



Education & Skills
Funding Agency

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

Tel: 0370 000 2288
[ESFA-enquiry-form](#)

21 February 2019

Guy Marson
Steiner Academy Frome
Park Road
Frome
BA11 1EU
Company Number: 08102584

Financial notice to improve: Steiner Academy Frome

Dear Mr G Marson

I am writing to you in your capacity as the Chair of Steiner Academy Frome (“the Trust”).

As you are aware, the Trust has not submitted its audited financial statements and auditor’s management letter which were due on 31 December 2018. This is a formal requirement of the trust’s Funding Agreement (FA) as set out in the Academies Financial Handbook (AFH).

Paragraph 1.4.2 of the Academies Financial Handbook clearly states:

As companies, academy trusts must produce audited accounts... The audited accounts must be submitted to the ESFA by 31 December each year.

Failure to submit this return is therefore a breach of the AFH and the FA.

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 Financial Notice to improve (“the Notice”). These terms are set out in Annex A.

Upon receipt of this Notice, all of the delegated authorities as identified in the AFH (sections 3.6-3.10) will be revoked, and all transactions by the trust previously covered by these delegations (regardless of size) must come to the ESFA 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 monitor progress made towards meeting the requirements associated with this Notice. We will lift the Notice when the requirements set out in the annex have been met. In the event that the Trust fails to meet the requirements of this Notice, to the satisfaction of the Secretary of State, the Trust will be considered to have failed to comply with the terms of the AFH. As a result of this breach of the AFH, and therefore also of the FA, the termination process in the FA may be triggered. Depending upon the severity of the breach, this may be considered a material breach of the terms of the FA and lead to termination.

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

I am copying this letter to Suzanne Flack, the Chair of the Academy Management sub-Committee, Nikki Doughty, the Acting Principal at Steiner Academy Frome, and Lisa Mannall, the Regional Schools Commissioner (RSC) for South West England (SW).

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Pettifer', written in a cursive style.

Mike Pettifer
Director: Academies and Maintained Schools Group

CC. Nikki Doughty (Acting Principal)
Suzanne Flack (Chair of Academy Management sub-Committee)
Lisa Mannall (Regional School Commissioner for South West England)

Financial notice to improve

1. The Education and Skills Funding Agency (ESFA) has decided to issue a Financial Notice to Improve (the 'Notice') as a consequence of Steiner Academy Frome ('the Trust'):
 - Failing to submit its audited financial statements and auditor's management letter to the ESFA as required in the Academies Financial Handbook (AFH) paragraph 1.4.2

Conditions

2. The Trust is required to submit monthly management accounts to the Education and Skills Funding Agency by the deadlines set out below, and to meet monthly with a representative from the ESFA to monitor the progress of these accounts.
3. The Trust is required to review its governance arrangements and the roles of the current trustees to ensure that the pattern of repeated financial mismanagement is addressed.
4. The Trust is required to increase the regularity of its Board meetings and particularly Audit & Finance Sub-Committee meetings to at least 6 meetings a year.
5. The Trust is required to work with a School Resource Management Advisor (SRMA) to identify cost-efficiencies that can be implemented at the academy and to incorporate the findings of the SRMA into an action plan, this plan to include the use of Integrated Curriculum Financial Planning and the use of National Deals. The Trust must aim to deliver the SRMA recommendations within timescales agreed with the SRMA and ESFA.
6. The Trust is required to submit the late 2017/18 accounts and auditor's management letter by the deadline required by the Education and Skills Funding Agency.
7. The Trust is required to submit the 2019/20 Budget Forecast Return (BFR) and the 2018/19 accounts by the deadlines required by the Education and Skills Funding Agency.
8. The Trust is required to consider rebrokerage to a Multi Academy Trust in order to secure the Academy's future and to provide evidence of such considerations to the ESFA.

Financial management requirements

9. The Trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the weaknesses identified.
10. The Trust should take all appropriate actions to ensure an action plan is fully implemented.

11. The ESFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.

Timescales

12. The trust must submit monthly management accounts no later than 10 working days following the end of the month in question.
13. The Trust is required to produce an action plan that incorporates the findings of the SRMA by Friday 5th April 2019.
14. The late 2017/18 Financial Statement and Management letter must be submitted to the ESFA no later than 28 February 2019.
15. The 2019/20 BFR return is due to the ESFA by 31 July 2019. The 2018/19 audited accounts are due to the ESFA by 31 December 2019.

Monitoring and progress

16. The Trust is required to meet the specific conditions outlined above to enable the ESFA to monitor compliance and progress.
17. 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 ESFA will begin to consider and explore the contractual intervention options available.

Compliance and the end of the notice period

18. Compliance with this Notice will be demonstrated when:
 - The Trust has submitted the overdue 2017/18 audited financial statements and audited management letter to the ESFA.
 - The Trust requests approval from the ESFA for any actions under the revoked freedoms in Part 3 and Annex B of the AFH. These requests should be sent us using the ESFA-enquiry-form.
 - The ESFA receives the 2019/20 Budget Forecast Return, by 31 July 2019.
 - The ESFA receives the 2018/19 audited financial statements with an unqualified audit opinion 31 December 2019.
 - The ESFA receives the 2018/19 auditors' management letter which does not raise concerns by 31 December 2019.
19. When the Trust meets the conditions outlined in this annex, the ESFA will write to the Trust to confirm that the Notice has been lifted.