Executive Pay Policy

2026-2027

Approved by:	IET Board of Trustees
Stakeholders Consulted:	Executive Pay Committee
Author:	CFOO
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Contents

1. Scope and Purpose of Policy

Setting the framework for the pay of the Senior Executive Leaders in an Academy Trust is the direct responsibility of the Trust Board, which must retain control and oversight of this critical function.

The Board must ensure that the pay and leadership structure:

- Is consistent with the Nolan Principles of Public Life.
- Is appropriate in the public sector.
- Is affordable and sustainable in the long term.
- Is appropriate for the level of responsibility each individual has.

This policy shall be reviewed annually by the Executive Remuneration Committee and approved by the Trust Board. Earlier review may occur where changes in legislation, regulation, DfE guidance or Trust circumstances require.

The Trust will comply with all statutory disclosure requirements relating to executive remuneration, including publication requirements contained within the Academy Trust Handbook, annual financial statements and any other applicable regulatory guidance.

Information will be published in a manner that supports transparency while complying with data protection legislation.

This policy will be published on the Trust website and made available on request.

2. Guiding Documents

Key guidance documents will be considered when setting Executive pay within Isle Education Trust.

These are:

2.1. Academy Trust handbook

"2.31 The board of trustees **must** ensure its decisions about levels of executive pay (including salary and any other benefits) follow a robust evidence-based process and are a reasonable and defensible reflection of the individual's role and responsibilities. No individual can be involved in deciding their remuneration. Decisions about executive pay may be challenged by DfE".

The board **must** discharge its responsibilities effectively, ensuring its approach to, and levels of, pay and benefits is transparent, proportionate and defensible. This **must** be documented in an agreed pay policy, which sets out the process for determining executive pay and includes:

- independent scrutiny by the board
- robust decision-making that demonstrates justifiable pay
- proportionality – that pay and benefits represent good value for money and are defensible relative to the public sector market

- documented decision-making with rationale and approval by the board

Executive remuneration **must** not increase at a faster rate than that of the academy trust's teachers, unless there is a clear justification for it to do so. Where the academy trust considers there is a justification, it **must** seek approval in advance from DfE.

From 1 October 2026, for new appointments within academy trusts where remuneration exceeds £174,000, or the pro rata equivalent for part-time staff, or performance-related pay above £25,000, approval from DfE **must** be obtained before the post is advertised.

The trust **must** publish on its website in a separate readily accessible form the number of employees whose benefits exceeded £100,000, in £10,000 bandings, for the previous year ended 31 August. Benefits for this purpose include salary, employers' pension contributions, other taxable benefits and termination payments. Where the academy trust has entered into an off-payroll arrangement with someone who is not an employee, the amount paid by the trust for that person's work for the trust **must** also be included in the website disclosure where payment exceeds £100,000 as if they were an employee.

2.2. DfE Guidance for Trust Boards

The Department for Education issued guidance in November 2025 regarding the setting of Executive pay in Academy Trusts, including the following key content:

"Academy trusts are both charities and companies limited by guarantee and must operate to further the trust's educational charitable purpose.

They are accountable to the Department for Education (DfE) , the Secretary of State for Education as principal regulator and the communities they serve for the education they provide to Pupils.

It is essential that we have the best people to lead our schools, but at the same time, it is important that salaries:

- can be justified and are in the best interests of the charity
- reflect the individual's responsibilities
- demonstrate value for money.

Academy trusts are free to set their own salaries for staff. This places an even greater responsibility on the board to ensure that the use of public money represents the best value for money, and that decisions are underpinned by the 7 principles of public life, as set out by Lord Nolan, i.e.: selflessness, integrity, objectivity, accountability, openness, honesty and leadership".

If the DfE believes that a robust process for deciding on executive remuneration has not been followed, or that the salary is inappropriate in the context of the trust, the DfE will challenge the trust directly to resolve this issue. High salaries have been factored into the DfE's approach to risk management and are now considered alongside other risks when making decisions about academy trusts.

It is good practice to ensure that all decisions are made based on a consideration of relevant evidence. This enables the Board to be accountable for each decision and makes it easier to provide justification of how decisions are made.

The evidence base that should be considered when making decisions about pay will vary depending on the context of the specific academy trust. The Board should use its discretion when determining the most appropriate data to support its decision-making.

