CARWARDEN HOUSE COMMUNITY SCHOOL

Executive Pay Policy

Reviewed by Board of Trustees

Adopted: October 2025

Due for review: Autumn Term 26

EXECUTIVE PAY POLICY

Introduction

This policy sets out Carwarden House Community School's (the "Academy") 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 Academy and is not intended to have contractual effect. The Academy reserves the right to amend or vary this policy at any time and will inform employees when the policy is updated.

The Academy 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 Academy, 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 (DFE) 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 Academy 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 Academy'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).
- Chief Operating Officer (COO).

Governance and Decision-Making

No individual can be involved in deciding their own remuneration.

The Pay Panel 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 Academy, 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 Panel where appropriate.

The Academy 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 DfE that executive pay reflects value for money and probity.

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

The Pay Panel, 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 Pay Policy 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 Panel may seek independent benchmarking advice or legal guidance to support decision-making. The Pay Panel should commission external benchmarking at least every three years, or more frequently where market conditions change significantly.

The Pay Panel 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 Academy'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 Academy'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 Academy.
- 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 Academy will not use performance-related pay [or bonuses] to compensate for underfunding or recruitment challenges.

Components of Pay

Component	Policy Guidance
Base Salary	Reviewed annually, increases only if objectively justified.
Performance Related Pay	Must be capped, transparent and outcomes-based, and linked to measurable objectives. Not guaranteed or cumulative.
Pension	As per Teachers' Pension Scheme rules. No enhanced employer contributions without approval of the Board of Trustees.
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. Our Appraisal Policy and Procedure contain further information about the appraisal process.

Executive pay may include a performance-related element, which must be:

- Clearly linked to measurable, pre-agreed objectives aligned with the Trust Academy's strategic plan.
- Assessed annually via a robust appraisal process involving the Chair of Trustees or nominated trustee panel; and
- Non-cumulative and not guaranteed.

The Pay Panel will determine whether performance objectives have been met and whether any award is appropriate, affordable, and justifiable. All decisions will be documented and reviewed annually for fairness and consistency.

Decisions regarding pay progression will be made with reference to the individual's appraisal report and the pay recommendation it contains.

Subject to our appraisal procedure, the employee will be eligible for pay progression if [they meet all their objectives, are fully meeting the relevant standards, and all their teaching is assessed as being at least good. The appraisal report will indicate whether an employee should be considered for pay progression.

Pay progression may be withheld where there are serious performance concerns which are subject to a formal capability process, in accordance with the Academy'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.

Pay Structure or Bands

The Academy uses a defined structure for executive salaries, with roles placed into salary bands according to responsibility, scale, and performance. Band movements require approval of the Pay Panel.

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 Academy 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 Pay Panel.

In addition, in accordance with HM Treasury rules, the Academy 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 Academy 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 Academy will also publish the ratio between the highest-paid executive and the median salary across the Academy 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 Academy 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 Academy's payroll, with income tax and National Insurance contributions deducted at source under the Pay As You Earn (PAYE) system. The Academy will not enter into any arrangements which could be perceived as facilitating tax avoidance.

Charity Commission Reporting

As the Academy is a registered charity, it will provide the Charity Commission with the required information in its Annual Return about the total remuneration received by staff members. The Annual Return will include details of how many individuals receive total remuneration packages worth £60,000 or more, reported in £10,000 bands. This information is published by the Charity Commission in the public register of charities.

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 annually 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 Panel.

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.