



**Centurion**  
MULTI-ACADEMY TRUST

# Executive Pay Policy

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## Statement of intent

Centurion Multi-Academy Trust understands its duty to ensure that the most competent and skilled people are in leadership positions; however, it also understands that salaries must be:

- Justifiable.
- In the best interests of the trust.
- Reflective of the individual's responsibilities.
- Demonstrative of value for money.

This policy aims to outline how the trust ensures that executive salaries reflect, and are underpinned by, the seven principles of public life:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

The trust will always seek to make decisions about pay which enable the board of trustees to be confident about, and accountable for, these decisions.

For the purposes of this policy 'executive leader' has been used to define anyone who is primarily a member of non-teaching staff in a leadership role in which they are held to account for the standards across the academy trust.

## 1. Legal framework

This policy has due regard to all relevant legislation and guidance including, but not limited to, the following:

- Charity Commission (2022) 'Trustee expenses and payments'
- Committee on Standards in Public Life (1995) 'The Seven Principles of Public Life'
- DfE (2023) 'Implementing your school's approach to pay'
- ESFA (2023) 'Setting executive salaries: guidance for academy trusts'
- ESFA (2024) 'Academy trust handbook 2024'
- ESFA (2024) 'Academies accounts direction 2023 to 2024'
- Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017

This policy operates in conjunction with the following policies:

- Financial Procedures Policy
- Anti-fraud and Corruption Policy
- Gifts, Hospitality and Anti-bribery Policy
- Trustee Expenses Policy
- Risk Management Policy

## 2. Roles and responsibilities

The board of trustees will be responsible for:

- Ensuring that its decisions on executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities.
- Discharging its responsibilities effectively, whilst ensuring its approach to pay and benefits is transparent, proportionate and justifiable.
- Ensuring that decisions about executive pay and benefits reflect independent and objective scrutiny by the board and that conflicts of interest are avoided.
- Ensuring that 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.
- Ensuring that pay and benefits represent good value for money and are defensible relative to the public sector market.
- Ensuring the board is sighted on broader business interests held by senior executives and is satisfied that payments do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction.
- Ensuring documentation, including the rationale behind decisions relating to executive pay, is maintained.
- Maintaining the presumption that executive pay and benefits should not increase at a faster rate than that of teachers.
- Delegating responsibilities to the remuneration committee as appropriate.

The remuneration committee will be responsible for:

- Ensuring no individual is involved in deciding their own remuneration.
- Setting and reviewing this policy as delegated by the board of trustees.

- Approving the design of, and determining performance targets for, any performance-related element of executive pay.
- Recommending and monitoring executive pay and the first layer of executive management below.
- Determining and recommending the wider pay policy to the board of trustees.
- Carefully managing conflicts of interest and avoiding them wherever possible.
- Taking advice, making a record and making decisions when a conflict of interest arises.
- Reviewing the performance of executive leaders to inform pay reviews.

Executive leaders will be responsible for:

- Attending remuneration committee meetings when invited to advise on broader matters relating to pay.
- Absenting themselves from discussions related to their own pay.

The accounting officer will be responsible for adjusting pay levels where appropriate.

### **3. Trust aims**

The trust will always aim to attract and retain individuals with the required values, experience, knowledge and skills required to lead its schools. The trust will, therefore, ensure that executive pay and benefits remain competitive in order to achieve targets and support pupils to reach their potential.

The trust will seek to ensure that salaries are fair in relation to individuals' skills and experience and that this is upheld across the trust.

The trust will remain up-to-date with average executive salaries in other trusts to ensure that pay remains competitive and measured to executive leaders' roles and responsibilities.

### **4. Academic performance**

When reviewing salaries for executive leaders, the trust will consider academic performance and pupil outcomes across the trust to ensure that the highest standard of education is being provided to pupils.

The board of trustees will robustly challenge escalating leadership costs where they are not clearly justifiable, or where questions are raised about financial sustainability.

Academic performance will be considered in relation to setting and reviewing executive pay – the trust will ensure that pupil outcomes and the level of improvement needed to ensure the highest standard of education are taken into account when reviewing executive pay. The trust will also consider the level of progress that is being made towards improvement and ensure that appropriate adjustments are made where expectations are not being met.