Executive remuneration will not increase at a faster rate than the pay award applied to teachers across the Trust unless there is a clearly documented and evidence-based justification.

Where the Trust proposes an increase requiring prior Department for Education approval under the Academy Trust Handbook, such approval will be obtained before any commitment is made.

2.3. NGA's guidance to Boards re: setting Executive Pay

In June 2025 the NGA produced a guidance document to assist Trust Boards in setting Executive pay.

The guidance includes key areas which should be considered by the Board, e.g.:

- Executives' roles and responsibilities
- Remuneration and affordability
- Ethics
- The Trust's size, nature and context
- Reference to the STPCD Pay & Conditions Document (the national framework)
- Gender pay parity
- Recruitment and retention
- Benchmarking (including possible reference to other sectors)
- Pension

2.4. Ethical Leadership Framework

In January 2019, the Ethical Leadership Framework resulted from a Commission established to consider ethical leadership in education. The Framework includes a number of questions which it proposes that Boards should consider when setting or reviewing Executive pay (Appendix A).

2.5. The Confederation of Schools Trusts

The Confederation of Schools Trusts (CST) has published Annual Salary Surveys of Executive Leadership Roles in Schools. Isle Education Trustees have this information available annually to support their decision-making.

3. Definition of Executive Officers

For the purposes of this policy, Executive Officers are those members of staff designated by the Trust Board as members of the Trust Executive Team and any other postholders whose remuneration falls within the scope of executive pay oversight determined by the Board.

4. Public Interest and Stakeholder Expectations

Trustees recognise that executive remuneration decisions may be subject to scrutiny by the Department for Education, regulators, auditors, stakeholders, employees, parents, local communities and the wider public.

5. Benchmarking

5.1. How benchmarking information is ascertained

There is no officially published annual list of MAT Executive salaries, save for those collated by the sector news media following the publication of Annual Accounts. This information tends to focus on the salaries of the highest paid only.

Benchmarking information is collated from the public domain, derived from the published Annual Accounts of Trusts that relate to the year prior.

Benchmarking information will be used to inform decision-making and shall not be applied mechanistically. Trustees will exercise judgement having regard to the Trust's individual circumstances, performance, complexity and affordability.

5.2. The Benchmarks Used

A ‘Basket of Trusts’ approach to benchmarking is adopted in order to provide the fairest and broadest contextual information on what is known for Trustees to support their decision-making on Executive pay. Due to the timing of publication and Board deliberation, the available information is typically, by the time of deliberation, two financial years lagged.

These ‘Basket of Trusts’ Trusts are selected at various points as of a similar size and having seen similar growth trajectories to Isle Education Trust over time and/or who have regions overlapping with Isle Education Trust and/or have similar profiles of school types. The same Trusts are maintained as the benchmark comparators over several years in order to maintain some level of benchmarking continuity in an area subject to dynamic change in order to aid Trustees decision-making.

Multi-Academy Trusts differ widely in their characteristics. The Trusts are chosen by size and broad context only. There is broad variation in organisational cultures and overall performance amongst them.

5.3. Wider sector benchmarks (where they are available) for comparison

Trustees have requested wider public-sector Executive salary benchmarking information, specifically Executive remuneration comparisons with the NHS, Colleges and Universities. These comparators are to be included.

5.4. The significance of contextual factors in the setting of Executive pay

There is no simple comparison between any two Trusts. Contextual factors specific to Isle Education Trust include:

- Relatively small but growing MAT. This creates opportunities for close collaboration and consistency, but also brings challenges around capacity, central service resilience, succession planning and economies of scale.
- Mixed phase provision. The trust operates across primary, secondary and alternative provision sectors. This requires strong alignment of curriculum pathways, SEND support, safeguarding processes, attendance strategies and transition arrangements between phases.
- Rural geography. Many trust schools serve rural communities across the Isle of Axholme and North Lincolnshire. Rural settings can present challenges around:
    - Staff recruitment and retention
    - Transport and accessibility
    - Access to specialist services
    - Community engagement across dispersed locations
    - School sustainability and estate management

6. Total Remuneration Package

Trustees will consider the total remuneration package rather than salary alone.

Total remuneration may include:

- basic salary;
- pension contributions;
- contractual benefits;
- relocation or recruitment incentives;
- retention payments;
- performance-related payments where approved;
- termination arrangements;
- any other taxable benefits.

