



# Summit Learning Trust

## Executive Pay Policy

<b>Approved by:</b>	Remuneration Committee	<b>Date:</b> November 2018
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## Executive Pay Policy

### 1. Objectives

Summit Learning Trust 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.

The Board of Trustees acknowledges that all academy leaders are public servants in how they serve their students and surrounding communities. They are not only expected to lead schools and colleges but also to model best behaviours, including adhering to the Nolan Principles:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- 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.

The Trust recognises that within the sector when considering executive pay, a highly competitive labor market exists, 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 Academies Financial Handbook 2018

### 2. Scope

This policy specifically relates to the Chief Executive Officer (CEO) and the School Improvement Director (SIDs) of Summit Learning Trust.

### 3. Legislation and Guidance

As a Multi Academy Trust, we are free to determine our own approach in deciding executive pay, however the Board of Trustees **must** operate within the provisions set out in the Academies Financial Handbook 2018 when setting or agreeing increases to executive pay as follows:

- A robust evidence-based process is followed and is reflective of the individual's role and responsibilities
- The CEO and SIDs will not be involved in deciding his or her remuneration
- The procedure for determining executive pay is agreed by the board in advance and documented
- Any decision about executive pay is independent and objectively scrutinised by the Board of Trustees and any conflicts of interests are avoided
- Factors in determining pay are clear, including whether performance considerations and the degree of challenge in the role, have been taken into account
- The pay level agreed is proportionate and defensible relative to the public sector market
- The rationale behind the decision making process is well documented and retained, including whether the level of pay reflects value for money
- A basic presumption that non-teaching pay should not increase at a faster rate than that of teachers, in individual years and over the longer term

- An understanding that inappropriate pay can be challenged by the ESFA, particularly in any instance of poor financial management of the Trust

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. Roles and responsibilities**

The Board of Trustees has delegated its power to the Remuneration Committee to determine the pay level, pay progression and terms and conditions for the CEO and SIDs employed by the Trust.

The Remuneration Committee has therefore adopted the policy set out in this document to provide a clear framework for the management of pay progression in consultation with the Director of HR.

#### **5. Recruitment of Executive posts**

The CEO and SIDs role sits outside of the School Teachers Pay and Conditions Document (STPCD) as it ceases to be considered a 'teaching role', and therefore the Board of Trustees will determine the reward package based on the following:

- Salary based on a spot salary determined by the nature of the role and its challenges
- Annual cost of living uplift
- Membership of relevant defined pension scheme (i.e. Teachers' Pension Scheme/Local Government Pension Scheme)
- Payment of a non-consolidated performance bonus (as outlined in this policy)

The Chair of the Board of Trustees reserves the right to review any aspect of the contracts of employment for the CEO and SIDs as and when required, subject to consultation with the employee and Director of HR and in conjunction with advice from the Trust's Solicitor.

#### **6. Objective Setting for CEO**

The terms of reference for the Remuneration Committee has delegated responsibility from the Board of Trustees to monitor and evaluate the performance of the CEO and SIDs. It is, therefore, the Remuneration Committee's responsibility to ensure the CEO and SIDs performance review takes place to fulfil the Board's responsibility for the strategy and performance of the Trust.

The CEO and SIDs are entrusted with the Trust's day to day leadership, within the guidelines and direction set by the Trust Board, taking account of statutory obligations for the sector. By adopting a more formalised structured approach to their evaluation, the process is more likely to improve the overall performance of the Trust.

The CEO and SIDs evaluation should, therefore, 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 and SIDs
- Have a clear, transparent and agreed link between performance outcomes and remuneration
- The CEO and SIDs 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

In line with the Trust's Performance Review Policy, the review period will run for 12 months commencing in September. The CEO's evaluation will include on-going discussions with the Chair of the Board of Trustees about performance with regular feedback presented to the Board of Trustees. The SIDs evaluation will include on-going discussions with the CEO about their performance but also with regular feedback being presented to the Board of Trustees.

