



Education  
Funding  
Agency

Education Funding Agency  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT

Tel: 0370 000 2288

[www.education.gov.uk/efa-enquiry-form](http://www.education.gov.uk/efa-enquiry-form)

Tony Withell  
Headteacher and Accounting Officer  
Buckinghamshire UTC  
Oxford Road  
Aylesbury  
HP21 8PB

5 May 2016

Dear Mr Withell,

**Financial notice to improve – Buckinghamshire UTC, Aylesbury**

I am writing to you in your capacity as interim principal and Accounting Officer of Buckinghamshire UTC (“the Trust”) regarding the Trust's financial position and the projected cash-flow problems.

I recognise the cooperation and extensive discussions that have taken place between the Trust and the Education Funding Agency (EFA), the changes the Trust has already made to reduce expenditure and that it has agreed to commission an external review of the financial management and governance arrangements that are now in place. I must be clear however that we are concerned by the apparent loss of financial control, the failure of the Trust to balance its budget and the circumstances in which the requested advance for 2016-17 has become necessary. Having considered all of the evidence and representations, I am now writing with a final decision to issue a Financial Notice to Improve (the “Notice”) to the Trust.

This letter and its annex serve as a written notice to improve financial management, control and governance at the Trust. It reflects the weak financial position of the Trust and continued concerns on governance and oversight of financial management by the Board.

The Trust is required, pursuant to the provisions of the Academy Financial Handbook (AFH) and the Funding Agreement (FA), to comply with the terms of this Notice. These terms are set out in Annex A. In addition, the Notice will be published in due course on [www.gov.uk](http://www.gov.uk).

Upon receipt of the Notice, all of the delegated authorities as identified in the AFH will be revoked, and all transactions by the Trust previously covered by these delegations (regardless of size) must come to the EFA for approval. These delegated authorities shall be returned to the Trust, providing that the terms set out in the Notice have been complied with and continue to be complied with, to the satisfaction of the Secretary of State.

We will work with you to monitor progress towards meeting the requirements associated with this Notice. We will lift the Notice when the requirements set out in the annex have been met. If the Trust fails to comply with all the terms of the Notice, the Secretary of State may consider it appropriate to terminate the funding agreement because of such non-compliance.

I should be grateful if you would acknowledge receipt of this letter by email to [REDACTED] within three working days of receipt.

I am copying this letter to Professor Ruth Farwell, Chair of Governors and to the Regional Schools Commissioner, Martin Post.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sue Baldwin', with a stylized, cursive script.

Sue Baldwin

Director: Academies and Maintained Schools

CC: Professor Ruth Farwell (Chair of Governors)  
Mr Martin Post (RSC for NWLSC)

**Buckinghamshire UTC****Conditions**

1. The EFA has decided to issue this Notice as a consequence of the Trust:
  - accruing a significant deficit
  - experiencing cashflow difficulties for 2016/17 which will require advances of GAG funding from EFA
  - not ensuring robust financial management, control and oversight in the period leading up to the request for advances

**Governance**

2. The Trust is required to undertake further actions to strengthen financial management and governance. Specifically, this should include:
  - conducting the agreed external review of financial management and governance, to ensure that the necessary controls and procedures are in place, the scope of which should be agreed with the EFA. This review should be completed by 30 June 2016 and consider whether the Trust and its governing body has the right mix of skills and experience to oversee the financial recovery and ensure value for money in the Trust's operations. The review should also include the option of joining a MAT. The findings of that review should be shared with the EFA, together with an action plan for implementation of the review's recommendations by 21 July 2016
  - ensuring that proper arrangements are put in place whereby the governing body is able to hold to account independently the Accounting Officer and other members of the executive management team
  - ensuring all governors are aware of their responsibilities as directors under the Companies Act and as trustees under Charity Commission guidance
  - ensuring strong processes are in place for the Trust to monitor adequately financial performance and the financial risks to its operations

**Financial Management**

3. You, along with the governing body, will need to urgently review the Trust's finances. You will need to secure some external challenge and validation of your revised recovery plan by someone with both educational and financial expertise, to help test the viability of your curriculum offer against the financial constraints. The recovery plan should:

- provide detail to show how you will return to a balanced budget position as soon as possible
  - clearly detail any requirement for future EFA support and dates of repayment. Any requirement must be kept to a minimum.
4. The Trust is also required to:
- comply with the funding agreement requirement to submit all audited financial statements to the EFA on time and without qualification
  - contact the EFA at an early stage if it believes that performance is falling behind the schedule set out in their action plan and, if necessary, engage further external financial and educational support to recover the position
5. Please note that:
- the Trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen any control weaknesses identified by the external review
  - the Trust should take all appropriate actions to ensure the recovery plan and action plan following the external review of financial management is fully implemented
  - the EFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified

### **Timescales**

6. The Trust must submit its action plan following an external review of financial management and governance (see condition 1) by 21 July 2016
7. The Trust must submit a revised recovery plan to the EFA by 14 July 2016
8. We will agree further milestones as part of the finalisation of the Trust's recovery plan actions and in line with the recommendations of the external review and the Trust's action plan.

### **Monitoring and Progress**

9. The Trust is required to meet the specific conditions outlined above to enable the EFA to monitor compliance and progress
10. The Trust must supply the EFA with monthly financial monitoring information by the 15th of each month for one year from the date of this Notice. The frequency of the financial monitoring information will be agreed with the Trust after this
11. Should it become evident that the Trust is unlikely to fulfil the conditions and/or requirements set out in this Notice and/or within the above timescales, the EFA will begin to consider and explore the contractual intervention options available.

## **Compliance and the End of the Notice Period**

12. Compliance with this Notice will be demonstrated when:

- The EFA receives financial information clearly demonstrating that no further financial support will be required and that any advances of funding can be repaid in line with agreed terms
- The EFA receives audited financial statements with an unqualified audit opinion, which confirm that the Trust is performing, at minimum, to the standards agreed in the recovery plan and
- The EFA receives an auditors management letter which does not raise concerns.

13. When the Trust meets the conditions outlined in this annex, the Notice will no longer apply and the EFA will write to the Trust again to confirm that the Notice has been lifted.