



Executive Pay Policy

Author	Trust Board Pay Committee	Source	NSAT Pay Policy / DfE Guidance/ ATH 2026
Approved By	Trust Board	Status	Statutory
Last Review	September 2026	Next Review	September 2027

Details of Policy Updates

Date	Details

Table of Contents

1. Purpose, Scope and Principles.....	3
1.1 Legal Framework and regulatory requirements	3
2. Governance and Responsibilities	4
3. Pay Structure	4
3.1 Tier 1 (CEO and DFO): market-referenced ranges	4
3.2 Tier 2 (Leadership Group): STPCD arrangements	4
4. Determining pay on appointment	5
4.1 Tier 1 Appointments.....	5
4.2 Tier 2 Appointments.....	5
5. Annual pay review and progression.....	5
5.1 Annual timetable.....	5
5.2 Performance management.....	5
5.3 Tier 1 progression (CEO and DFO).....	5
5.4 Tier 2 Progression.....	6
5.5 When progression may be withheld	6
6. Evidence, documentation and independent scrutiny.....	6
6.1 Succession Planning.....	6
7. Benchmarking.....	7
8. Cost-of-living adjustments.....	7
9. Changes to roles, acting-up and out-of-cycle reviews.....	8
10. Other payments and benefits.....	8
10.1 Severance and Exit Payments.....	8
11. Salary safeguarding / pay protection.....	8
12. Appeals.....	9
13. Transparency, monitoring and review.....	9
14. Equality and diversity.....	9
15. Related policies and document.....	10

1. Purpose, scope and principles

This policy sets out North Star Academy Trust's approach to determining pay and benefits for the Executive Leadership Team (ELT). It applies to:

- **Tier 1 (market-referenced posts):** Chief Executive Officer (CEO); Director of Finance and Operations (DFO).
- **Tier 2 (leadership group posts):** ELT roles paid under the Leadership Pay Scale NSAT Pay Policy, including any other posts designated by the Trust Board. ELT roles include teaching and non-teaching.

Pay decisions must be evidence-based, transparent, proportionate, affordable and defensible, represent value for money, comply with the Equality Act 2010, and be approved through independent scrutiny. No individual may be involved in deciding their own remuneration.

All pay decisions are anchored in the seven principles of public life (the Nolan principles): Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership. The Trust adopts the Confederation of School Trusts (CST) principles, ensuring all decisions are transparent, proportionate, and defensible relative to the public sector market.

Alignment with teacher pay (ATH mandatory presumption): Executive pay must not increase at a faster rate than teachers' pay within the trust in any individual year. Any proposed increase exceeding the teacher pay award requires clear justification and prior written approval from the DfE before the increase is awarded. This requirement applies to all forms of pay progression including cost-of-living adjustments, performance-related increases, and market adjustments.

1.1 Legal framework and regulatory requirements

This policy complies with the Academy Trust Handbook (ATH) 2026, specifically sections 2.27 to 2.30, which require a robust, evidence-based, and documented process for setting executive pay. The Trust is committed to ensuring all senior employees' payroll arrangements fully meet tax obligations (e.g., Pay As You Earn) in line with HM Treasury guidelines to avoid fines and ensure transparency.

This policy has due regard to all relevant legislation and guidance including, but not limited to:

- Academy Trust Handbook (ATH) 2026 (sections 2.27-2.30)
- Equality Act 2010
- HM Treasury guidance on tax arrangements
- Committee on Standards in Public Life 'The Seven Principles of Public Life'
- Confederation of School Trusts (CST) principles
- DfE 'Setting executive salaries: guidance for academy trusts'
- DfE 'Academies accounts direction'
- School Teachers' Pay and Conditions Document (STPCD)
- Master Funding Agreement

This policy operates in conjunction with the following Trust policies:

- NSAT Pay Policy
- NSAT Appraisal Policy
- Managing Change Procedure

- Equality, Diversity and Inclusion Policy
- Conflicts of Interest Policy
- Gifts, Hospitality and Anti-bribery Policy
- Finance Policy
- Risk Management Policy
- Scheme of Delegation
- Recruitment and Selection Policy

2. Governance and responsibilities

HR Adviser: provides advice on benchmarking, compliance, fairness and process.