Trustees will ensure that the overall package remains affordable, proportionate, transparent and represents value for money.

The Trust does not ordinarily operate performance-related pay arrangements for Executive Officers.

Where exceptional circumstances justify consideration of a performance-related payment, the rationale must be clearly evidenced, independently scrutinised by the Executive Remuneration Committee, approved by the Trust Board and comply with any applicable DfE approval requirements.

Severance and Exit Payments

Any severance, settlement or exit payment involving an Executive Officer shall be managed in accordance with the Academy Trust Handbook, relevant Department for Education guidance and the Trust's policies. Such payments must be demonstrably in the Trust's interests, appropriately authorised and capable of withstanding public and regulatory scrutiny. Any approvals required by the Department for Education or other relevant authorities shall be obtained before commitments are made.

7. Total Cost of Leadership

Trustees will give consideration to the total cost of leadership to ensure that this demonstrates good value for money and is publicly justifiable.

Due to the limitations of requirements for reporting, benchmarking information is not available in respect of section 6. and 7.

8. Internal Pay Relativity

Trustees will consider executive remuneration in the context of the wider Trust workforce.

When reviewing executive pay, the Board shall consider:

- teacher pay awards;
- support staff pay awards;
- the overall staff pay bill;
- executive-to-median pay ratios and executive-to-lowest-paid employee pay ratios where available, in order to inform judgements regarding proportionality, fairness and public value.
- the impact of executive remuneration decisions on workforce morale and public confidence.

The Board will ensure that executive pay remains proportionate and defensible when compared with the wider workforce.

9. Executive Remuneration Committee

The Executive Remuneration Committee - established by the Trust Board and usually comprising the Chair of the Board, the Chair of the Finance, Audit & Risk (A&R) Committee, and 1 additional Trustee - will consider proposals in respect of Executive pay and will make recommendations to the Trust Board.

The Executive Remuneration Committee shall be quorate when at least three trustees are present, none of whom have a conflict of interest in the matter under consideration.

The Committee will meet annually to consider annual pay reviews. It may also meet at other times by exception, e.g., in the event of a change in an Executive member’s responsibilities.

The process, rationale and outcomes relating to the decision-making of the Committee and Board will be fully documented.

The Committee will have due regard to the Nolan Principles of Public Life and to the guidance available from relevant sector bodies.

It will seek evidence from and advice of the Chief Executive Officer in determining all Executive pay awards other than those of themself.

When undertaking an annual executive pay review, the Executive Remuneration Committee will normally consider:

- Trust growth and organisational complexity
- Educational performance outcomes
- Inclusion and SEND outcomes
- Financial performance and sustainability
- Risk profile of the organisation
- Delivery of strategic objectives
- External benchmarking information
- Recruitment and retention considerations
- Internal pay relativities
- Workforce affordability
- Sector-wide pay awards

Executive remuneration decisions will be made fairly, objectively and without unlawful discrimination.

Trustees will have due regard to:

- gender pay equality;
- equal pay legislation;
- protected characteristics under the Equality Act 2010;
- the Trust's Public Sector Equality Duty obligations.

With regard to the remuneration of the Chief Executive Officer, the Committee will seek evidence from the Chair of the Trust Board.

Trustees may consider changes in organisational size, complexity, geographical spread, regulatory risk, school improvement responsibilities and executive accountabilities when reviewing remuneration.

In considering affordability, trustees shall have regard to the Trust's overall financial position, reserves, revenue forecasts, budget assumptions and longer-term financial sustainability.

Any material changes resulting in salary adjustment shall be evidenced and documented.

The Executive Remuneration Committee may, from time to time, seek the advice of an external party in order to provide challenge to its arrangements.

All trustees and committee members involved in executive pay determination must declare any actual, potential or perceived conflict of interest.

Any individual with a conflict of interest, including a personal, financial, professional or family relationship with the post-holder under consideration, shall withdraw from all discussions and decision-making relating to that remuneration decision.

Conflicts shall be recorded in the minutes and managed in accordance with the Trust's Conflicts of Interest Policy and Register of Interests.

Board Approval

Recommendations of the Executive Remuneration Committee shall be submitted to the Trust Board for approval.

The Trust Board shall satisfy itself that:
- the process has been robust and evidence-based;
- appropriate benchmarking information has been considered;
- remuneration is affordable, proportionate and represents value for money;
- relevant conflicts of interest have been managed appropriately; and
- the proposed remuneration is a reasonable and defensible reflection of the individual's responsibilities.

