



# Executive Pay Policy (LLT)



LYDIATE  
LEARNING  
TRUST

ENGAGE, ENABLE,  
EMPOWER

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# Executive Pay Process (LLT)

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## 1 AIMS OF THE POLICY

1.1 This policy aims to ensure that:

- The Trusts funds are used only in accordance with the law, its articles of association, its funding agreement and the latest Academy Trust Handbook
- The Trust has due regard to propriety and regularity, and ensures value for money, in the use of public funds
- Trustees fulfil their fiduciary duties and wider responsibilities as charitable trustees

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

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.

1.3 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

1.4 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:

- can be justified and are in the best interests of the charity and taxpayer
- reflect the individual's responsibilities
- demonstrate value for money

1.5 The Lydiate Learning Trust (LLT) Board has adopted the policy set out in this document to provide a clear framework for the management of pay and grading issues for executive staff employed by the Trust.

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- 1.6 The LLT Board 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 CEO/Executive staff employed by the Trust, which takes account of the conditions of service under which staff are employed and relevant statutory requirements.
- 1.7 The LLT Board recognises its responsibilities under relevant legislation including the Equality Act 2010, the Employment Relations Act 1999, the Part –time Workers (Prevention of Less Favourable Treatment) Regulations 2000, the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and will ensure that all pay related decisions are taken equitably and fairly in compliance with statutory requirements.
- 1.8 The LLT Board recognises the requirement that all pay progression decisions for all executive staff must be linked to annual appraisal of performance. The process set out in this document seek to ensure that this is achieved in a fair, equitable and transparent way. The Board also recognises any contractual uplifts to pay i.e. cost of living increase.

## 2 LEGISLATION AND GUIDANCE

- 2.1 As a multi academy trust we recognise we are free to determine our own pay policy, but we also fully recognise that any policy must be within the requirements of The Academy Trust Handbook, which states:
- 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.
- 2.2 No individual can be involved in deciding their own remuneration.
- 2.3 The Board must discharge its responsibilities effectively, ensuring its approach to pay and benefits 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
  - 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

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- 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.

2.4 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.

2.5 The Trust recognises its responsibilities under relevant legislation including the Equality Act 2010, the Employment Relations Act 1999, the Part –time Workers (Prevention of Less Favourable Treatment) Regulations 2000, the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and will ensure that all pay related decisions are taken equitably and fairly in compliance with statutory requirements.

NB. In this instance LLT Trustees have used PiE and CST annual benchmarking papers as a method of determining executive pay. This is based on the following principles:

1. Decisions on executive pay are fair, proportionate and justifiable
2. There is a fair, evidence-based process for making those decisions
3. The process is underpinned by probity, the ethos of public service, public sector values and the principles of public life

## 3 JOB ROLES AND RESPONSIBILITIES

3.1 Executive staff will be provided with a job description outlining the roles and responsibilities of the post. This will also include the pay range and any additional payments or allowances covered by this policy. The job description will state the reason for any additional allowances or payments and whether this is a permanent or temporary payment.

3.2 Any significant changes to duties and responsibilities of a post will be subject to consultation with the member of staff with a view to reaching agreement. Where there is a significant change in duties and responsibilities of a post a new job description will be issued.

3.3 Where the staffing structure of the Trust needs to be changed, resulting in broader changes to roles and responsibilities, this will be the subject of consultation with staff and the recognised trade unions before any changes are made and with a view to seeking to agree the changes before new job descriptions are issued.

## 4 PAY ASSESSMENT AND REVIEW

4.1 The LLT Board will ensure that the CEO, Executive Director of School Improvements, Finance, HR and Operations salary is reviewed on an annual basis with effect from 1<sup>st</sup> September, no later than 31<sup>st</sup> October for Executives and 31<sup>st</sup> December for the CEO.

4.2 The Executive's appraisal report will contain a recommendation on pay. The CEO or Exec Director of HR will be responsible for submitting any recommendations for pay

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progression, in accordance with the relevant sections of this process, to the Executive Pay Committee for ratification. (Governors will receive anonymised pay progression information).

- 4.3 The Appraisal report will contain recommendation on pay. Where applicable it must be noted that schoolteachers terms and conditions apply. The pay and remuneration committee will be responsible for submitting any recommendations for pay progression after considering all the evidence presented and in accordance with the relevant sections of this process.
- 4.4 The CEO/Executives will receive an annual pay statement including details of any salary and financial benefits to which they are entitled, including any salary safeguarding arrangements that may apply. In addition, they will receive a copy of their job description. Any significant changes to job descriptions may require a re-evaluation of the post.
- 4.5 A review may occur at other times where there has been a significant change affecting the CEO/Executive's pay or on reasonable request for a full review. A revised written statement will be issued in such circumstances, including any salary safeguarding arrangements that may apply.
- 4.6 The pay and remuneration committee will award pay in line with the agreed salary scale and range attached to the role under consideration. In addition, where the individual exceeds the top of the Headteacher scale a discretionary payment of 25 % may be awarded. Further, the Board may choose to award a payment in excess of 25% taking into account all or some of the criteria below.
- Current performance of the individual
  - Academic performance of the trust including Ofsted judgements
  - Financial performance of the trust
  - Levels of pay increases for teachers and other staff in the Trust
  - Any broader factors e.g. expansion, unique features e.g. teaching hub, SCITT etc, concerns at the Trust to deal with.
  - Characteristics of the Trust e.g. range of provision, number of students etc.
  - Gender pay
  - Educational and organisational challenges e.g. number of disadvantaged, SEN % FSM, LAC, level of deprivation or similar
  - Experience and previous pay of the individual
  - Location of the Trust
  - Retention and succession planning
  - Public Scrutiny
  - Affordability

