
- Academic performance of the trust
- 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

2.6 The Trustees will set a pay scale for executive positions.

The Trust will decide annually whether to have:

- A pay and grading structure which is based on a 'points to pay' relationship that has been determined through a job evaluation scheme.
- Adopting or adapting a suitable pay range; this could be arranged from elsewhere within the sector (local government or the senior civil service).
- Spot Salary, indicating how and what annual increases there will be.

The Trust will issue the details of its executive pay scales annually once it has decided what is the best and most appropriate method of setting scales.

2.6 The Board of Trustees will ensure that any executive pay scheme satisfies HMRC regulations. The Trust will have full regard of its obligation to lead by example and ensure it operates under the spirit of all legal frameworks.

2.7 The Executive Pay Policy and Process will be published on the Trust website.

## Appendix 1 – Performance and Review Process

Reviewee	Performance Reviewer	Performance Review	Process
Executive Headteacher	Chair of the Trust Board Vice-Chair of the Board 1 Trustee <b>External Review moderation and support</b>	September 2024	<ul style="list-style-type: none"> <li>Reviewers and external moderator receive self-review and evidence paperwork at least 1 week prior to the review.</li> <li>Reviewers meet with external moderator prior to the review to ensure impartial assessment of the self-review notes, and to ensure considered decisions about the extent to which targets have been met.</li> <li>Review leads to assessment of salary and meeting with the performance management committee for ratification.</li> <li>Targets agreed and signed off by performance management committee and Trust Board.</li> <li>The factors taken into account and the weighting of these factors in deciding the final salary will be documented and retained on file for inspection by appropriate bodies such as the ESFA or Charities Commission.</li> <li>We have a duty under Charity Law to follow any of the regulations and best practice of the charities commission</li> </ul>