


The role of benchmarking in setting pay in schools

Emma Hughes, head of HR services at Browne Jacobson, explains how CST's updated executive pay report and the linked benchmarking service from XpertHR can help trust boards make robust decisions on pay.

25 November 2022  Emma Hughes

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The use of salary benchmarking data is common place in most sectors in the UK and it's great to see that CST's salary survey for school trusts is growing with a higher number of participating organisations and included job roles. [This years' survey](#) includes over 2000 job roles and 147 participating organisations.

As we all know the Education and Skills Funding Agency requires Trust boards to make "robust, evidence-based" decisions regarding executive pay in line with the Academies Trust Handbook guidance, so it's great that a key source of evidence to help decision making is growing and being used across the country.

The report produced by XpertHR Cendex shows that pay in the school trust sector continues to be lower than in other sectors, despite a comparatively higher level of accountability for Trust CEOs with their direct accountability to Parliament.

It is important that Boards consider the context of their trust, the level of challenge and the amount of delegated responsibility afforded to the CEO. It is important to use other sources of data and evidence when forming a decision on executive pay – salary benchmarking is one important set of data but there are many other useful sources too. For example, we find the Schools Financial Benchmarking tool useful (Schools Financial Benchmarking) and the use of Trust performance data.

The salary survey continues to reflect the sector in that there are fewer participant organisations with 21 or more academies. This makes benchmarking trickier for those larger trusts because whilst still useful, the pool of data available is much smaller. When carrying out benchmarking projects for larger trusts we utilise other salary surveys in addition to the school trusts survey. The wider charities and public sector data collected by firms like XpertHR is appropriate to consider. Private sector data could also be considered whilst remembering that salaries in the private sector are likely to be significantly more than in the school trusts, public and charities sectors.

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Once the Board is presented with a range of data and evidence, judgements can start being formed about what this might mean for pay. It may be that the benchmark for the CEO is lower than what they are currently paid or it could be higher – both present challenges. If current pay is too low, then the Board risks losing the CEO to a role with pay that is more comparable to the market rate. One might want to correct the situation and award what could be a significant increase in one go but caution needs to be taken. The Academy Trust Handbook makes it clear that executive pay shouldn't progress at a faster rate than that of a teacher so attention needs to be paid to the agreed increases for teachers in the trust. Furthermore, the trust may not be able to afford a significant increase straight away. Our advice is to agree a reward strategy that involves increasing pay over a period of time, perhaps two to three years.

Pay also continues to be a subject that attracts a lot of interest from the public so it's important that Boards do their best to navigate this issue as best they can by following the expectations set out in regulation and statute to ensure good use of public funds.

Browne Jacobson is well placed to support Boards with advice on executive pay setting.

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