

Executive Pay Policy

Frequency of Review	Every 3 years
Author	(Judicium model) Director of HR and Operations
Approved by	Board of Directors
Reviewed	August 2025
Date of Next Review	August 2028 (unless there is a material

Introduction

This policy sets out The Propeller Academy Trust's (the "Trust") framework for making pay decisions for executive leaders above Headteacher level. This policy does not form part of the terms and conditions of any employee's employment with the Trust and is not intended to have contractual effect. Trust reserves the right to amend or vary this policy at any time and will inform employees when the policy is updated.

Trust is committed to ensuring that the remuneration of its senior executive leaders is proportionate, transparent, and aligned with public sector expectations of accountability and value for money. Executive remuneration will reflect the values, strategic priorities, and financial context of the Trust, ensuring alignment with its core purpose: delivering high-quality education and outcomes for pupils.

This policy complies with:

- The Academy Trust Handbook
- Charity Commission guidance on trustee duties and pay
- Companies Act 2006 director responsibilities
- Relevant Education, Skills and Funding Agency (ESFA) and Department for Education (DfE) guidance.

This policy also reflects the Confederation of School Trusts principles for executive pay, which include fairness, proportionality, objectivity, transparency, and alignment with public service values.

This policy is underpinned by the seven Nolan principles of public life:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

The primary aims of this policy are to:

- Support the recruitment and retention of high-quality executive leaders;
- Enable the Trust to recognise and reward executive leaders appropriately for their contribution;
- Ensure decisions made on executive pay are a reasonable and defensible reflection of an individual's role and responsibilities;
- Ensure a consistent and evidence-based approach to setting and reviewing executive pay; and
- Maintain public trust in the stewardship of public funds.

Confidentiality

All information regarding the pay of individual employees, whether verbal or written, must be treated as strictly confidential and not communicated to anyone not directly involved in the process. Any breach of confidentiality may be treated as a disciplinary matter and dealt with in accordance with the Trust's Disciplinary Policy and Procedure.

Equal Opportunities

This policy will be applied fairly and consistently to all employees regardless of sex, gender reassignment, race (including ethnic or national origin), religion or belief, age, marital status or civil partnership, disability, sexual orientation, pregnancy or maternity, part-time or fixed-term status.

Review and Monitoring

This policy will be reviewed annually and monitored for effectiveness in rewarding performance and ensuring compliance with equalities legislation.

Who This Policy Applies To

This policy applies to Executive Leaders above Headteacher level, including (where applicable):

- Chief Executive Officer (CEO);
- Chief Financial Officer (CFO);
- Director of Education and Safeguarding; and
- Director of HR and Operations

Governance and Decision-Making

No individual can be involved in deciding their own remuneration.

The Board of Trustees is responsible for ensuring that executive pay decisions are evidence-based, transparent, proportionate, and justifiable. It will apply independent scrutiny, avoid conflicts of interest, and clearly consider educational performance, financial outcomes, and role difficulty. Pay must offer value for money, align with public sector benchmarks, and should not grow faster than teachers' pay.

The Board of Trustees will also have oversight of the ratio between the highest and median earners in the Trust, to inform value-for-money and fairness assessments.

The Board of Trustees should also be aware of executives' wider business interests, maintain proper records and rationale, and delegate to the Pay Committee where appropriate.

The Trust accepts that absolute independence in any review process may not always be possible. In circumstances where this may be the case, reasonable steps should be taken and documented accordingly, to protect the integrity of the process and ensure any challenges to its independence are limited and justifiable.

The Accounting Officer must be able to demonstrate to the ESFA that executive pay reflects value for money and probity.

All executive pay decisions must also be defensible in terms of the Trust's public funding obligations.

The Pay Committee, a sub-committee of the Board of Trustees comprised entirely of non-executive trustees shall be responsible for making recommendations on executive pay. It shall ensure individuals do not decide their own pay; set and review this Executive Pay Policy as delegated by the Board of Trustees and recommend and monitor executive pay, including senior leadership below executives. It will review executive performance to inform pay decision and approve and oversee performance-related pay design and targets. Where necessary, the Pay Committee may seek independent benchmarking advice or legal guidance to support decision-making. The Pay Committee should commission external benchmarking at least every three years, or more frequently where market conditions change significantly.

