



Lord Agnew Kt DL

Parliamentary Under-Secretary of State for the School System
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5 February 2019

Excessive high pay to employees in [trust name]

As you may be aware, I have committed to Parliament that the issue of high pay in academy trusts will remain a strong focus of the Department. It is a divisive issue, diverting financial resources that are more effectively deployed to the front line of education. Executive pay must be proportional and defensible to the public sector market and should reflect value for money.

Eileen Milner, Chief Executive of the Education and Skills Funding Agency (ESFA), originally wrote to you about the issue of high pay on **[date]**. I understand that the ESFA liaised with you on your policy and processes in the context of the Academies Financial Handbook requirements.

As the person responsible for the governance of your trust, I would suggest that there are some simple and helpful principles to consider when setting the pay of your most senior employees:

1. the educational performance of your organisation;
2. ensuring effective financial performance of your trust and a healthy, balanced budget; and
3. the number of pupils being educated in your trust and the degree of challenge in the roles of the highest paid.

In the case of your trust, academic performance continues to **[information about trust performance inserted here]**.

Your trust's financial statement for 2017/18 indicates **[financial statement figures inserted here]**.

In the case of point three above your approximate average cost per pupil of your Chief Executive's salary is **[figure inserted here]**.

I would be grateful if you could update me as a matter of urgency as to how you propose to address the issue of high pay in your trust and provide me the following information for those individuals in your trust earning more than £100k:

1. Basic salary;
2. Contractual notice period;
3. Performance-related pay and other bonuses awarded during the financial year;

4. Pension contributions and payments in lieu of pension contributions, including information on participation in the Teacher Pension Scheme, the Local Government pension scheme, or both;
5. Salary sacrifice arrangements;
6. Compensation for loss of office;
7. Any sums paid under any pension scheme in relation to employment with the provider;
8. Other taxable benefits;
9. Non-taxable benefits that are available only to senior members of staff; and
10. Other remuneration and the cost to the provider of providing each type of remuneration.

I would be grateful if you could update me by Tuesday 19th February as to how this situation is to be resolved.

Thank you for your cooperation.

Yours sincerely,

A handwritten signature in blue ink that reads "Theodore Agnew". The signature is written in a cursive style with a long, sweeping underline.

THEODORE AGNEW

Parliamentary Under-Secretary of State for the School System