

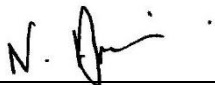


Pennine Academies Yorkshire

Executive Pay Policy

Date Policy Written:	November 2020
Date Policy Ratified:	9 December 2020
Date Policy to be Reviewed:	December 2021

Signed by:



Chair of Trustees

Date: 9 December 2020

Summary

This policy should be read in conjunction with:

<https://www.gov.uk/government/publications/setting-executive-salaries-guidance-for-academy-trusts/setting-executive-salaries-guidance-for-academy-trusts>

<https://www.nga.org.uk/getmedia/96d3df9c-1e4f-4e62-976d-f68b128843a2/NGA-setting-exec-pay-considerations-for-trust-boards-Sept-2020.pdf>

Academy trusts are both charities and companies limited by guarantee and must operate to further the trust's educational charitable purpose.

They are accountable to the Education and Skills Funding Agency (ESFA), the Secretary of State for Education as principal regulator, and the communities they serve for the education they provide to pupils.

It is essential that we have the best people to lead our school, but at the same time, it is important that salaries:

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

Academy trusts are free to set their own salaries for staff. This places an even greater responsibility on the board to ensure that the use of public money represents the best value for money, and that decisions are underpinned by the 7 principles of public life, as set out by Lord Nolan, which are:

1. Selflessness
2. Integrity
3. Objectivity
4. Accountability
5. Openness
6. Honesty
7. Leadership

In the National Governance Association document titled "Academy trusts, Executive Pay: Considerations for Trust Boards", they propose that where possible the best starting point for an Executive Pay Policy should be the School Teachers Pay and Conditions Document.

It is the proposal of the Trust that it is appropriate that this document is used to guide Trustees in setting Executive Pay. The NGA document is clear that benchmarking in itself is not enough or likely to provide a reasonable model for setting Executive Pay. Whilst Executive Officers are not governed by STPCD, the pay structure sets a useful measuring stick which ensures that Executive Pay is proportionate and does not spiral. This is very important and a clear wish from the ESFA that Executive Pay is kept in check as it is funded by public purse. Trusts that pay their Executive Officers over the sum of £150,000 must publish this information but also justify this to the ESFA, and are likely to be under heavy scrutiny.

Scope

This policy currently applies to the Chief Executive Headteacher and Chief Financial Officer salaries

Methodology

Extrapolating School Teachers Pay and Conditions Document

The STPCD sets pay based on the number of pupils in an educational institution. A multiplier is applied to this number to give an overall value that gives an indicative salary for a Senior Leader. For ordinary pupils this is x7, for SEN Resource Provision places this is x10. This is known as Group Size. For Pennine Academies Yorkshire the calculation is as follows:

STPCD Calculation of Group Size

	Pupils	Pupil Multiplier = x7	RP Places	RP Multiplier = x10	Total
CHPS	682	4,774	24	240	
LPS	100	700	0	0	
HPS	452	3,164	20	200	
FPS	486	3,402	0	0	
GHPS	420	2,940	12	120	
TOTAL	2,140	14,980	56	560	15,540

This figure is then used to calculate group size using the following table:

Total unit score	Group
Up to 1,000	1
1,001 to 2,200	2
2,201 to 3,500	3
3,501 to 5,000	4
5,001 to 7,500	5
7,501 to 11,000	6
11,001 to 17,000	7
17,001 and over	8

This places the starting point for Executive Pay at the top end of Group 7. The following table from the STPCD proposes a salary range:

GROUP	RANGE OF SPINE POINTS	SALARY RANGE (1 SEPT 2020 TO 31 AUG 2021)
1	L6 – L18	£47,735 - £63,508
2	L8 – L21	£50,151 - £68,347
3	L11 – L24	£54,091 - £73,559
4	L14 – L27	£58,135 - £79,167
5	L18 – L31	£64,143 - £87,313
6	L21 – L35	£69,031 - £96,310
7	L24 – L39	£74,295 - £106,176
8	L28 – L43	£81,942 - £117,197

For 2020-21 this range is £74,295 - £106,176

Moving forward, taking into account future trust growth, the difference in terms of responsibilities and range of duties between a Chief Executive and Headteacher, the Chief Executive Headteacher's salary band is set at Band 8. This allows room for career progression as the Trust expands but ensure that Executive Pay does not 'run away'.

This means the Chief Executive's pay falls in the band £81,942 - 117,197.

Pay Band

The CEH and CFO pay is set within a 5 point band deemed appropriate by the current size of the trust. This is reviewed annually. The starting point is based on their current salary.

CEH L39 – L43
CFO L17 – L21

POINT	2019	2020	
L17	60,895	62,570	CFO
L18	62,426	64,143	CFO
L19	63,975	65,735	CFO
L20	65,561	67,364	CFO
L21	67,183	69,031	CFO
L22	68,851	70,745	
L23	70,556	72,497	
L24	72,306	74,295	
L25	74,103	76,141	
L26	75,936	78,025	
L27	77,818	79,958	
L28	79,748	81,942	
L29	81,723	83,971	
L30	83,757	86,061	
L31	85,826	88,187	

POINT	2019	2020	
L32	87,960	90,379	
L33	90,145	92,624	
L34	92,373	94,914	
L35	94,669	97,273	
L36	97,013	99,681	
L37	99,424	102,159	
L38	101,885	104,687	
L39	104,368	107,239	CEH
L40	106,972	109,914	CEH
L41	109,644	112,660	CEH
L42	112,392	115,483	CEH
L43	114,060	117,197	CEH

Progression

In the STPCD on an annual basis of Performance Management, Board of Trustees are at liberty to appoint either 0, 1 or 2 points pay progression dependent on having either not met, met or exceptionally met their performance management targets. The Trustees will follow the same methodology.

For example, if the CEH is currently paid on L39, Trustees options based on Performance Management would be:

CEH Pay Award

Option	Point Award	Current Point	New Point	Current Salary	New Salary
1 - PM Targets not met	0	39	39	107,903	107,903
2 - PM Targets met	1	39	40	107,903	109,914
3 - PM Targets met - Exceptional Performance	2	39	41	107,903	112,660

Review

This policy will be reviewed annually