Trust Board (ultimate accountability): The full Board of Trustees retains ultimate accountability and must formally approve all final decisions on executive pay. This responsibility cannot be delegated. The Board approves this policy, ensures statutory publication and value for money, and ensures all decisions are evidence-based and documented. The Board is 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; that its approach to pay and benefits is transparent, proportionate and justifiable; and that decisions represent good value for money and are defensible relative to the public sector market.

Trust Board Pay Committee: reviews and recommends Tier 1 pay ranges and salaries (including benchmarking); considers CEO/Chair recommendations on pay progression; scrutinises evidence and affordability; documents recommendations to the Board; manages appeals in line with this policy. The Committee is responsible for ensuring no individual is involved in deciding their own remuneration, carefully managing conflicts of interest and avoiding them wherever possible, and reviewing the performance of executive leaders to inform pay reviews.

Independence and membership: minimum three trustees; quorum three; ELT members are not members; the Committee Chair is not the Trust Board Chair.

Chair of the Trust Board: leads the CEO appraisal and makes recommendations on CEO pay to the Pay Committee; commissions/initiates benchmarking as required.

CEO: leads appraisals for all other ELT roles and makes pay recommendations to the Pay Committee (not present for discussion/decisions on CEO pay).

2.1 Trustee Financial Competence

All trustees, particularly those serving on the Pay Committee, must receive appropriate financial training covering:

- Financial management and control
- Monitoring and reporting
- Understanding total remuneration packages (including pension costs)
- Value for money assessment

The Trust Board will ensure all Pay Committee members have received this training before participating in executive pay decisions.

3. Pay structure

3.1 Tier 1 (CEO and DFO): market-referenced ranges

Tier 1 roles are paid within a broad range set by the Trust Board with reference to external benchmarking against comparable academy trusts. The range includes:

- **Target Salary:** benchmarked market median (50th percentile).
- **Maximum Salary:** benchmarked upper quartile (75th percentile).

Each year, when no benchmarking is undertaken in line with section 7, the market-referenced ranges (Target and Maximum salary) will increase by the cost-of-living award, in order to maintain the market reference.

Where a Tier 1 executive's role does not meet the legal definition for Teachers' Pension Scheme (TPS) eligibility, they will be enrolled in the Local Government Pension Scheme (LGPS). The Pay Committee must formally assess and document the total employer pension contribution costs (TPS: 28.68%; LGPS: variable and risk-based) when determining the total remuneration package. This assessment forms part of the value for money and affordability considerations required under section 6.

3.2 Tier 2 (Leadership Group): STPCD arrangements

Tier 2 roles are paid within the Leadership Pay Scale (STPCD). Each post has a pay range of up to five incremental points, reviewed at least every three years. Progression is normally one point for good/outstanding performance (and up to two points only in exceptional, evidenced circumstances), until the top of the range is reached.

4. Determining pay on appointment

4.1 Tier 1 appointments (CEO/DFO)

Before a formal offer, the Trust Board will approve a pay range and starting salary informed by benchmarking in accordance with section 7 of this policy.

4.2 Tier 2 appointments

The CEO recommends a pay range (max five points) and starting salary (normally within the first two points) to the Pay Committee for recommendation to the Trust Board, supported by role assessment, internal relativities and affordability.

Advance approval will be sought from the DfE before advertising any new executive role where:

- The proposed salary exceeds £174,000 (or the equivalent pro-rata rate for a part-time post), OR
- Performance-related pay is expected to exceed £25,000

The approval must be obtained before the role is advertised, and no commitment may be made to any candidate until written DfE approval is received.

5. Annual pay review and progression

5.1 Annual timetable

ELT pay is reviewed annually by no later than 31 October, effective from 1 September. Performance reviews are completed by 31 July; Pay Committee meets by 30 September; Trust Board approval by 31 October; written notification within 10 working days.

5.2 Performance management

All ELT members are appraised annually under the Trust's Appraisal Policy. CEO appraisal is led by the Chair; all other ELT appraisals are led by the CEO. Objectives link to the Trust Strategic Plan and associated targets and are assessed against agreed evidence and success measures.

5.3 Tier 1 progression (CEO and DFO)

Pay growth constraint: Transparency and publishing: Trusts must publish the number of employees with benefits exceeding £100,000 in £10,000 bandings on their website in a separate, accessible format

Progression to Target Salary: where salary is below Target Salary, an annual increment will normally be awarded for good/outstanding performance, demonstrated against clear, measurable KPIs agreed at appraisal, subject to affordability. The increment is the greater of (i) the amount required to reach Target Salary over a reasonable period, or (ii) an increase aligned to the average teacher pay award, however will not result in a salary above the Target Salary.

