

# HR, Remuneration and Staff Wellbeing Committee

## Terms of Reference

<b>Date Last Approved by Trustees</b>	<b>July 2023</b>
<b>Date to be reviewed</b>	<b>July 2024</b>

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## **1. Constitution**

- 1.1 The Board of Trustees of Endeavour MAT resolve to establish a committee of the Trust Board to be known as the HR, Remuneration and Staff Wellbeing Committee.

## **2. Membership**

- 2.1 The Committee shall comprise of between three and five Trustees appointed by the Board of Trustees.
- 2.2 The Chair of the Trust Board may attend the Committee meetings but may not act as Chair and will not have voting rights.
- 2.3 The Chair and Vice Chair will be appointed by the Committee annually. The Committee will elect a temporary replacement from among the members present at the meeting in the absence of the Chair and Vice Chair. No person may act as a Chair unless they are members of the Trust Board.
- 2.4 The Executive will ensure that a Clerk is provided to take minutes at meetings of the Committee.
- 2.5 The Committee may invite attendance at meetings from persons who are not Committee members to assist or advise on a particular matter or range of issues. Such persons may speak with the permission of the Chair but shall not be entitled to vote.

## **3. Remit and Responsibilities of the Committee**

- 3.1 The Committee shall be responsible for the matters set out in the scope of responsibilities below.

## **4. Proceedings of Committee Meetings**

- 4.1 The proceedings of the committee will fall under the Standing Orders of the Trust Board.

## **5. Authority**

The Committee is authorised by the Trust Board to:

- 5.1 Carry on any activity authorised by these terms of reference and delegated powers through the Trust's Scheme of Delegation;
- 5.2 Seek any appropriate information that it requires from any officer of the Trust and all officers shall be directed to cooperate with any request made;
- 5.3 Commission reports and services from third parties to enhance the Committee's scrutiny of the executive.

## 6. Reporting Procedures

- 6.1 The Reporting Procedures of the committee will fall under the Standing Orders of the Trust Board.

## Scope and Responsibilities of the Committee

### 7. Remuneration

The committee will have:

- 7.1 Responsibility for considering and recommending to the board the Trust's policy for executive remuneration, in accordance with the Department for Education's *Governance Handbook*, *Setting executive salaries: Guidance for academy trusts*, the *Academies Financial Handbook 2020*, the *Academies Accounts Direction* and any other relevant guidance.
- 7.2 Establish remuneration frameworks and policies that promote and support alignment with the Trust's long-term charitable aims and purposes, with any performance related pay schemes relevant and proportionate to the academy trust sector. Any proposals recommended to the Trust board must satisfy the Education and Skills Funding Agency's (ESFA) requirements of:
- Being agreed by the board in advance of any compensation;
  - Decided with independence and objectively, avoiding conflicts of interest;
  - Being robust in its application in light of the Trust's educational and financial performance as well as reflecting the level of challenge of each role involved;
  - Demonstrating value for money, being proportionate and defensible in terms of public sector pay;
  - Disclosing other commercial arrangements of executives in the annual reports and accounts as required in the *Academies Accounts Direction* and the *Charities SORP*;
  - Being fully documented;
  - Not outpacing the pay of teachers; and
  - Being aware of the ability of ESFA to challenge decisions
- 7.3 Design remuneration policies and practices to support strategy and promote long term sustainable success, with senior leadership team remuneration aligned to the Trust's charitable purpose and values, clearly linked to the successful delivery of the Trust's long-term strategy, taking into consideration guidance from the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA).
- 7.4 When determining senior leadership team remuneration policy and practices, consider the DfE and ESFA requirements for pay to be underpinned by the Nolan Principles and:
- To be justifiable and in the best interests of the Trust;
  - Reflect the breadth and level of the individual's responsibilities; and
  - Demonstrate value for money.
- 7.5 All members will scrutinise the pay recommendations annually for the Central Team, including the Chief Executive Officer, the Chief Operating Officer and the senior managers of the Trust (Head Teachers of the schools).
- 7.6 No executive or other senior staff member shall be involved in any decisions as to their own remuneration outcome.