The trust will consider the following evidence when reviewing executive pay:

- KS headline measures
- Ofsted rating
- Long- and short-term educational targets of the trust

The trust will seek to establish how performance compares with the national average and with schools in trusts in the same area or which have a similar context.

## **5. Educational challenge**

When making decisions about pay, the trust will factor in any educational challenge resulting from its individual mission, motivations and values. The trust will consider whether it requires additional expertise, as a result of particular challenges in its schools, to deliver a curriculum that meets the needs of pupils. When considering whether this applies to the trust, the following will be considered:

- Percentage of pupils with SEND
- Percentage of pupils eligible for FSM
- Percentage of pupils with EAL
- Level of deprivation
- Number of LAC

The trust will seek to establish whether the level of complexity and challenge is significantly above other similarly-sized trusts.

## **6. Broader challenge**

The trust will consider whether the role presents additional challenges outside of those that would normally be expected of this position.

The trust will consider the following:

- Permanent responsibilities that may not be typical of the role in other organisations
- Existing significant concerns at the trust
- Whether there is a role in leading future plans for the trust, e.g. expansion
- Additional accountabilities
- Responsibility for engaging the local community

The trust will seek to establish the level of complexity and challenge and whether it warrants a higher salary alongside how the responsibilities of executives compare with trusts of a similar size and complexity.

## **7. Financial performance**

Financial performance alongside benchmarking with relevant sectors and the requirements of the 'Academy trust handbook' will be considered when reviewing executive pay.

The board of trustees will have sufficient access to the current actual financial position and projections for the trust to inform decisions about pay.

Provisions will be made under the contract of employment to revise salaries where the financial position of the trust deteriorates due to poor management. The trust will ensure that there is flexibility in the employment contract of the accounting officer to make a downward adjustment if appropriate.

When considering pay and the trust's financial performance, the following will be considered:

- The trust's deficit or surplus position
- The auditor's view of the trust and the progress towards implementing audit recommendations
- Requirement for additional financial support
- Whether the trust has delivered to its financial forecast under the individual's management
- Whether the trust is forecasting a deficit in the forthcoming three-year period, in excess of the operating surpluses generated in the previous three years
- Whether the trust's pupil number projections have been reflected in the annual census

## **8. Experience of executive leaders**

Remuneration will be considered alongside any additional expertise that the individual may bring to the role which will add value to the leadership team.

The trust will consider the following evidence:

- Previous significant experience in improving educational and financial outcomes
- School Business Management qualifications and experience
- National Leaders of Education or National Leaders of Further Education
- Other relevant qualifications

The trust will seek to establish whether the level of expertise is essential for the role, what value the expertise brings and the remuneration levels of other individuals with this level of expertise either within the trust or within similarly-sized trusts.

## **9. Total cost of remuneration package**

The total remuneration package will be considered alongside the cost of the basic salary. The trust will consider the following:

- Performance-related pay and other bonuses awarded during the financial year
- Pension contributions and payments in lieu of pension contributions
- Salary sacrifice arrangements
- Compensation for loss of office
- Any sums paid under pension scheme in relation to employment with the provider
- Other taxable benefits
- Non-taxable benefits that are available only to senior members of staff
- Other remuneration and the cost to the provider, e.g. travel allowance

Where an executive leader is on a part time or fixed term contract, the trust board will ensure the full-time equivalent (FTE) is still reasonable within the context of the trust. Where the executive leader is also a trustee, the board will consider whether expenses could be considered a conflict of interest.

## **10. Public interest**

The trust will consider future plans for the trust and engagement with the local community when reviewing executive pay.

The trust will ensure that executive pay is proportionate and defensible to the public sector market, and reflects value for money.

Public perception and the public benefit of decisions made by the trust will be considered when making salary decisions.

The following will be considered with public interest in mind:

- Levels of teacher pay within the trust and how the proposed salary compares
- Salary levels in the local area
- National salary levels
- Justification in response to ESFA challenge of salaries over £100,000
- Local and national media interest in salaries
- The local economy

The trust will publish on its website, in a readily accessible form, the number of employees whose benefits exceeded £100,000, in £10,000 bandings, for the previous year ended 31 August. These benefits include:

- Salary.
- Employers' pension contributions.
- Other taxable benefits.
- Termination payments.

Where the trust has entered into an off-payroll arrangement with an individual who is not an employee, the amount paid for their work for the trust will also be included in the website disclosure where payment exceeds £100,000.

## **11. Gender pay gap**

The trust will publish gender pay gap figures by 30 March annually on the government's reporting portal and on its own website.

The trust will consider evidence-based actions to address gender pay differences including:

- Ensuring transparency to promotion, pay and reward processes.
- Clearly communicating the salary range on offer.

The trust will consider guidance from The Government Equalities Office to help understand gender pay gap figures and take the right action.

## **12. Pay progression and appeals**

Pay ranges will only be reviewed when there have been significant changes to responsibilities and not just because the top of the current range has been reached.

Pay increases will always be considered in the context of the wider organisation and the trust will ensure that awards for exceptional performance are applied across all levels and not just to executive leaders.

Decisions to award pay progression will be related to the individual's performance, as assessed through the trust's appraisal process. Pay increases will not be awarded



automatically; they will be linked to a clear and measurable set of key performance indicators within the parameters of the agreed contractual arrangements.

Executive pay will not increase at a faster rate than that of teaching staff.

Before awarding pay progression, the remuneration committee will ensure that it is satisfied there is an evident link between the levels of achievement of the individual and across the trust.

The current pay ranges for executive leaders are set out below:

<b>Role</b>	<b>Minimum</b>	<b>Maximum</b>
CEO (STPCD)	<b>L35</b>	<b>L40</b>
COO and CFO	<b>pt 49</b>	<b>pt 53</b>

### **Appeals**

If an executive leader is dissatisfied with any pay decisions, they will be expected to raise this with the chair of the board.

If the issue remains unresolved, the executive leader will be permitted to submit an appeal within 10 days of the notification of the pay decision or discussion with the chair of the board.

Appeals will be considered if they are based on any of the following:

- Incorrect application to any provisions of their employment contract
- Failure to have regard to statutory guidance relating to pay
- Failure to take account of relevant evidence
- Failure to consistently apply this policy and associated performance management or appraisal procedures
- An allegation of bias
- Unlawful discrimination of the executive leader

Executive leaders will be within their rights to raise a formal complaint about a decision and raise a grievance under the trust's formal grievance procedure.

## **13. Additional considerations**

### **Tax**

The trust will ensure its senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury's [guidance](#) about the employment arrangements of individuals on the avoidance of tax. Senior managers with significant financial responsibilities will be exclusively on payroll and subject to Pay As You Earn with income tax and NI contributions deducted at source. In circumstances where it may be appropriate to make an off payroll appointment, the trust board will ensure that tax arrangements remain transparent.

ESFA approval will be sought in advance in exceptional circumstances where the trust seeks to appoint an off-payroll accounting officer or CFO.

## **Pensions**

The trust will consider whether executive leaders are on the correct pension package that represents the best value for money for the trust.

## **Characteristics**

The trust's characteristics will be considered when setting executive pay, this will include considering:

- The number of academies.
- The number of pupils.
- The range of provision.
- The quality of provision and their financial effectiveness.
- The type of school.

The trust will seek to establish:

- Whether the size and provision of the trust provides any additional challenges.
- How similarly sized trusts remunerate their executive leaders.
- Whether the type of school presents additional challenges to that of an academy trust of a similar size.

## **Location**

The trust will consider the location of its academies when making decisions about pay. Issues such as the cost of housing and whether the location results in additional financial burden will be considered.

## **Ratios**

The board of trustees will consider statistics alongside the individual circumstances of the trust to form the basis of discussion around whether costs are reasonable and relevant in the context of the trust.

The following will be considered:

- Cost of salary per pupil when benchmarked against comparable trusts
- Cost of total leadership team compared with trusts of a similar size
- Percentage difference between the highest and lowest paid staff
- Rate of pay increase across the trust
- SLT cost as a percentage of total staff cost

## **Succession planning**

When planning for successors, individuals will not automatically be recruited at the same level as their predecessor. The trust will consider:

- Whether severance payments are reasonable and justifiable.
- The intended length of service.

- The required notice period
- The length of time required to recruit a replacement.

#### **14. Monitoring and review**

This policy will be reviewed by the remuneration committee and board of trustees as required and at least annually.

The next scheduled review for this policy is, see front cover.