Discretionary progression beyond Target Salary: once at Target Salary, any further increase is discretionary and requires documented objective justification such as:

(a) significant, sustained change in scope/scale/complexity (for example, material Trust growth of approximately 25% or more in schools, pupil numbers or budget);

(b) sustained exceptional performance - normally requiring at least two consecutive years of outstanding appraisal outcomes with clear evidence of measurable impact on educational and financial outcomes; and/or

(c) market adjustment supported by updated benchmarking demonstrating that current salary has fallen materially below market median (normally by more than 5%).

Progression will not exceed Maximum Salary. All discretionary progression beyond Target Salary must be fully documented and formally approved by the full Trust Board.

5.4 Tier 2 progression

Progression follows the Tier 2 arrangements in section 3.2, on CEO recommendation to the Pay Committee and Trust Board approval.

5.5 When progression may be withheld

Progression may be withheld where performance does not meet the required standard, objectives are not achieved, or there are formal capability proceedings or substantiated concerns about leadership/management. Decisions must be evidenced and documented.

Pay progression may also be frozen, or in exceptional circumstances salaries adjusted downwards, where the Trust is experiencing financial difficulties, forecasting a deficit, or where the financial position has deteriorated due to poor management. Any such decisions must be fully documented and approved by the Trust Board.

6. Evidence, documentation and independent scrutiny

For every executive pay decision (appointment, annual review, out-of-cycle adjustment, allowances, benefits), the Pay Committee and Trust Board must retain a clear audit trail including:

- Performance evidence and appraisal outcome.
- Decision rationale mapped to this policy (including whether Tier 1 pay is below/at/above Target Salary).
- Affordability, budget impact and value for money.
- Comparison to teacher pay increases and any justification for differences (demonstrating compliance with the ATH mandatory presumption in section 1).
- DfE advance approval where required.
- Approvals (Pay Committee recommendation and Trust Board decision) and dates.
- **Tier 1 additionally:** benchmarking sources/date, comparator set, market position (quartiles/median) and HR advice.
- Minutes of Pay Committee recommendations and formal Trust Board approval, including any questions raised, challenges made, and how these were addressed.

Before setting or reviewing Tier 1 pay, the Pay Committee must formally evaluate and document the contextual factors laid out in Appendix 1. All evaluations must be documented in writing and retained with the pay decision records.

To ensure proportionality and public defensibility, the Pay Committee must evaluate and document the following internal equity metrics when setting or reviewing Tier 1 pay as outlined in Appendix 1. These metrics must be reviewed annually and presented to the Trust Board alongside any pay recommendations. Where executive pay ratios or increases significantly exceed workforce averages, objective justification must be documented in accordance with the ATH mandatory presumption (section 1).

All executive pay decisions are subject to independent scrutiny and challenge by the full Trust Board, including trustees not on the Pay Committee. Records are retained securely for at least seven years.

6.1 Succession Planning

When determining executive pay, contract terms and appointment arrangements, the Trust Board must consider:

- Succession planning for key executive roles
- Appropriate notice periods that balance operational continuity with flexibility and value for money
- Realistic timescales for recruiting high-quality replacements
- For any fixed-term executive appointments, the intended outcomes and deliverables beyond business-as-usual operations must be clearly defined, documented and monitored

7. Benchmarking

Tier 1 benchmarking will usually be undertaken (i) on appointment, (ii) at least every three years to review Target and Maximum, (iii) when there is a significant change in Trust size/complexity (for example, c.25% growth in schools or budget), and/or (iv) when considering market adjustment. The Trust Board may also commission benchmarking more frequently if there are significant changes in the external market or concerns about competitiveness.

The Trust will use robust sources (for example, DfE published information, NGA tools, sector surveys, specialist advisers, and comparable trust accounts). The Trust will aim for a comparator set of normally at least eight trusts that are broadly similar in: number of schools, total pupil numbers, phase/provision

(primary, secondary, special, alternative provision), geography/context (region, urban/rural, deprivation levels), complexity (for example, number of sites, federated arrangements), and financial scale (total income/expenditure).

