

Minutes of meeting

Remuneration Committee

Date:	17 June 2020	Time:	10:00 – 11:00
Location:	TEAMS	Clerk:	Rebecca Okey
Attendees	<p>Nick Hudson (NH) CEO, Ormiston Academies Trust</p> <p>Carmel Brown (CB) National Director Human Resources and Operations</p> <p>Paul Hann (PH) Chairman of Board of Trustees</p> <p>Andrew Jones (AJ) Member of the Board of Trustees</p> <p>Ian Brookman (IB) Member of the Board of Trustees</p>		

Item	Action point
1. Welcome	
PH welcomed the attendees and outlined the format of the meeting.	
2. Terms of Reference of People Committee	
<p>CB had previously circulated a draft Terms of Reference for the proposed People Committee (to replace the Remuneration Committee). The People Committee will have a broader scope and remit than the current Remuneration Committee.</p> <p>Due to technical problems circulating the document, AJ had been unable to read the document in advance. He agreed to participate in the discussion and circulate any comments retrospectively.</p> <p>The Trustees broadly agreed with CB's draft Terms of Reference but suggested that the Terms are reviewed and re-drafted with an increased focus on all employees rather than just those in senior positions. <i>CB agreed to reshape the document and recirculate to attendees for further comment and approval at Board in mid-July.</i></p> <p>The Trustees discussed the composition of the People Committee and the current spread of responsibilities of the serving Trustees. <i>It was agreed that the newly formed committee will sit termly, with a minimum of three members and maximum of six.</i> IB and PH will stand down, as they are already have Chair and Vice Chair responsibilities with PH available if there are appeals or challenges to committee decisions. AJ expressed his interest in remaining on the committee. <i>PH will approach Bal Samra, Jan Renou and Frances Hall to ask them if they</i></p>	<p>CB</p> <p>PH</p>

	<p>would like to join the new committee. PH said it would be excellent if Frances were to Chair it and it was agreed he should ask her to do so.</p>	
3.	<p>Regional Director benchmarking of salaries</p> <p>CB outlined the circumstances of the recent resignations of Regional Directors for the East and South. Both were approached by and joined the same MAT offering them a significant salary uplift. CB's paper benchmarks current salaries in a number of MATs and having looked at comparisons, OAT is currently paying at the lower end of market rate. Currently OAT offers RDs the potential of 5% bonus for exceptional performance on top of a salary of £100k, the current salary of the three RDs currently employed. The newly recruited RD for the East region has been offered similar remuneration.</p> <p>The paper explores the possibility of removing the current bonus scheme that these roles are eligible for which is a maximum 5% performance-based bonus and consolidating it into a revised level of base pay. There is some further detail to be worked out around the salary scale points of entry and progression through the scale, but these roles will need an uplift of around £10,000-£13,000.</p> <p>The Trustees agreed it is important to be within range of market rate to retain existing staff but the Committee and Executive have to be sensitive about the timing of any adjustments to salary and bonuses in the current economic climate and the likely social impact of gloomy financial predictions. In the private sector, many top executives have taken 20% pay cuts since the COVID 19 pandemic and will be forgoing bonus payments this year. The messaging and timing of any changes to remuneration is crucial; it would need to stand up to potential media scrutiny as it could attract negative press coverage. The Trustees suggested it would be imprudent to implement any changes before 2021. <i>They also suggested that CB did some further analysis of regional variances in the benchmarking of RD's salary ranges.</i> Careful consideration must be given to balance the risk of losing staff and the morality of rewarding people when unemployment and redundancies are likely to significantly increase. The Trustees discussed other options of a smaller interim increase for RDs in the interim early next term or the making of an award with a deferred payment date. This is an option that CB will look into further.</p> <p><i>The Committee agreed that options should be explored and reviewed but any implementation should be postponed until 2021.</i></p>	CB
4.	<p>Reallocation of key Executive responsibilities</p> <p>NH advised that following the resignation of the National Director of Quality and Strategy, there would be a cost saving as her role and responsibilities has been subsumed by the other members of Executive. He also thinks it is unlikely that the members of Executive will request a bonus this year (for the third consecutive year). He added that if RD salaries are reviewed and increased this could also have an impact on Executive salaries which will need to be reviewed.</p> <p>NH outlined in more detail the restructuring of responsibilities since Amelia Walker's departure. A new Head of Safeguarding has been employed and she will be starting in August, directly reporting to Rob Pritchard. Jo will be assuming responsibility for Governance and Compliance.</p>	

	<p>The Trustees expressed their concern that Jo will be over-stretched and questioned if she has enough support within the organization to manage both the Finance function, Governance and Compliance and Risk Management.</p> <p>NH advised that a full-time Finance manager is being recruited and we now have a full-time commercial manager. Jo's team functions well, and Jo is liked and supported by her team. He is confident that Jo will cope with the extra responsibility and she has welcomed the opportunity. He will monitor the situation.</p>	
5. A.O.B		
	<p>Performance Review of Principals</p> <p>PH discussed the current situation with regard to the performance review of Principals. School closures have led to positive financial performance and cancellation of GSCE examinations (and results) means the usual metrics for review of performance are not available</p> <p><i>NH suggested that one option would be to ask Principals to forgo bonuses this year and to contribute more funding instead towards the purchase of IT equipment for disadvantaged families who are struggling with distance learning. He felt this would be very sympathetically received by Principals. He added that there are no contractual obligations to award bonuses as long as they are seen to be considered and reviewed consistently and fairly.</i></p> <p><i>NH will sound out this idea informally.</i></p>	NH
6. The Committee agreed to meet again in September – date tbc		

Table of action points		
2.	Carmel to review, amend and reissue Terms of Reference for People Committee.	CB
2.	Paul to ask Bal Samra, Frances Hall and Jan Renou. to join the committee and also seek Frances's agreement to being chair.	PH
3.	CB to undertake further analysis of regional variances in the benchmarking of RD's salary ranges.	CB
5.	NH to informally gauge the reception of the "recycling" of Principal bonus to provide IT for disadvantaged students	NH