The Pay Committee will operate in line with the Academy Trust Handbook, robustly document decisions, and ensure they are available for audit. All potential conflicts must be declared and recorded, and no member may benefit financially from the outcome of any decision.

Executive Leaders shall attend meetings when invited to advise on general pay matters and must withdraw from discussions about their own remuneration.

When making decisions, trustees should apply the ‘public interest’ test, asking whether the remuneration would be viewed as fair, proportionate and justifiable by the public, DfE and the media. Decisions should reflect the Trust’s role as a steward of public funds.

Pay Determination Principles

All pay decisions will be justifiable against public sector norms, represent an efficient use of the Trust’s funds and be documented with a clear rationale.

Remuneration decisions will consider:

- Comparable trusts by size, region, and complexity.
- Sector data (e.g. Confederation of School Trusts, Education Policy Institute, DfE publications).
- Local pay practices for equivalent public sector roles.
- Contextual factors such as pupil numbers, Ofsted ratings, deprivation levels and financial performance.
- The ratio between the highest-paid and the median employee in the Trust.
- Whether it is justifiable that executive pay increases exceed those of teaching staff. on the basis that executive pay must not increase at a faster rate than nationally agreed teachers’ pay, unless there is a clearly documented and justified rationale (e.g. increased scale or complexity of role, exceptional performance). If a decision is made to increase executive pay at a faster rate than nationally agreed teachers' pay, it must be explicitly reviewed and approved by the full Board of Trustees and recorded in governance documentation.

Pay awards must be based solely on measurable outcomes. They will not be backdated or cumulative without the express approval of the Board of Trustees. The Trust will not use performance-related pay or bonuses to compensate for underfunding or recruitment challenges.

See Appendix B - Assessment form for documenting Executive Pay decisions

Components of Pay

Component	Policy Guidance
Base Salary	Fixed, benchmarked and reviewed.
Pension	As per Teachers’ Pension OR Local Government Pension Scheme rules. No enhanced employer contributions without approval of the Board of Trustees.
Benefits	Minimal, justified and declared.
Secondments/Additional Roles	Externally paid roles must be declared. Income-generating roles must be approved by the Board of Trustees.

Performance Related Pay

Individuals can expect to receive regular, constructive feedback on their performance and are subject to annual appraisal that recognises their strengths, informs plans for their future development, and helps to enhance their professional practice.

The Trust does not operate a performance-related pay scheme for Executive Leaders. All executive remuneration is fixed and reviewed based on role benchmarking and trust-wide outcomes.

Following completion of an individual's annual appraisal and subject to the provisions of this policy, the employee should expect to receive pay progression within the maximum of their pay range.

Pay progression may be withheld where there are serious performance concerns which are subject to a formal capability process, in accordance with the Trust's Capability Policy and Procedure, or a formal disciplinary procedure which may amount to gross misconduct if upheld (where the outcome of the disciplinary procedure is that the allegations are not upheld or the outcome is less than gross misconduct, any increment will be reinstated and backdated), or has resigned or been dismissed subject to a notice period.

Where the Executive Leader is absent due to long term sickness absence during the academic year or at the time of a salary review, decisions will be contingent upon individual circumstances and based on the employee's performance during relevant periods of attendance. Where the Executive Leader is absent due to pregnancy or maternity or adoption or shared parental leave, decisions will be no less favourable than if the employee had not been absent due to such reasons.

If the Executive Leader is unhappy with the pay decision, they may appeal the decision in regard to their pay using the process outlined in this policy.

Exit Payments

Any settlement payments must comply with DfE and HM Treasury rules and will be recorded and auditable. Any payments being considered must be based on legal advice and affordability and disclosed in full in the audited accounts if over £50,000, including non-statutory or non-contractual elements.

Where an offer meets this criteria, the Trust will seek prior approval from the DfE before any offer is made. No ex-gratia payments will be approved without clear legal justification and oversight from the Board of Trustees.

In addition, in accordance with HM Treasury rules, the Trust will obtain prior DfE approval before making settlement payments where either:

- an exit package which includes a special severance payment is at, or above, £100,000; or
- the employee earns over £150,000.

Transparency and Disclosure

The Trust will disclose the number of employees whose benefits exceeded over £100,000, in £10,000 bands, for the previous year ending 31 August, in its accounts and on its website. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits and termination payments.