The Board's decision and rationale shall be formally minuted.

10. Executive Recruitment and Initial Pay Determination

When appointing a new Executive Officer, the Board shall determine an appropriate salary range before recruitment commences.

The determination shall take account of:
- the responsibilities of the role;
- organisational size and complexity;
- recruitment and retention challenges;
- sector benchmarking data;
- affordability;
- public sector comparators; and
- value for money considerations.

Any remuneration package requiring prior Department for Education approval under the Academy Trust Handbook shall not be advertised, offered or contractually committed to until such approval has been obtained.

11. Executive Pay Policy – Academy Executive Principals

Academy Executive Principal pay bands will normally fall within a range, dependent upon the size and complexity of the role and the risk profile of the Academy/ies in question. Annual pay awards will be processed in accordance with the Trust Pay Policy.

Where an Academy Executive Principal leads a group of Academies of exceptional size, complexity and risk profile, special consideration may be made to their remuneration, exceptional to the established pay bands. In such cases, the same considerations, criteria and safeguards will be applied to the setting of salary as they are to those of the Trust Executive Group and will take regard of the Teacher Pay Scales for England and the other guidance referred to earlier in this paper.

The Executive Remuneration Committee will be required to determine the pay range and the initial salary of such Executive Principals. Subsequently, annual pay awards within the agreed range will continue in accordance with the Pay Policy.

12. Data Retention

Records relating to executive remuneration decisions, benchmark data, evidence considered, committee papers and Board approvals will be retained in accordance with the Trust's Records Retention Schedule and shall be available for regulatory review where required.

13. Appeals

If an Executive Officer is dissatisfied with a pay decision, explicit reasons must be given and must first be discussed informally with the Chair of the Board.

The Officer may submit a letter of appeal within 10 days of the informal discussion with the Chair of the Board. Appeal letters, stating reasons and suggested remedy, should be submitted to the Trust Governance Professional.

Any appeal should be heard by a panel of three members of the Trust Board within 20 working days of the receipt of the written appeal. The Appeal Panel shall appoint a Chair. The Officer has the right to make representations in person and to be accompanied, but may elect for the appeal to be managed by correspondence.

Grounds for Appeal

The Board, in its decision-making:

- incorrectly applied terms and conditions of employment;
- failed to have proper regard for statutory guidance;
- took account of irrelevant or inaccurate evidence;
- failed to consistently apply the Executive Pay Policy;
- was demonstrably biased;
- otherwise unlawfully discriminated against the Officer.

The outcome of the appeal will be confirmed in writing within 10 working days. There will be no further right of appeal thereafter.

Appendix A: Ethical Leadership in Education

The Trust has committed to the Ethical Leadership Framework which resulted from the Commission which was established to consider ethical leadership in Education. The Framework is based upon Nolan's seven principles of public life. The following are suggested for reference when considering Executive pay:

Selflessness	**I**s your pay policy - and this particular decision - solely to the benefit of children and young people?
Integrity	Are the right people involved in making the decision? Is the pay decision unduly influenced by the post-holder?
Objectivity	Do you have evidence that: a) This level of pay would be required to recruit a senior leader? b) You will be unable to replace this leader at the current salary? Is this truly a corporate board decision, or one influenced by the leader/chair relationship?
Accountability	Are you sure that public money is being best used? Would the process for setting senior pay stand external scrutiny?
Openness	Do you publish your pay policy? Is the pay decision one you would be happy justifying to parents, staff and if necessary a journalist?
Honesty	Are you (the Chair) honest with the rest of the governing board, senior leaders and staff about how leadership pay is set?
Leadership	Does the high level of pay fit with the values and ethos of the school/trust?
Trust	Can the young people in your school/s trust you to act in their best interest?
Wisdom	How do you apply experience, knowledge and insight appropriately to your decision?
Kindness	Is this a request or an ultimatum? All other things being decided, what is the kindest way to deal with either?
Justice	Is the policy fair to all staff? Does it include a pay ratio?
Service	Does your policy and this decision reflect that this is public service and not the private corporate sector?
Courage	Are you brave enough to go ahead with an evidence-based and values-led decision?
Optimism	Is the decision based on a positive view of those who work in the public sector?