This regular assessment of performance will have both a past and future focus, as it is just as important to measure the CEO and SIDs ability to establish and maintain effective leadership, whilst providing opportunities for multiple sources of input (e.g. data, 360-degree feedback); setting and resetting of future objectives and capturing their personal development needs.

## **7. Performance and Pay Review (See Appendix 1 for an overview of the Performance & Review Process)**

### **CEO**

The annual performance review process will be undertaken by the Chair and Vice Chair of the Board of Trustees, who are also members of the Remuneration Committee, and it will also include the involvement of one Trustee. An externally appointed consultant (who is independent and appropriately qualified) will support this process and will provide moderation and support on the achieving and setting of objectives.

The following process will be followed:

- Reviewers and external moderator receive self-review and evidence paperwork at least 1 week prior to the review.
- Reviewers meet with external moderator prior to the review to ensure impartial assessment of the self-review and evidence, including 360 review and mid-term review notes, and to ensure considered decisions about the extent to which targets have been met
- Review leads to assessment of salary and meeting with the Remuneration Committee for ratification, supported by the Director of HR
- Targets agreed and signed off by Remuneration Committee and Board

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

### **SIDs**

The annual performance review process will be undertaken by the CEO, together with a Trustee who is linked to secondary/primary schools. The following process will be followed:

- CEO and Trustee receives self-review and evidence paperwork at least 1 week prior to review.
- Reviewer completes evaluation of performance including 360 review and mid-term review notes.
- In review meeting, Reviewer, Trustee and SID discuss performance and evidence and agree to what extent objectives have been met.
- Recommendations on salary made to the Remuneration Committee and signed off by them.  
Targets agreed and signed off by CEO; shared with the Board

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

The Committee will decide if based on achievement of targets, one or more of the following will apply:

- a percentage pay award increase
- an unconsolidated payment of a performance related bonus

The recommendations and decisions as to whether to make an award and the size of an award will take into account:

- Contribution to the Trust and whether it has:
  - - Not met expectations
    - Met expectations
    - Exceeded expectations
  -
- Further consideration should also be given to the following:
  - - Impact of achieving or not achieving objectives
    - Level of achievement in light of internal and external challenges
    - The principles of this policy
    - Affordability

Any decision taken by the Remuneration Committee must be agreed and ratified by the Board of Trustees.

## **8. Appeals**

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

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
<b>CEO</b>	Chair of the Board Vice Chair of the Board 1 Trustee (education background where possible) <b>External Review moderation and support</b>	August 2018	<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 and evidence, including 360 review and mid-term 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 Remuneration Committee for ratification</li> <li>Targets agreed and signed off by Remuneration Committee and Board</li> </ul>
<b>SIDs</b>	CEO Trustee (linked to secondary/primary)	August 2018	<ul style="list-style-type: none"> <li>CEO and Trustee receives self-review and evidence paperwork at least 1 week prior to review.</li> <li>Reviewer completes evaluation of performance including 360 review and mid-term review notes.</li> <li>In review meeting, Reviewer, Trustee and SID discuss performance and evidence and agree to what extent objectives have been met.</li> <li>Recommendations on salary made to the Remuneration Committee and signed off by them. Targets agreed and signed off by CEO; shared with the Board</li> <li></li> </ul>
<b>Executive</b>	CEO and as appropriate - Chair of Finance Chair of Personnel Vice Chair of the Board	September 2018	<ul style="list-style-type: none"> <li>CEO and Trustee receive self-review and evidence paperwork at least 1 week prior to review.</li> <li>Reviewer completes evaluation of performance including 360 review and mid-term review notes.</li> <li>In review meeting, Reviewer, Trustee and Director discuss performance and evidence and agree to what extent objectives have been met.</li> <li>Recommendations on salary made to the Remuneration Committee and signed off by them. Targets agreed and signed off by CEO; shared with the Board</li> </ul>