## 5 MONITORING

- 5.1 The Pay and Remuneration Committee is responsible for monitoring that the process for setting executive pay described within this policy document has been fully adhered to and properly documented.

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- 5.2 The Exec Director for Finance is responsible for ensuring any changes in pay or remuneration entered into the trust HR/payroll database is supported with fully authorized supporting documentation.
- 5.3 The Exec Director for Finance is responsible for monitoring pay on a monthly basis in accordance with Trust payroll procedures. Variances in pay from prior month or against budget are investigated and require supporting documentation from the HR department prior to authorization.
- 5.4 Payroll controls are checked by the Trust auditors on an annual basis.
- 5.5 Any decisions/payments made in relation to severance or ex-gratia payments will be handled in line with the 'Guide to Academy Trust Severance Payments' which can be accessed via .gov website.
- 5.6 This policy will be reviewed annually by the Director of HR and approved by the Board of Trustees.

## 6. RELATED POLICIES

- 6.1 Links to the related policies and procedures are contained below:

[llt\\_teaching\\_staff\\_appraisal\\_policy\\_july\\_2022.pdf \(lydiatelearningtrust.co.uk\)](#)

[llt - teaching staff pay policy 2022.pdf \(lydiatelearningtrust.co.uk\)](#)

[sod\\_matrix\\_v4\\_may\\_2023.pdf \(lydiatelearningtrust.co.uk\)](#)

## Appendix 1

### 1 EXECUTIVE PAY PROCESS

- 1.1 The first step in developing a process for assessing executive pay is to establish an executive pay committee. The committee should be composed of stakeholders who are

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knowledgeable about executive pay and have a keen understanding of the education landscape.

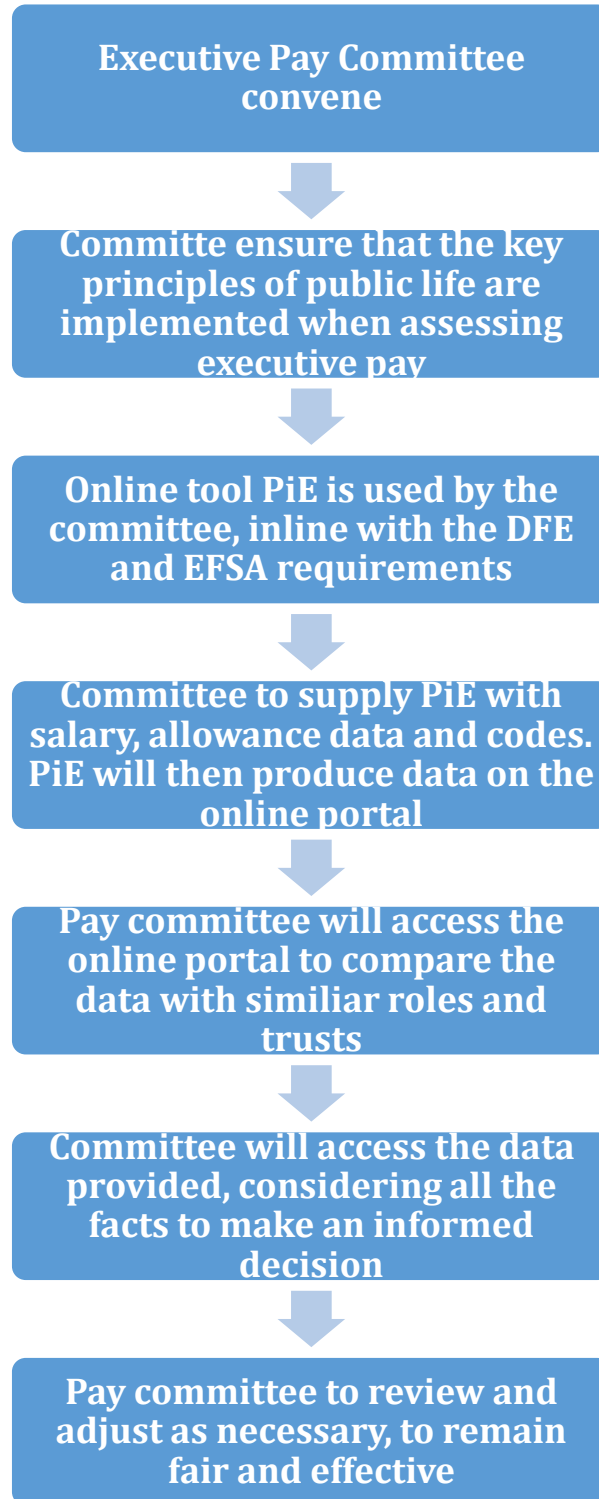
- 1.2 The next step is to determine the executive pay philosophy that will guide the executive pay committee in assessing executive pay. The philosophy should be based on the 'key principles of public life': objectivity, openness, and accountability. It should also consider the specific roles of the executives in Finance, HR, and Operations.
- 1.3 To enable the executive pay committee to manage pay responsibly in line with DFE and ESFA requirements. The pay executive committee will utilise the online tool Pay in Education (PiE) to conduct benchmarking. PiE will enable the committee to compare salaries, bonuses, allowances, paid in the trust with similar trusts whilst ensuring anonymity of data.
- 1.4 To enable accurate job matching – the executive pay committee will provide PiE with salary, allowance data, qualifications and job codes. PiE will then allocate to a job family and a job level to each role resulting in jobs with similar and comparable characteristics being grouped together. The anonymised data will then be uploaded using the PiE online dashboard. PiE will then validate.
- 1.5 Once PiE have validated, the executive pay committee will then have access to the PiE reporting tool which will give them access to salary, allowance and bonus data compared with similar organisations with a range of filters including size and phase of the Trust, the pupil numbers, region and other trust characteristics.
- 1.6 Based on the data and analysis, the executive pay committee can develop a comprehensive pay award that considers all relevant factors. The pay award should be transparent and equitable and should be communicated to all stakeholders.
- 1.7 The executive pay committee should review the CEO/Executive pay award on a regular basis and adjust as necessary to ensure that it remains fair and effective. The committee should also solicit feedback from stakeholders to ensure that the executive pay process is meeting their needs.

