

Liberty Academy Trust

Senior Postholder Pay Policy

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1 Introduction

This document provides a framework for the remuneration of senior post holders. This provides a basis for the Remuneration Committee (“the Committee”) to determine the remuneration of senior post-holders, as provided by the terms of reference of the Committee. This policy has been formally adopted by the Trustee Board.

The policy does not form part of any employee's contract of employment or other contract to provide services and we may amend it at any time.

2 Scope and purpose

The policy relates to all senior postholders within Liberty Academy Trust, including but not limited to the Chief Executive and Executive Directors.

This policy aims to offer sufficient remuneration to attract, retain and motivate employees of suitable calibre to provide schools with an effective and efficient service; and such remuneration is to be regarded as fair by both staff and the sector in which they serve by maintaining broad comparability between education and private sector pay.

3 Remuneration of Senior Postholders

The Committee are responsible for ensuring that senior postholders receive fair, appropriate, and justifiable levels of remuneration that recognise:

- Individual contributions to the Trust’s success
- The need to recruit, retain and motivate postholders of a high calibre
- The need to demonstrate value for money.

Remuneration packages may comprise:

- Spot Salary
- Retention awards
- Benefits in Kind (such as healthcare, life insurance or cars, should the Trust choose to offer these)
- Pensions

The Committee will apply the following principles when making decisions relating to senior postholder remuneration:

The Value of the Role

Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively. Fair and appropriate remuneration recognises an individual’s contribution to the Trust’s success in that role, and is sufficient to recruit, retain and motivate employees of appropriate calibre in the context of the market for that role, balanced

with the need to demonstrate the achievement of value for money in the use of resources.

The value of different senior posts may vary in several ways including the complexity of the role, accountability, levels of discretion in relation to decision making and the impact that the role has on children, employees and other stakeholders, as well as the financial sustainability of the Trust. Consideration should also be given to the knowledge, specialist skills and experience and professional credibility required.

Performance in Support of Strategic Objectives

Pay progression will always be linked to the successful achievement of personal objectives through the appropriate application of the annual appraisal process and at the discretion of the Trust, is also subject to the following conditions for all employees:

- The financial health of the Trust being such that pay progression is affordable.
- The successful delivery of Trust Strategic Objectives
- The successful delivery of Directorate Strategic Objectives
- Continued employment at the date of the award NOT the effective date (notice period being served following notice given by either party does not constitute continued employment)
- Compliance with all Trust's policies, practices and ethical standards and demonstration of Trust values.

There is a presumption that pay will not increase for any senior postholder whose performance is being supported or has been supported (informally or formally) through a performance plan or as part of a formal process during the relevant performance year.

An assessment of performance in relation to senior postholders objectives should be considered, with reference to the values and strategic KPIs. There must be a robust and consistent process for setting objectives and assessing progress, to ensure that post holders are clear as to what is expected of them by the Trust. This should include the definition of what is considered to be "expected" and "exceptional" performance. The Committee will consider that the targets set for performance related remuneration are appropriate and demanding in the context of LAT's environment and the challenges it faces.

Market Factors

In considering the value of each role, due attention should be taken of market rates for comparable roles within the sector, including factors such as location, size and complexity of the Trust. It is important that salaries remain competitive with comparable roles within the sector if the Trust is to recruit and retain the highest quality leaders.

Affordability

Any changes in remuneration for senior postholders must consider the Trust's overall financial position.

Public Context

The Trust is publicly accountable and therefore must ensure transparency in relation to the setting of senior postholder remuneration whilst being considerate of public consciousness, when doing so. This should include considering the Trust's approach to

rewarding all employees and how senior postholders remuneration, and any proposed increases, compare with the Trust workforce as a whole (median average earnings) and the impact of any proposed changes.

Parity and Fairness

The Trust must consider matters of equality and inclusion to ensure that there are no biases pertaining to any protected characteristic in the setting of pay.

To ensure fairness and equity throughout the organisation, job roles should be graded relative to that of the salary of a newly qualified teacher. The highest paid role will not exceed eight times that of a newly qualified teacher.

4 Approach

The Pay & Remuneration Committee must be independent and in no circumstances can any individual be involved in deciding his or her own remuneration.

The Committee must take great care to ensure the public obtain value for money from the resource appointed within the Trust and are attentive to excessive levels of pay.

The Committee recognise that their decisions must accord with the Seven Principles of Public Life and the Equality Act 2010. Decisions in respect of senior postholder remuneration will reflect the LAT values, which form an important strand of performance management and objective setting.

Any proposals for amendments to Senior Postholder remuneration must be presented to the Committee by the CEO who will normally be invited to attend meetings of the Committee to respond to specific questions raised by members of the Committee.

Any proposals to review the remuneration of the CEO must be presented by the Chair of Trustees.

Any proposals to change an individual's pay discussed by the Committee will not automatically result in a salary change for the postholder(s). There is no formal process for appeal in relation to decisions made by the Committee; representations made about any such decision may be considered by the Board of Trustees or by an ad hoc committee of the Board, which will not include Trustees involved in the decision at Committee stage.

From time to time the Committee will seek external advice and benchmarking in order to satisfy the Board that senior postholder remuneration is equitable and competitive within the sector.

At all times the Committee will ensure compliance with the provisions of the Academy Trust Handbook (in particular clauses 2.30-2.34). Following annual publication of the Handbook, the Committee will agree and document the process for determining senior postholder remuneration ahead of the next performance cycle.

5 Frequency of Reviews

Pay will be reviewed annually (including the consideration of a cost-of-living award, considering the factors outlined above in section 1; or at other times of the year where the duties of a postholder are required to change.

6 Setting Senior Postholder Pay on Appointment

All roles will be advertised in accordance with LAT pay scales. Actual salary offered will be based on how well a candidate performs at interview (using interview scoring as the mechanism) and not by negotiation of the candidate to avoid any bias. Any appointment outside of agreed pay scales requires robust evidence and must consider the wider current economic and labour market context, together with evidence why these can only be addressed by appointing outside of this approach.

Recommendations on the spot salary of new senior postholders will be made by the CEO (unless appointing a CEO postholder, then the Board will determine the salary).

Consideration will be given to the extent to which the appointee would fully meet all requirements of the role and the extent to which there are development areas, ascertained from the interview process and the consideration of skills and previous experience.

Consideration will also be given to the need to offer pay progression opportunities after appointment, therefore candidates would typically not be offered a spot salary that is above the market rate, unless exceptional circumstances apply.

7 Equality & Diversity

This policy will be implemented in accordance with equal opportunities legislation and the LAT Equality & Diversity Policy. The policy advances equality as required by law by setting salaries only in relation to the requirements of each post and the current labour market.

Equal pay law is covered by the Equality Act 2010 and the Equality and Human Rights Commission (EHRC) statutory code of practice on equal pay. By law, 'equal work' counts as either: 'work rated as equivalent' – work rated as equivalent. Equal pay applies to all terms and conditions of employment.

All employees have the right to equal pay. There is a legal requirement to eliminate bias in determining pay and this can be achieved through benchmarking and objective approach to measurement of performance.

8 Access to the Policy

The policy will be accessible to the public via the LAT website.

9 Responsibility for the Policy

The Chair of the Pay & Remuneration Committee is responsible for overseeing the implementation of this policy. The CEO and HR Team will support the development of this policy as required.