



Education & Skills
Funding Agency

Education and Skills Funding Agency
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[ESFA-enquiry-form](#)

10 April 2018

Letter to academy trusts paying two or more salaries between £100k and £150k

Dear chair of trustees

Your 2015/16 submitted accounts showed you are paying a salary within £100k - £150k to two or more employees of your trust. You are one of a very small number of trusts in this position – fewer than 3% of all trusts pay more than one salary in this bracket. I am writing to you in your capacity as Chair of Trustees to request further information on your process and rationale for setting these levels of salaries.

You should have a clear process and rationale for the salaries set, including for all of the non-teaching staff posts.

You will be aware that there has been considerable scrutiny over tax payer-funded executive salaries in recent months. We have recently written to a number of single academies and multi academy trusts about levels of high pay.

Whilst I recognise the excellent work carried out by many trusts to deliver high quality education to children, trusts have a responsibility to ensure value for money and that salary and other remuneration payments are transparent, proportionate, reasonable and justifiable. The Education and Skills Funding Agency (ESFA) has a responsibility to ensure that best practice is exemplified in the system to ensure this accountability.

This is why a requirement has been included in the Academies Financial Handbook 2017. Paragraph 2.3.5 states that “the board of trustees must ensure that their decisions about levels of executive pay follow a robust evidence-based process and are reflective of the individual’s role and responsibilities” (AFH, September 2017 p2.3.5). The priority is to ensure that due consideration is given when setting and reviewing salaries and that robust processes are followed.

I would be grateful for further information on the rationale for the level of pay; and the due process followed. You may wish to include the following within your response along with any other relevant information.

For all salaries between £100-150k please complete tables A and B for those who spend more than 25% of their time on teaching:

- Overview of roles and responsibilities of each individual paid a salary of £100k - £150k
- The percentage of teaching time, if any, for the individuals paid between £100k - £150k
- Level of challenge within the trust as a whole which justifies the salary levels i.e. educational, financial, and geographical challenges locally

For non-teaching staff only (those who spend less than 25% of their time on teaching) please also complete table C to provide further detail of:

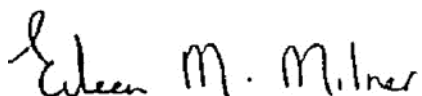
- Remuneration and/or benefits packages in addition to the base salary
- Length of the contract notice provision
- Length of probationary period
- Information on your pay policy and associated decision making (including principles and processes which demonstrate how you ensure value for money, transparency, and fairness)

We would expect the remuneration committee to minute its rationale for awarding any salaries within £100-£150k per annum, distinguishing between teaching and non-teaching staff. It should also show that it has scrutinised and approved all other emoluments such as eligibility to participate in the Teachers' Pension Scheme, travel, accommodation, bonuses, notice periods and holiday entitlement.

As I am sure you will appreciate, the people in receipt of higher salaries are generally the Accounting Officer and senior leadership team. This therefore increases the need for robust governance and independent scrutiny by the non-executive board members to ensure that a salary of this level is appropriate. As a rule, we would expect pay rises for non-teaching staff to mirror, not exceed, those awarded to teaching staff.

Please send your response to academy.questions@education.gov.uk by 27 April 2018.

Many thanks for your cooperation.



Eileen Milner

Chief Executive, Education and Skills Funding Agency

Name of academy trust	
Number of academies in MAT	
Total number of pupils on roll	
Age range of provision	

Table A: Rationale for awarding salaries between £100-150k within the trust:

Information on your pay policy	
Detail the level of educational challenge for the academy/trust	
Detail the level of financial challenge for the academy/trust	
Detail the level of geographical challenge for the academy/trust	

Table B: High level overview of teaching staff (spending over 25% of time teaching) paid within £100k - £150k – please complete one table per person in the pay range:

Role of individuals with a salary of £100k - £150k		
Responsibilities		
What is the percentage of teaching time for the individual paid £100k - £150k? (please tick)	25 – 50%	
	50 – 75%	
	More than 75%	

Table C: Detail of non-teaching staff (those who spend less than 25% of their time teaching) and who are paid a salary of £100k - £150k:

Role of individual with a salary of £100k - £150k		
Responsibilities		
What is the percentage of teaching time for the individual paid £100k - £150k?	No teaching time	
	Less than 25%	
Process followed when setting salary		
Contract notice period	If in excess of 3 months, please include a rationale for this period	
Length of probationary period	If less than 12 months, please include a rationale for this	
Holiday entitlement	If exceeding 6 weeks per annum, please include an explanation as to why the salary is not being pro-rated to reflect the part-time nature of the role	
Working hours	If less than 37.5 hours per week, please include an explanation as to why the salary is not being pro-rated to reflect the part-time nature of the role. If working hours exemption clause not enacted, an explanation should be provided.	
If relevant, decision to allow participation in the Teachers' Pension Scheme		

Response completed by:

Position:

Date: