

Executive Pay Policy



Formby High School
Determined to Achieve

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Document Control

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| Version | 1 | |

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Aims of the Policy

Formby High School's Board of Trustees is committed to taking decisions in accordance with the 'key principles of public life': objectivity, openness and accountability. The Board recognises the requirement for a fair and transparent policy in determining proportionate and justifiable pay for executive leaders.

The Board of Trustees acknowledge 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.

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
- work within the parameters of the Academy Trust Handbook
- be justifiable and in the best interests of the charity and the taxpayer
- reflect the individual's responsibilities
- demonstrate value for money

Scope of the Policy

This policy specifically relates to the Headteacher and any employee earning a salary of £100,000 and above and should be read alongside the following guidance documents:

- School Teachers' Pay and Conditions Document
- DfE Managing Teachers' and Leaders' Pay *Advice for maintained schools, MATs, academies and local authorities (July 2024)*
- Academy Trust Handbook

Legislation and Guidance

As a single academy trust, the Board is free to determine their own approach to executive pay and recognise that they must operate within the provisions set out in the [Academy Trust Handbook](#), which states:

*(2.27) 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*

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are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their remuneration.

(2.28) The board must discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable, including:

- an agreed process for determining executive pay*
- independent scrutiny by the board*
- robust decision-making*
- proportionality – that pay and benefits represent good value for money and are defensible relative to the public sector market*
- documented decision-making with rationale*
- 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.*

(2.29) The trust must publish on its website in a separate readily accessible form the number of employees whose benefits exceeded £100k, in £10k bandings, for the previous year ended 31 August. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits and termination payments. Where the academy trust has entered into an off-payroll arrangement with someone who is not an employee the amount paid by the trust for that person's work for the trust must also be included in the website disclosure where payment exceeds £100k as if they were an employee.

(2.30) The academy trust must 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. This is described in HM Treasury's Review of the Tax Arrangements of Public Sector Appointees, which explains that senior managers with significant financial responsibilities should be exclusively on payroll, and therefore subject to Pay As You Earn with income tax and NI contributions deducted at source. Failure to comply with these requirements can result in a HM Treasury fine.

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 organization.

Roles and Responsibilities

Trustees

The Board of Trustees has delegated its power to the **Headteacher's Appraisal Panel** (comprised of the Chair and Vice Chair of Trustees and one other Trustee) to determine annual performance objectives for the Headteacher aligned with the trust's approved strategic aims and priorities. They have delegated responsibility to monitor and evaluate the performance of the Headteacher, through a robust Headteacher Appraisal process. The panel is supported by an External Advisor/Consultant (for example, school improvement partner). The Headteacher's Appraisal Panel will make pay review recommendations, based on a robust appraisal review process, to the Remuneration and Benefits Committee.

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The Board of Trustees has delegated its power to the **Remuneration and Benefits Committee** to determine the pay level, pay progression and terms of conditions for all staff, including those staff earning a salary of over £100,000.

Pay Assessment and Review

Assessment

The following principles underpin decisions on executive pay:

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

The pay range for the Headteacher determined by the Board of Trustees will give due consideration to the criteria specified in the STPCD. On appointment, the Board of Trustees will determine the pay of the Headteacher following a clear three stage process:

- Define the role and determine the headteacher group (calculated using the school's total unit score in accordance with STPCD)
- Set the indicative pay range
- Decide the starting salary and individual pay range

The Trustees will ensure that appropriate benchmarking against pay levels in other trusts supports their determination, taking into account the context and scope of the role, as well as the characteristics of the school.

Discretionary payments to the Headteacher will be determined in accordance with the provisions of the STPCD and will be reviewed annually. The total sum of any such temporary payments will not normally exceed 25% of the Headteacher's annual salary. In addition the total sum of the annual salary combined with any temporary payments (where applicable) will not exceed the maximum of the assigned Headteacher group (outlined above) by more than 25%.

Review

The Headteacher Appraisal process will determine the performance objectives, clearly aligned with the school's strategic aims and priorities. These robust and measurable targets/objectives will be based not only on inspection judgements, examination results and other performance data, but also broader sector reach and wider objectives linked to public value. The Headteacher's Appraisal Panel is responsible for undertaking the appraisal process on behalf of the Board of Trustees.

Following each successful appraisal review, the Headteacher will be awarded pay progression within the assigned range on the Leadership Pay Spine, demonstrating sustained high quality of performance in respect of school leadership and management, and student progress. Trustees will ensure the Headteacher's salary is reviewed no later than 31 December annually; pay increases will be backdated to 1 September. Pay progression is approved by the Remuneration and Benefits Committee.

Trustees will consider the following factors in determining the pay of the Headteacher:

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- Quality of performance during the previous year including the achievement of pre-set educational and financial objectives, response to the challenges that have arisen during the year, and contribution to the wider success of the school.
- Whether pay and benefits awarded represent good value for money and are in line with that paid for similar public sector roles.
- Requirement that executive pay and benefits do not increase at a faster rate than that of teachers, both in individual years and over the longer term.
- Understanding that inappropriate pay and benefits can be challenged by the DfE.

To be awarded pay progression, any significant concerns about standards of performance that have been raised in writing with the Headteacher during the annual appraisal cycle must have been addressed sufficiently (through support agreed with the Headteacher’s Appraisal Panel) by the conclusion of the cycle.

The Trustees will ensure that the rationale behind their decision-making process during the review is recorded in full and retained on the Headteacher’s HR file.

No pay review will be undertaken after notice has been given by the school or the employee to terminate the employee’s contract of employment.

Appeals

The arrangements for considering appeals on pay determination are identical to those outlined in Appendix Two of the Teachers’ Pay Policy.

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