The committee shall:

**7.7** In determining remuneration policy, take into account all other factors which it deems necessary, including relevant legal and regulatory requirements, the provisions of DfE and ESFA guidance, including the funding agreement. The objective of such policy shall be to attract, retain and motivate executives of the quality required to run the Trust successfully without paying more than is necessary, having regard to the views of members, other stakeholders and the public sector market.

The policy should be robust in its decision-making processes, transparent, proportionate, reasonable and justifiable to all staff.

**7.8** Review the ongoing appropriateness and relevance of the remuneration policy. The committee should undertake benchmarking exercises when reviewing its approach to executive remuneration. Where the Trust is an outlier in that benchmarking exercise, an explanation should be provided.

Where performance management and salary increases are deemed contentious, the decision-making argument supporting them must be justifiable.

**7.9** Within the terms of the agreed policy and in consultation with the Chair and/or Accounting Officer, as appropriate, determine the total individual remuneration package of each executive staff member, including bonuses or performance-related payments. The choice of financial, nonfinancial and strategic measures is important, as is the exercise of independent judgement and discretion when determining remuneration awards, taking account of the Trust and individual performance, and wider circumstances.

**7.10** Increases should not be awarded automatically but in line with clear, measurable key performance indicators and should not outpace teacher pay increases. Other factors that should be taken into consideration by the committee could include:

- Academic performance, including pupil outcomes and improvement (as identified in key stage indicators and Ofsted reports);
- Educational challenges facing the Trust (such as percentage of pupils identified as requiring SEND and/or free school meals, EAL pupils, local levels of deprivation and proportion of looked after children at the school);
- Financial performance (to provide for good and poor performance, flexibility in contracts to reflect those variables, levels of deficit/surplus and the auditor's view);
- Other challenges facing the Trust (uniqueness of the Trust's situation, significant concerns, the individual's role in delivering future plans, other accountabilities and local communications role);
- The experience of the individual, including qualifications; and
- The total cost of packages offered (including performance-related pay, pension contributions, salary sacrifice arrangements, any compensation for loss of office, other taxable benefits, non-taxable benefits only available to the executive team, and other remuneration such as car allowance).

**7.11** The committee should advise the Trust Board as to an executive's eligibility for either the Teacher's Pension Scheme or the Local Government Pension Scheme. It is for the Board to decide which scheme is most appropriate

**7.12** The committee should take into consideration the proposed remuneration's potential impact on long-term plans to approach ESFA for a loan or a Condition Improvement

Loan, which could be adversely affected by remuneration levels deemed as 'Executive High Pay' by ESFA.

- 7.13** Have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Trust after liaising with the Board and the Accounting Officer. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
- 7.14** Review the design of all remuneration frameworks for the Trust, including any performance-related pay aspects. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards for senior leaders, and the performance targets to be used.
- 7.15** Review workforce remuneration and related policies.
- 7.16** Work and liaise as necessary with other Board Committees.

## **8. HR**

The Committee will appraise the efficacy of use of the Trust's HR systems and procedures and recommend as appropriate areas for future development.

- 8.1** The Committee will monitor staff turnover, patterns of absence and punctuality data within each school and make recommendations.
- 8.2** The Committee will provide members in respect of necessary appeals hearings for staff who have failed to satisfactorily complete capability or probationary targets (with the exception of the CEO).
- 8.3** The Committee will assist in discussions pertaining to restructuring and redundancy, assisting as necessary in creating a staffing committee for stated purposes.
- 8.4** The Committee will review or investigate any other matters in relation to staffing referred to the Committee by the Trust Board.

## **9. Staff Wellbeing**

- 9.1** The Committee will monitor the use of and judge the effectiveness of the Trust counselling provision
- 9.2** Review and monitor the impact of strategies/ initiatives in place to support staff wellbeing and workload
- 9.3** Oversee the range of professional development opportunities offered within each school and across the Trust, with a particular focus on cross Trust opportunities and make recommendations
- 9.4** Review and make recommendations following analysis of the annual staff satisfaction surveys
- 9.5** Review and make recommendations on the Equality and Diversity initiatives, including the audit of the equality objectives set by each school within the Trust.