



CST CODE: PRINCIPLES FOR DETERMINING EXECUTIVE PAY

The Confederation of School Trusts (CST) is the national organisation and sector body for academy and multi-academy trusts, advocating for, connecting and supporting executive and governance leaders. More information about membership of CST can be found [here](#).

As the sector body, we are recommending that trust boards formally adopt the Code. It reflects the approach that is used by the Committee of University Chairs.

THE CODE

The following principles underpin decisions on executive pay:

1. Decisions on executive pay are fair, proportionate and justifiable;
2. There is a fair, evidence-based process for making those decisions; and
3. The process is underpinned by probity, the ethos of public service, public sector values and the principles of public life.

1. Decisions on executive pay are fair, proportionate and justifiable

- Pay should take account of the context in which the trust operates.
- Pay should be linked to the value, based on a number of components, delivered by the executive leader or leaders.
- Pay decisions should ensure that there are no biases pertaining to gender or other protected characteristics within the pay structure.
- Pay is related to performance and non-achievement of an executive leader's objectives should have consequences.
- Severance payments (where these are made) must be reasonable and justifiable.



2. A fair, evidence-based process for making those decisions

- Executive pay should be part of the approach to rewarding all staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff.
- Remuneration Committees must be independent and competent and are accountable to the trust board.
- There should be an external benchmarking process which supports decision-making.
- Consideration is given to the pay-multiple of the CEO and the median earnings of the trust's whole workforce.

3. The process is underpinned by public sector values and the principles of public life

Selflessness	Pay decisions reflect the ethos of public service.
Integrity	Pay decisions are made independently (no individual can be involved in deciding his or her own remuneration), and with integrity and probity.
Objectivity	Pay decisions are taken impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	The trust board is comfortable submitting themselves to external scrutiny and challenge in relation to pay decisions.
Openness	Pay decisions are taken in a transparent manner.
Honesty	Decisions and reporting on pay are honest and truthful.
Leadership	The trust board demonstrates the highest standards of public life in executing the responsibility to set executive pay.