The rationale must be documented, including sources, comparator set, affordability/value for money and any objective justification for departures from benchmark parameters.

Following benchmarking, the Trust Board will set Target Salary at the market median and Maximum Salary at the upper quartile. Where the existing Target Salary differs materially from market position (for example, more than 5%), the Board may adjust the range with documented justification. If an adjustment results in an individual being above the revised Target Salary, salary will not be reduced; automatic progression pauses unless further discretionary justification applies in accordance with section 5.3.

Tier 2 benchmarking is not routinely required but may be used when creating new roles or reviewing pay ranges.

8. Cost-of-living adjustments

Cost-of-living increases are distinct from performance-related progression.

Tier 2: STPCD uplifts apply through the Leadership Pay Scale values.

Tier 1: where below Target Salary, cost-of-living is normally incorporated within the automatic progression approach in section 5.3. Where at/above Target Salary, the Trust Board may apply an affordable cost-of-living adjustment aligned to the average teacher pay award, provided salary does not exceed Maximum Salary. Any departure from alignment with teacher pay awards must be objectively justified in accordance with the ATH mandatory presumption (section 1), fully documented and formally approved by the Trust Board.

9. Changes to roles, acting-up and out-of-cycle reviews

Where there is a significant permanent change in responsibilities, scope or complexity, pay may be reviewed outside the annual cycle. For Tier 1 roles this may include updated benchmarking and/or range review. All such changes require documented evidence, value for money assessment and Trust Board approval.

Acting-up: where an ELT member undertakes the full duties of a more senior role for at least four weeks, an acting-up allowance may be paid, normally the difference between substantive pay and an appropriate point for the acting role. Acting CEO allowances are determined via the Pay Committee; other acting-up allowances via the CEO. Acting-up pay is backdated to the start of duties and does not attract pay protection when the arrangement ends.

10. Other payments and benefits

Recruitment/retention payments and **benefits in kind** are exceptional, time-limited, justified by evidence, represent value for money, are approved by the Trust Board and disclosed where required in the Trust's accounts.

Relocation expenses may be paid where necessary to secure appointment, pre-approved (Pay Committee or Trust Board for CEO), capped in advance, evidenced by receipts and disclosed where material.

Professional subscriptions and CPD relevant to role and Trust priorities may be funded and are not treated as remuneration for the purposes of this policy.

10.1 Severance and Exit Payments

The Trust will comply strictly with ATH 2026 requirements and must obtain prior approval from HM Treasury/DfE before making a special staff severance payment where any of the following apply:

- A special staff severance payment of £50,000 or more (prior DfE approval mandatory)
- An exit package of £100,000 or above that includes a special severance payment (prior HM Treasury approval required)
- The employee earns over £174,000 (prior HM Treasury approval required)
- A payment is novel, contentious or repercussive (prior HM Treasury approval required), including where:
 - The settlement agreement includes a confidentiality clause as part of a special severance payment
 - The payment could set a precedent
 - The payment is likely to cause controversy or attract public interest

Value for Money and Scrutiny

- Severance payments will **never be made as a reward for failure** and must represent value for money
- The Trust will apply **the same rigorous scrutiny to payments under £50,000** as those over this limit
- All severance payments must have a **justified business case** demonstrating value for money
- The Trust will not make contractual payments that go beyond statutory or contractual entitlements without robust justification and appropriate approval.

Any proposed severance payment requiring DfE approval must be submitted via the DfE's online form with full justification before any commitment is made to the individual. The Trust Board must approve the business case before submission to the DfE.

Clear records and evidence of the management and approval process for all severance payments will be retained as required. All severance payments will be disclosed in the Trust's annual accounts in accordance with the Academies Accounts Direction.

11. Salary safeguarding / pay protection

Pay protection may apply where an ELT member is redeployed into a lower graded post or their post is downgraded, in line with the Trust's Managing Change Procedure. During pay protection, pay is normally frozen and annual awards/increments are not paid; the period will normally be no more than three years. There is no pay protection for acting-up or time-limited recruitment/retention payments.

For Tier 2 roles paid under the STPCD Leadership Pay Scale, pay safeguarding is a statutory entitlement and will be applied in strict accordance with STPCD provisions.

12. Appeals

Any ELT member may appeal a pay decision. Informal resolution should be sought within 10 working days of written notification (CEO with the Chair; others with the CEO). If unresolved, a formal appeal must be submitted in writing to the Clerk within 10 working days of the informal outcome.

