Four Hills Education Trust

Where Every Step is Shaped with **CARE**

EXECUTIVE PAY POLICY

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Four Hill Education Trust
Address: C/O Millbrook Primary School & Nursery, Grainger Drive, Leegomery, Telford, Shropshire, United Kingdom, TF1 6UJ
Telephone: 01952 387640
Email: Enquiries@fourhillseducationtrust.org.uk
Website: www.fourhillseducationtrust.org.uk

1. Purpose and Scope

This policy sets out the principles and procedures for determining executive pay within the Trust, ensuring compliance with the Academies Handbook 2025 and reflecting sector best practice. It applies to the Chief Executive Officer (CEO), Chief Finance and Operations Officer (CFOO), and other executive posts as determined by the Trust Board.

2. Principles

- **Compliance**: All decisions regarding executive pay will comply with the Academies Handbook 2025 and relevant statutory guidance.
- **Transparency**: The process for setting and reviewing executive pay will be open, evidence-based, and documented.
- **Affordability and Value for Money**: Pay decisions will be informed by the Trust's financial position and must be affordable in the medium to long term.
- **Benchmarking**: Pay will be benchmarked against comparable roles in the sector, using published pay scales and independent HR advice.
- **No Self-Determination**: No individual will be involved in determining their own remuneration.
- **Public Accountability**: Executive pay must be justifiable to the public and reflect the Trust's commitment to the effective use of public funds.
- All pay decisions are made in accordance with the Trust's Articles of Association and Funding Agreement.
- All pay decisions will be made in accordance with the principles set out in 'Managing Public Money'.

3. Pay Structure

- The Trust will use the pay scales set out in the School Teachers' Pay and Conditions 2025 for the CEO, and the Telford and Wrekin scales for the CFOO.
- The pay range for the CEO and CFOO is as follows (2025 figures):

Point	CEO (£)	CFOO (£)
1	153,490	96,523
2	156,495	98,555
3	159,500	100,587
4	162,505	102,619
5	165,510	104,651
6	168,515	106,683
7	171,520	108,715
8	174,525	110,747

  - CEO: Plus £3,005 per incremental point
  - CFOO: Plus £2,432 per incremental point

- New appointees will normally start at Point 1. In exceptional circumstances (e.g. significant contribution to academy conversion), a higher starting point may be awarded, as agreed by the Board.

4. Decision-Making Process

- The Board of Trustees will determine executive pay, informed by benchmarking data, independent HR advice, and the Trust's financial position.
- Independent HR advice and sector benchmarking data will be sought to inform all executive pay decisions
- The CEO's pay will be reviewed annually by the Chair of the Trust Board and assessed against performance criteria.
- The CEO will propose the CFOO's pay in consultation with the Board.
- All decisions will be recorded in the minutes of the relevant committee and reflected in the Trust's Financial Management Plan.
- All decisions regarding executive pay, including the rationale and supporting evidence, will be fully minuted and retained for audit purposes.
- The Board may delegate detailed scrutiny of executive pay to a Remuneration Committee, which will make recommendations for approval by the full Board.

5. Performance & Progression

- Pay progression will be based on performance, as assessed against agreed objectives and the Trust's strategic priorities.
- No pay progression will occur beyond the top of the pay range unless the role is substantially redefined.
- The Trust does not operate a bonus scheme for executives; all remuneration is based on salary and performance-related progression within the approved pay range.
- Discretionary financial rewards (e.g. for a one-off special task) may be awarded if specified in the policy and justified by exceptional performance.

6. Benchmarking

- The Trust will benchmark executive pay against comparable roles in other multi-academy trusts (MATs) to ensure remuneration is fair, competitive, and justifiable.
- Benchmarking will take into account the unique context and scope of each executive role, including factors such as:

  - Trust size and income

  - Number and type of schools (e.g., primary, secondary, special)
  - Pupil numbers
  - Location and regional pay variations
  - Phase and complexity of the Trust's operations

- Benchmark data will be used to:

  - Set salaries at the point of recruitment
  - Inform decisions on salary progression
  - Model and cost new staffing structures as the Trust grows or changes

- If benchmarking indicates that salaries are at the higher end of the range, the Board will document the rationale for this decision, ensuring it is supported by clear evidence and remains affordable.
- The Trust will monitor and report pay ratios (such as highest to lowest paid, and leadership pay as a proportion of income) to provide additional transparency and context for executive pay decisions.
- The Trust may use pay ratios (e.g., highest to lowest paid, cost-per-pupil, leadership pay as a proportion of income) to provide additional context and transparency for pay decisions.
- Trustees will use sector-specific benchmarking tools and may seek independent advice from external specialists (e.g., Pay in Education) to ensure robust and responsible comparisons.
- All benchmarking data and decisions will be recorded in committee minutes and reflected in the Trust's Financial Management Plan.

7. Performance Criteria

- Annual pay progression for executives will be subject to meeting clearly defined performance criteria, as set out in individual contracts and aligned with the Trust's strategic objectives.
- Performance criteria will include, but are not limited to:

  - Delivery of the Trust's strategic plan and key priorities
  - Educational outcomes and school improvement
  - Financial management and value for money
  - Organisational development, compliance, and culture
  - Leadership behaviours aligned with Trust values

- The CEO's performance will be appraised annually by the Chair of Trustees, supported by the CEO Performance Management Committee, with input from external advisers as appropriate.
- The CFOO's performance will be appraised by the CEO, with validation from the Chair of the Audit and Risk Committee and external benchmarking support.

- Evidence for performance assessment will include job descriptions, role profiles, performance data, strategic contribution, and external advice where appropriate.
- Progress towards objectives will be reviewed termly, and outcomes will be linked to performance-related remuneration, if applicable and approved.
- All performance management decisions and supporting evidence will be documented and available for scrutiny.

8. Severance and Ex-Gratia Payments

- Severance payments up to £50,000 (non-contractual element) may be approved by the Trust, with a business case and value for money assessment. Payments above this threshold require DfE approval.
- Ex-gratia payments must always be referred to the DfE for approval.
- All ex-gratia payments, and any severance payments above £50,000 (non-contractual element), will be referred to the DfE for approval in line with statutory guidance.

9. Disclosure and Reporting

- The Trust will publish details of executive pay in line with statutory requirements and the Academies Handbook, including remuneration bands for high-earning staff.
- All pay decisions and the rationale will be documented and available for scrutiny.
- This policy is published on the Trust's website to ensure transparency and accountability.

10. Review

- This policy will be reviewed annually, or sooner if there are changes to statutory guidance or the Trust's circumstances.

References (hyperlinks)

- exec-pay-20240515.pdf
- nga-staff-pay-trusts-20250523.pdf