



Approved:	19 December 2024
Next Review:	December 2025
Effective Date:	20 December 2024

1. Membership

- i. The committee shall comprise at least three members, including the Chair of Trustees, all of whom shall be trustees of the MAT board
- ii. Appointments to the committee are made by the MAT board (in consultation with the Chair of the Pay Committee). No employee of the Academy Trust may serve on this committee or be party to determining its membership
- iii. Only members of the committee have the right to attend committee meetings. However, other individuals such as the Accounting Officer (AO), HR Manager and external advisers may be invited to attend for all or part of any meeting, as and when appropriate. However, such invitees should not be present when their remuneration package is being discussed
- iv. The Chair of the Pay Committee shall be the Chair of the Trust Board. In the absence of the committee chair the appointed deputy shall chair the meeting

2. Quorum

The quorum necessary for the transaction of business shall be two trustees who are members of the committee

3. Frequency of Meetings

The committee shall meet at least once a year and otherwise as required

4. Notice of meetings

- i. Meetings of the committee shall be called by the governance professional at the request of the committee chair or any of its members
- ii. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and to other attendees, as appropriate, at the same time

5. Minutes of Meetings

Minutes shall be completed by a nominated trustee in attendance at the meeting. Draft minutes of committee meetings shall be circulated to all members of the committee. Once approved, minutes should be circulated to all other members of the board and the governance professional unless, exceptionally, it would be inappropriate to do so

6. The committee should carry out the duties detailed below for the MAT as a whole:

- i. Have delegated responsibility for considering and recommending to the board the MAT's policy for executive remuneration
- ii. Be responsible for the annual appraisal and performance management of the Chief Executive Officer
- iii. Discharge the Board's responsibilities effectively ensuring its approach to pay and benefits is transparent, proportionate and justifiable in accordance with its responsibilities outlined by the ESFA in the Academy Trust Handbook:
 - process – that the procedure for determining executive pay and benefits, and keeping them proportionate, is agreed by the board in advance and documented
 - independence – decisions about executive pay and benefits reflect independent and objective scrutiny by the board and that conflicts of interest are avoided
 - robust decision-making – 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
 - proportionality – pay and benefits represent good value for money and are defensible relative to the public sector market
 - commercial interests – ensuring the board is sighted on broader business interests held by senior executives and is satisfied that any payments made by the trust to executives in relation to such interests do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction
 - documentation – the rationale behind the decision-making process, including whether the level of pay and benefits reflects value for money, is recorded and retained
 - 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.

7. Reporting responsibilities

- i. The committee chair shall report to the MAT board after each meeting on the decisions taken
- ii. The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed, and adequate time should be available for board discussion when necessary
- iii. The committee shall provide a description of its work in the annual report
- iv. The committee shall also ensure that provisions regarding disclosure of information as set out in the Charities SORP and DfE/ESFA, statutory guidance is fulfilled, and that a report on trustee expenses and related party transaction policy and practices is included in the MAT's annual report and presented to members at the AGM
- v. If the committee has appointed remuneration consultants, the consultant should be identified in the annual report alongside a statement about any other connection it has with the MAT or individual trustees or senior leaders

8. Other Matters:

The committee shall:

- i. Have access to sufficient resources in order to carry out its duties, including access to the MAT's governance function for advice and assistance as required
- ii. Give due consideration to all relevant laws and regulations, the provisions of DfE and ESFA guidance, including the funding agreement, as appropriate
- iii. At least biennially review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval

9. Authority

The committee is authorised by the board to obtain, at the MAT's expense, outside legal or other professional advice on any matters within its terms of reference, subject to liaison with the MAT board and the Chief Executive

10. Review

These terms of reference were approved by the academy trust board and are subject to their review and amendment periodically and when necessary