An Appeal Panel of three trustees who were not members of the Pay Committee will hear the appeal (supported by HR advice). The individual may be accompanied by a trade union representative or workplace colleague.

The Panel will review whether the original process and decision were robust, transparent, and defensible in accordance with this policy. The Panel may uphold the decision, substitute a new outcome, or refer back for reconsideration with clear direction. The Panel's decision is final within Trust procedures and will be confirmed in writing within five working days.

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

- Incorrect application of any provisions of their employment contract
- Failure to have regard to statutory guidance relating to pay (including ATH 2026)
- 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

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.

13. Transparency, monitoring and review

The Trust will publish on its website, in a readily accessible form, the number of employees (including executives) whose benefits exceeded £100,000, in £10,000 bandings, for the previous year ended 31 August. This disclosure will include: salary, employer pension contributions, other key benefits, and termination payments. Where the Trust has entered into an off-payroll arrangement exceeding £100,000, this will also be disclosed.

The Trust will publish executive pay information as required by law and regulatory guidance (including relevant disclosures in annual accounts and pay band reporting). The Pay Committee will report annually to the Trust Board on decisions made, alignment with teacher pay progression (demonstrating compliance with the ATH mandatory presumption) and any benchmarking undertaken.

This policy is monitored annually and reviewed at least every three years (or sooner if legislation/guidance changes). The Trust Board may commission an independent review of executive pay arrangements at least every five years.

14. Equality and diversity

The Trust applies this policy fairly and consistently and monitors outcomes to identify and address potential discrimination. Reasonable adjustments will be made for special circumstances (for example, maternity absence) on a case-by-case basis.

The Trust will consider evidence-based actions to address any gender pay differences including:

- Ensuring transparency in promotion, pay and reward processes.
- Clearly communicating the salary range on offer.

15. Related policies and documents

- NSAT Pay Policy
- NSAT Appraisal Policy
- Managing Change Procedure
- Equality, Diversity and Inclusion Policy
- Conflicts of Interest Policy
- Gifts, Hospitality and Anti-bribery Policy
- Finance Policy
- Risk Management Policy
- Scheme of Delegation
- Articles of Association
- School Teachers' Pay and Conditions Document (STPCD)
- Academy Trust Handbook (ATH) 2026
- NSAT Recruitment and Selection Policy

Appendix 1

Evidence Framework for Tier 1 Pay Decisions

Before setting or reviewing Tier 1 pay, the Pay Committee must formally evaluate and document the following contextual factors:

Academic and Educational Challenge:

- Key Stage 2/4 headline measures and outcomes
- Current Ofsted ratings across the Trust
- The Trust's educational targets and strategic priorities
- Specific challenges including the percentage of pupils with SEND, eligible for Free School Meals (FSM), and with English as an Additional Language (EAL)

Financial Performance:

- The Trust's current deficit or surplus position
- Financial projections for the medium term (typically 3 years)
- The external auditor's assessment and any concerns raised
- Budget per pupil and efficiency metrics

Individual and Role Factors:

- The individual's previous track record in improving educational outcomes
- Evidence of success in addressing trust-wide challenges
- The complexity and scope of the role, including any significant expansion plans or improvement requirements
- Any material changes in role responsibilities or trust scale

Trust Characteristics and Location:

- Number and type of academies (e.g., special schools, alternative provision, mainstream)
- Total pupil numbers across the Trust
- Geographical challenges (e.g., rural settings, recruitment difficulties, London weighting considerations)
- Number of sites and any federated arrangements

Public Scrutiny and Defensibility:

- Justification of the proposed salary against local and national salary levels
- Consideration of local media interest and community expectations
- The Trust's ability to defend the salary decision to the DfE and the communities it serves
- Alignment with public sector pay norms and the principles of value for money

Internal Equity Assessment

Salary cost per pupil: Executive salary as a proportion of the per-pupil funding

Pay differential: The percentage difference between the highest and lowest paid staff members across the Trust

Executive pay ratio: The multiple of executive pay compared to:

- An Early Career Teacher (ECT) salary
- The median earnings of the entire workforce

Comparative pay increases: The rate of pay increases for executives compared to the rate of increases across all other staff groups (teaching and support staff) over the same period.

[Setting executive salaries: guidance for academy trusts - GOV.UK](#)