

Terms of Reference - Remuneration Committee

Membership:	<p>The Remuneration Committee is a sub-committee of the Board of Directors and it acts under delegation authority from the Board of Directors.</p> <p>The Committee will consist of the Chair of the Board of Directors, the Chair of the Finance, Risk and Audit Committee and one other elected Director from the Board of Directors.</p>
Chair:	The Chair will be elected from this membership on an annual basis.
Quorum:	The Committee quorum will be three members
Clerk	Meetings of the Remuneration Committee will be minuted by the Governance Manager
Frequency	The Committee shall meet as required, at least once a year.
Method of Reporting	The Remuneration Committee is a sub-committee of the Board of Directors and its minutes will be circulated to the Board.
Overall purpose	<p>The purpose of the Remuneration Committee is to make decisions on behalf of the Board of Directors on all aspects of remuneration for the three senior post holders – Chief Executive Officer (CEO), Chief Finance Officer (CFO) and Chief Operations Officer's (COO's)- pay and conditions and to set the 'pay framework' for other senior executives within NCLT (as detailed within a senior pay policy).</p> <p>The Committee will be informed in writing following a robust performance review process. A report will be provided from those who conducted the relevant review, as below:</p> <p>Performance review regarding the CEO is carried out by the Chair of the Board, an external advisor and one other elected Director from the Board of Directors.</p> <p>Performance reviews relating to the CFO and COO is carried out by the CEO.</p>

<p>Requirements from the Academy Trust Handbook</p>	<p>Academy trusts are both charities and companies limited by guarantee and must operate to further the trust's educational charitable purpose.</p> <p>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.</p> <p>It is essential that we have the best people to lead our schools, but at the same time, it is important that salaries:</p> <ul style="list-style-type: none"> • can be justified and are in the best interests of the charity • reflect the individual's responsibilities • demonstrate value for money <p>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.</p> <p>The AFH 2020 sets out the following requirements in relation to executive pay:</p> <p>“2.3 The board of trustees must ensure its decisions about levels of executive pay (including salary and other benefits) follow a robust evidence-based process and are reflective of the individual's role and responsibilities. No individual can be involved in deciding their own remuneration.”</p> <p>“2.3.1. The board must discharge its responsibilities effectively, ensuring its approach to pay and benefits is transparent, proportionate and justifiable, including:</p> <ul style="list-style-type: none"> • process - that the procedure for determining executive pay is agreed by the board in advance and documented • independence - decisions about executive pay reflect independent and objective scrutiny by the board and that conflicts of interest are avoided • decision-making - factors in determining pay are clear, including whether performance considerations, and the degree of challenge in the role, have been taken into account • proportionality - pay is defensible relative to the public sector market
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	<ul style="list-style-type: none"> • documentation - the rationale behind the decision-making process, including whether the level of pay reflects value for money, is recorded and retained • a basic presumption that non-teaching pay should not increase at a faster rate than that of teachers, in individual years and over the longer term • understanding that inappropriate pay can be challenged by ESFA, particularly in any instance of poor financial management of the trust.”
Attendance	<p>The Committee may invite the three senior post holders to attend part of the meeting to allow Committee members to ask any questions about their role and responsibilities which in turn will facilitate the decision-making process on remuneration.</p> <p>The Senior Post holders will withdraw at the request of the Chair once the discussion moves onto that in which they have or may have material interest.</p> <p>The Committee may invite the Director of Human Resources to attend the meeting in order to provide information and advice in relation to benchmarking of public sector salaries and other advice as is required.</p>