The Trust will also publish the ratio between the highest-paid executive and the median salary across the Trust annually. This ratio will be reviewed by the Board of Trustees and a brief commentary provided to contextualise any significant changes.

Tax Arrangements for Senior Employees

The Trust will ensure that payroll arrangements for Executive Leaders fully meet their tax obligations and comply with HM Treasury guidance on the employment arrangements of individuals to avoid tax. Senior managers with significant financial responsibilities will be paid exclusively via the Trust's payroll, with income tax and National Insurance contributions deducted at source under the Pay As You Earn

(PAYE) system. The Trust will not enter into any arrangements which could be perceived as facilitating tax avoidance.

Risk and Assurance

To mitigate reputational risk:

- All executive pay decisions will be subject to audit;
- Proposals above £150,000 require scrutiny from the full Board of Trustees; and
- Multiple variable pay elements will be avoided to maintain clarity.

Review and Audit

This policy will be reviewed every three years or following significant changes in guidance or structure. Internal and/or external audit may review implementation and compliance.

All decisions under this policy will be subject to scrutiny and recorded in full Board minutes.

Appendix A: Executive Pay Appeals Procedure

Where an Executive Leader wishes to appeal a decision related to their remuneration, they must comply with this procedure.

This process does not apply to general dissatisfaction with policy or benchmarking approach, but only to the application of this policy to the individual case.

The reasons for seeking a review may include the person or committee who made the decision having:

- incorrectly applied any provision of this policy;
- failed to have regard for statutory guidance;
- failed to take proper account of relevant evidence;
- took account of irrelevant or inaccurate evidence;
- being biased; or
- unlawfully discriminated against the employee.

Appeal Process

1. Written Appeal Submission:

- The individual must submit a formal written appeal to the Chair of Trustees within 10 working days of being notified of the decision.
- The appeal must clearly state the grounds for appeal and, where applicable, include the evidence they consider should be taken into account.

2. Appeal Hearing:

- The appeal hearing will be held without unreasonable delay.
- The individual will have the opportunity to make representations in person and may be accompanied by a work colleague or trade union representative.

3. Review Panel:

- A panel of three non-executive trustees, not previously involved in the original decision, will consider the evidence that is presented before making a decision.
- They may request additional evidence or clarification from both the individual appealing and the Pay Committee.

4. Outcome:

- A written outcome will be provided without unreasonable delay and will include reasons for the decision.
- The panel's decision is final and will be reported to the full Board of Trustees

Appendix B: Assessment form for documenting Executive Pay decisions when benchmarking is required

Please note that the individual preparing this report must not be the person whose role is being considered.

Role	
Employee	
Date	
Factors to be considered in setting pay	
Date of last pay review	
Current salary (£)	
Other benefits (e.g. bonus, honorarium, pension)	
Nature of the role Has the nature of the role changed since the previous pay review (size, scope, risk, challenge)?	
Performance Please comment on the performance of the individual relative to agreed targets. This should reflect comments in the persons most recent performance review.	
Benchmarking* Please provide evidence of any changes in pay for equivalent roles in the marketplace (increases or decreases). Due consideration must be given to ensuring comparisons are timely and appropriate. Mark 'no change' if the marketplace has remained unchanged.	
Teaching and support staff uplifts Please describe the most recent average pay uplifts awarded by the Trust to teaching staff and support staff.	

Affordability Does the current level of pay for the role remain affordable? Is a pay uplift affordable?	
Role	
Employee	
Date	
Factors to be considered in setting pay	
Reputation If disclosed to a third party, would the absolute value of pay award or proposed uplift in pay risk damaging the reputation of the Trust?	
Proposal	
Proposed salary (£) <i>Please note if any proposed change in pay should start from a date other than 1st September.</i>	
Uplift from current salary (%)	
If applicable, please describe any changes to other benefits	
Approval	
Date of Board of Trustee approval**	

Notes:

* The marketplace review does not need to be completed every year. It must be undertaken: Annually if there has been a material and noticeable shift in remuneration awards in the marketplace.

In the absence of a material shift then once every 3 years.

**The individual whose role is being considered must be excused from any part of any meeting where formal discussions on their salary are undertaken.