## 2. EXECUTIVE PAY PROCESS (FLOWCHART)

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## Appendix 2

### PAY APPEALS PROCEDURE

The LLT Trust Board has adopted the following procedure to consider any pay appeals and has delegated the responsibility to the Executive Pay Committee:

#### Stage 1 - Informal

- 1.1 If, following receipt of the written confirmation of the pay determination and where appropriate the basis upon which the decision was made, the member of staff is not satisfied, he / she should seek to resolve this by discussing the matter informally with the decision maker (Executive Pay Committee) within 10 working days of the decision.
- 1.2 Where this is not possible, or where the member of staff continues to be dissatisfied with the decision, he / she may follow the formal Stage 2 Appeal process below.

#### Stage 2 - Formal

- 2.1 The member of staff should submit a written appeal, setting out the grounds and the detail upon which the pay decision is appealed. This should be sent to the clerk to governors, within 5 working days of the notification of the decision being appealed against, or the outcome of the informal discussion.
- 2.2 The clerk to governors will arrange a hearing, within 10 working days of receipt of the written appeal, at which the Executive Pay Committee will consider the appeal and give the staff member an opportunity to make representations in person and / or be accompanied by a work colleague or trade union representative.
- 2.3 Following the hearing the member of staff will be informed in writing of the decision and the right of appeal. Any appeal must be submitted within 5 working days working days from receipt of written confirmation of the decision.
- 2.5 The decision of the appeal panel will be given in writing within 5 working days working days and where the appeal has been rejected this will include a note of the evidence considered and the reasons for the decision.
- 2.6 The decision of the panel will be final. There will be no further right of appeal.

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## Appendix 3

### EXECUTIVE PAY COMMITTEE – TERMS OF REFERENCE

Membership: The committee shall consist of not less than 3 governors.

Quorum: The quorum shall be three governors.

Meetings: The Committee will meet when necessary and minutes must be taken by a Clerk appointed by the Lydiate Learning Trust Board.

#### **Terms of Reference**

1. To apply the criteria set in the LLT Executive Pay Process in determining the pay of the CEO/Executives.
2. To review annually the school staffing structure, in accordance with the pay policy and curriculum plan.
3. To review any alterations or amendments to the staffing structure as and when required.
4. To review the school appraisal process
5. To review and agree the Head’s recommendations for pay progression.
6. To review the annual staffing report.
7. To review staff attendance.
8. To observe all statutory and regulatory requirements and to ensure all contractual obligations are met.
9. To keep abreast of all relevant updates and to advise the LLT Board of any changes to Trust policies including:
  - Pay Policy
  - Appraisal Policy
  - Staff Development Policy and associated policies e.g. ITT, Induction
  - Staff Leave of Absence Policy
  - Restructure and Redundancy Policy
10. To maintain an overview of total remuneration options for employees as a recruitment / retention / motivation tool to ensure the school is “market facing”. Advising the LLT Board of any areas of concern.
11. To minute clearly the reasons for all decisions and report the fact of these decisions to the next meeting of the full governing body and to the Trust Board as appropriate.
12. The report of the Pay Committee will be placed in the confidential section of the governing body’s agenda and will either be received or referred back. Reference back may occur only if the Pay Committee has exceeded its powers under the policy.

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