



Education & Skills
Funding Agency

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

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

28 March 2019

Andrew Child
Chair of Trustees
Thrybergh Academy and Sports College
Arran Hill, Thrybergh
Rotherham
South Yorkshire
S65 4BJ

Dear Andrew

Financial Notice to Improve: Thrybergh Academy and Sports College

I am writing to you in your capacity as the newly appointed Chair of Thrybergh Academy and Sports College (“the Trust”). As you are aware, the trust has submitted a deficit in its latest audited financial statements exceeding £490k. It is a requirement of the trust’s funding agreement (FA) that a balanced budget must be returned.

Paragraph 2.3.1 of the Academies Financial Handbook (AFH) states:

The board of trustees must approve a balanced budget, and any significant changes to that budget, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years. The board must minute their approval(s).

Failure to submit a balanced budget is therefore a breach of the AFH and the FA.

The Education and Skills Funding Agency (ESFA) has required the trust to develop a robust and sustainable recovery plan. I recognise the cooperation and extensive discussions that have taken place between the Trust and officials. However, my concerns remain in relation to the weak financial position and financial management at the Trust.

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

The Trust is required, pursuant to the provisions of the AFH and FA, to comply with the terms of this Financial Notice to Improve (“the Notice”). These terms are set out in Annex A. The Notice will be published on the GOV.UK website. The planned date of publication is 5 May 2019.

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. This can be done using the online ESFA-enquiry-form. These delegated authorities shall be returned to the Trust providing that the terms set out in the Notice have been complied with on a substantiated basis and 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 Annex A 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.

I would be grateful if you could direct any queries, and acknowledge this letter within 3 working days of receipt, to [REDACTED] .

I am copying this letter to the Accounting Officer – Steve Rhodes, Trust Members and Trustees, John Edwards (Regional Schools Commissioner for East Midlands and the Humber), [REDACTED] and [REDACTED]

Yours sincerely,

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

Mike Pettifer
Director: Academies and Maintained Schools Group

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 Thrybergh Academy and Sports College ('the Trust') failing to:
 - i. Approve a balanced budget (AFH 2.3.1).
 - ii. Ensure good financial management and effective internal controls (AFH 2.3.3).

Conditions

2. The Trust is required to:
 - i. Increase the regularity of board meetings to 6 times a year. The minutes of these meetings should be submitted to the ESFA within 10 working days of the meeting taking place.
 - ii. Increase the frequency of the Audit and Finance Sub Committee meetings to once a month. The minutes of these meetings should be submitted to the ESFA within 10 working days of the meeting taking place.
 - iii. Work collaboratively and constructively with the newly appointed board advisers and National Leader of Education (NLE) support.
 - iv. Ensure Trust members are holding the board to account for the academies educational and financial performance and securing delivery of the required improvements with pace.
 - v. Supply ESFA with monthly financial management accounts on the first day of the each month, commencing in May 2019 for a minimum of a 6-month period. These should be agreed and signed off by the Accounting Officer and Chair of the Trust. The frequency of these reports thereafter will be determined by ESFA, based on progress of the Trust's recovery plan.
 - vi. Implement Integrated Curriculum and Financial Planning (ICFP) to help identify and deliver financial efficiencies and savings and explore the use of National Deals for its contracts. The Trust to provide quarterly updates to the ESFA.
 - vii. Provide a revised financial recovery plan, which must demonstrate that every possible economy is being made to reduce the overall amount of deficit and achieve an in year balanced budget. This plan must include action being taken on each of the School Resource Management Advisor recommendations.
 - viii. Evidence improving financial projections in the next Budget Forecast Return (BFR), and an eventual sustained cumulative surplus.
 - ix. Ensure all financial returns are completed by dates required in the AFH.
 - x. Appoint an additional 2 trustees via Academy Ambassadors.
 - xi. Provide updated pupil number projections in the recovery plan and detail how these estimates are supported by evidence.
 - xii. If a decision to transfer the academy into a multi academy trust (MAT) does not take place by 1 June 2019, the Trust must increase the number of members.

- xiii. If a decision to transfer the academy into a MAT does not take place by 1 June 2019, the Trust must adopt the latest Model Funding Agreement.

Financial management requirements

3. The Trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the weaknesses identified.
4. The Trust should take all appropriate actions to ensure the conditions above are met.
5. The ESFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.

Timescales

6. The Trust must demonstrate strengthened governance arrangements from March 2019 to February 2020.
7. The Trust must provide a financial recovery plan by 10 May 2019.
8. The Trust must comply with yearly returns. The following returns are due to the ESFA this year:
 - i. BFR Outturn (BFR-O) by 21 May 2019.
 - ii. BFR return by 30 July 2019.
 - iii. The 2018/19 audited accounts by 31 December 2019.

Monitoring and progress

9. The Trust is required to meet the specific conditions outlined above to enable the ESFA to monitor compliance and progress.
10. 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

11. Compliance with this Notice will be demonstrated when:
 - i. The ESFA is satisfied the Trust has a strong governance structure in place.
 - ii. The Trust has reduced its deficit, and provides evidence of a sustained financial improvement.
 - iii. 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.
 - iv. The Trust has a validated financial recovery plan in place.
 - v. The ESFA receives the BFR-O by 21 May 2019 and BFR by 30 July 2019.
 - vi. The ESFA receives audited financial statements with an unqualified audit opinion by 31 December 2019.

vii. The ESFA receives the auditors' financial statements and management letter, which do not raise concerns by 31 December 2019.

12. 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.