



Executive Pay Policy

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1. Introduction

Preston Primary Academy Trust understands its duty to ensure that the most competent and skilled people are in leadership positions; however, it also understands that decisions about salaries must be:

- **Transparent** – no surprises or hidden processes
- **Proportionate** – in line with sector and public sector benchmarks
- **Defensible** – able to stand up to challenge from the DfE or the public

This policy aims to outline how the Trust ensures that executive salaries reflect, and are underpinned by, the seven principles of public life.

The following key principle(s) will apply:

- there is a basic presumption that executive pay and benefits will not increase at a faster rate than that of teachers (on average), in individual years and over the longer term, once percentage pay rate uplifts are taken into account. Note: there may be exceptional circumstances where a pay range is re-evaluated to take into account a change in scope of role and an individual's pay is adjusted accordingly

This policy applies to the setting and review of pay for our Trust's Executive Leadership Team, which comprises the following roles:

- Chief Executive Officer
- Chief Finance & Operations Officer

2. Roles and responsibilities

The Board of Directors will be responsible for:

- Ensuring that its decisions on executive pay follow a robust evidence-based process and are reflective of the individual's role and responsibilities.
- Discharging its responsibilities effectively, whilst ensuring its approach to pay and benefits is transparent, proportionate and justifiable.
- Ensuring that decisions about executive pay and benefits reflect independent and objective scrutiny by the board and that conflicts of interest are avoided.
- Ensuring that 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.
- Ensuring that pay and benefits represent good value for money and are defensible relative to the public sector market.
- Ensuring the board is sighted on broader business interests held by senior executives and is satisfied that payments do not undermine the transparency requirements for disclosing pay in accordance with the Academies Accounts Direction.

- Ensuring documentation, including the rationale behind decisions relating to executive pay, is maintained.
- Maintaining the key principle that executive pay and benefits should not increase at a faster rate than that of teachers.
- Ensuring no individual is involved in deciding their own remuneration.
- Setting and reviewing this policy.
- Recommending and monitoring executive pay and the first layer of executive management below.
- Taking advice, making a record and making decisions when a conflict of interest arises.
- Nominating Directors and an external adviser to review the performance of the executive leaders to inform pay reviews.

Executive leaders who are members of the board or who attend board meetings will be responsible for:

- Absenting themselves from discussions related to their own pay.

3. Pay Determination Factors

When setting and reviewing salaries for executive leaders, the Board will consider the following:

- academic performance and pupil outcomes across the trust to ensure that the highest standard of education is being provided to pupils. The Board will seek to establish how performance compares with the national average and with schools in trusts in the same area or which have a similar context.
- the level of progress that is being made towards improvement and ensure that appropriate adjustments are made where expectations are not being met.
- whether the role requires additional expertise, as a result of particular challenge in its schools, to deliver a curriculum that meets the needs of pupils. When considering whether this applies to the trust, the following may be considered: Percentage of pupils with SEND; Percentage of pupils eligible for FSM; Percentage of pupils with EAL; Level of deprivation; Number of Children looked After
- whether the role presents additional challenges outside of those that would normally be expected of this position.
- financial performance alongside benchmarking with relevant sectors and the requirements of the 'Academy trust handbook'
- any additional expertise that the individual may bring to the role which will add value to the leadership team such as: Previous significant experience in improving educational and financial outcomes; School Business Management qualifications and experience National Leaders of Education ; Other relevant qualifications.
- The size of the Trust

4. a) CEO Pay

The overall salary range for the CEO will be approved by the Board, taking into account any available benchmarking information and pay determination factors.

The CEO is paid on a 'spot salary'. The percentage pay uplift will be in accordance with the teachers' pay award being applied in the same calendar year. The salary will be reviewed on an annual basis, taking into account the factors in section 3 and the growth of the trust,

Annual Pay Award

The percentage pay rate uplift will be applied to the CEO's pay with effect from 01 September (this may be paid later and backdated).

A sub-committee of the board is responsible for:

- conducting the CEO's performance management review including agreeing development priorities and completing mid and end of year reviews, in line with our Trust's appraisal policies.
- recommending the pay award

The Chair of the Trust Board is responsible for:

- notifying the CEO of any pay award given to them
- notifying the CFO, so that the pay award can be processed.

b) Pay for other members of the executive

Individual Salary Range

The approval of the overall salary awards for other members of the executive is delegated by the Board, to the CEO, taking into account any available benchmarking information, pay determination factors and input from the CEO.

Annual Pay Awards

The percentage pay rate uplift will be applied to executive team members' salaries with effect from 01 September (this may be paid later and backdated).

The CEO is responsible for:

- conducting performance management reviews including agreeing development priorities and completing mid and end of year reviews, in line with our Trust's appraisal policies.
- Notifying the members of staff of the pay award

5. Total cost of remuneration package

The total remuneration package will be considered alongside the cost of the basic salary. The trust will consider the following:

- Pension contributions and payments in lieu of pension contributions
- Compensation for loss of office
- Any sums paid under pension scheme in relation to employment with the provider
- Other taxable benefits
- Non-taxable benefits that are available only to senior members of staff
- Other remuneration and the cost to the provider, e.g. travel allowance

Where an executive leader is on a part time or fixed term contract, the trust board will ensure the full-time equivalent (FTE) is still reasonable within the context of the trust. Where the executive leader is also a trustee, the board will consider whether expenses could be considered a conflict of interest.

6. Public interest

The trust will publish on its website, in a readily accessible form, the number of employees whose benefits exceeded £100,000, in £10,000 bandings, for the previous year ended 31 August.

7. Pay progression and appeals

The salary scale will be reviewed when a post becomes vacant or when there have been significant changes to responsibilities.

Appeals

If an executive leader is dissatisfied with any pay decisions, they will be expected to raise this with the chair of the board.

If the issue remains unresolved, the executive leader will be permitted to submit an appeal within 10 days of the notification of the pay decision or discussion with the chair of the board.

Appeals will be considered if they are based on any of the following:

- Incorrect application to any provisions of their employment contract
- Failure to have regard to statutory guidance relating to pay
- Failure to take account of relevant evidence
- Failure to consistently apply this policy and associated performance management or appraisal procedures

- An allegation of bias
- Unlawful discrimination of the executive leader

Executive leaders will be within their rights to raise a formal complaint about a decision and raise a grievance under the trust's formal grievance procedure.

8. Additional considerations

Tax

The trust will ensure its senior employees' payroll arrangements fully meet their tax obligations and comply with HM Treasury's guidance about the employment arrangements of individuals on the avoidance of tax. Senior managers with significant financial responsibilities will be exclusively on payroll and subject to Pay As You Earn with income tax and NI contributions deducted at source.

Pensions

The trust will consider whether executive leaders are on the correct pension package that represents the best value for money for the trust.

Succession planning

When planning for successors, individuals will not automatically be recruited at the same level as their predecessor. The trust will consider:

- Whether severance payments are reasonable and justifiable.
- The intended length of service.
- The required notice period
- The length of time required to recruit a replacement.

9. Monitoring and review

This policy will be reviewed by the board of trustees as required and at least annually.