



Education & Skills
Funding Agency

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

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

8 January 2020

Mr Antony Collins
Chair of Trustees
Cambridge Park Academy
Cambridge Road
Grimsby,
North East Lincolnshire
DN34 5EB

Company Number: 07714867

Dear Mr Collins

Financial Notice to Improve: Cambridge Park Academy Limited

I am writing to you in your capacity as the Chair of Cambridge Park Academy Limited (“the trust”).

As you know, the Education and Skills Funding Agency (ESFA) has been monitoring the trust’s progress towards meeting the conditions set out in the Financial Notice to Improve (FNtI) warning letter issued to the trust on 10 June 2019. I recognise the co-operation and extensive discussions that have taken place between the trust and ESFA, and the changes you have started to make to strengthen accounting and internal financial controls. However, my concerns remain in relation to the weak financial management and governance arrangements at 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 deteriorating 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 for Education.

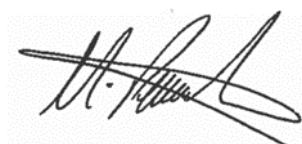
We will monitor progress made towards meeting the requirements associated with this Notice. We will lift the Notice when the requirements set out in the Annex have been met. In the event that the trust fails to meet the requirements of this Notice, to the satisfaction of the Secretary of State, the trust 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.

I should be grateful if you would acknowledge receipt of this letter by email within 3 working days of the date of this letter to [REDACTED] : [REDACTED].

I am copying this letter to Mark Eames, the Accounting Officer of the trust, and John Edwards, the Regional School Commissioner (RSC) for East Midlands and the Humber (EMH) and [REDACTED], [REDACTED].

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Pettifer', with a long horizontal stroke extending to the right.

Mike Pettifer
Director: Academies and Maintained Schools Directorate

CC.

Mark Eames, Headteacher of Cambridge Park Academy

[REDACTED], [REDACTED]

John Edwards, Regional Schools Commissioner for East Midlands and the Humber

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 Cambridge Park Academy Limited ('the trust'):
 - failing to provide sufficient assurances that the trust has met the conditions set out in the Financial Notice to Improve warning letter issued on 10 June 2019 and that it is in compliance with the Academies Financial Handbook (AFH).

Conditions

1. The trust must continue to take steps for Cambridge Park Academy ("the Academy") to join Humber Education Trust (HET), as approved by the Regional School Commissioner on 31 October 2019.
2. The trust must provide all reasonable assistance to the acquiring trust to enable the acquisition to happen in a prompt and effective fashion.
3. The trust must provide evidence the financial performance for 2018/19 was discussed by trustees and taken into account when setting the 3-year financial forecast (section 2.11 AFH).
4. The trust must provide evidence assumptions behind the 3-year forecast, including pupil number projections are realistic, robust and documented (section 2.11 to 2.12 AFH).
5. The trust must provide evidence the finance committee are reviewing income and expenditure reports against the budget forecast (section 2.19 to 2.23 AFH).
6. The trust must evidence that the terms of reference are reviewed annually to ensure they are robust and effective (section 3.12 AFH).
7. The trust must provide the self-assessment dashboard results and evidence that follow up actions have been identified and completed.
8. The trust must ensure that the governance arrangements are up to date on the trust's website for trustees and members including conflicts of interest, membership on committees, meeting attendance, and meeting minutes for 2018/19 and 2019/20 (section 2.47 to 2.48 AFH).
9. The trust must ensure its record on Get information about schools for all the trustees remains up to date (section 2.51 to 2.56 AFH).
10. The trust must appoint 2 Academy Ambassadors with financial expertise to the Cambridge Park trust board. This can be on an interim basis until the trust joins a MAT.

11. The trust must allow HET to have up to 2 observers at main board meetings, finance committee meetings and other key meetings.
12. The main board must provide an assessment of its composition in terms of skills, effectiveness and leadership. The trust must provide a plan to address any gaps in capabilities (section 1.19 to 1.23 AFH).
13. The finance committee must provide an assessment of its composition in terms of skills, effectiveness and leadership. The trust must provide a plan to address any gaps in capabilities (section 1.19 to 1.23 AFH).
14. The trust must provide the curriculum vitae for the current School Business Manager to the ESFA.
15. Trust must demonstrate that the financial strategy has been integrated with the trust's strategy for raising attainment through integrated curriculum and financial planning (ICFP) (section 2.13 AFH). The trust must produce a report that:
 - a) identifies any potential savings,
 - b) shows how the trust is using the data to inform deployment of teaching staff,
 - c) details how the trust is using benchmarking to ensure value for money is being achieved. Core metrics that must be considered include average teacher contact ratio, average class size, pupil to teacher ratio, average teacher cost, % spend on teachers and SLT as % of teaching workforce.
16. The trust must provide evidence that all issues raised in the 2017/18 management letters and internal audit reports from 2018/19 have been addressed (section 4.16 AFH).
17. The trust must continue to provide evidence of meeting agendas, meeting minutes and board attendance.
18. The trust must provide monthly management accounts, including income and expenditure variance report, cash flow forecast, month end checklist and bank reconciliation.
19. The trust must take action to improve financial monitoring structures, financial reporting and strengthen challenge in managing the budget and finances.
20. The trust must update its Funding Agreement to the latest model Funding Agreement.
21. The trust is required to submit the budget forecast return (BFR) by the deadline required by the ESFA.
22. The trust is required to submit 2018/19 accounts by the deadline required by the ESFA (section 4.4 AFH).

23. The trust is required to request approval from the ESFA, in advance, for any actions under the revoked freedoms in Part 3 and Annex B of the AFH. These requests should be sent using the [esfa-enquiry-form](#). Retrospective approval will be deemed as a breach of the AFH.

Financial management requirements

24. The trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the weaknesses identified.

25. The trust should take all appropriate actions to ensure an action plan is fully implemented.

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

Timescales

27. The trust must join HET by 1 March 2020 and provide reasonable assistance until the transfer.

28. The trust must meet conditions 3 to 16 by 5 February 2020.

29. The trust must provide monthly management accounts by the 15th of the following month.

30. Updates must be provided to the ESFA on a monthly basis by the last working day of each month. The update must include actions taken by the trust for the Academy to join a MAT, strengthening financial management, financial reporting and strengthen challenge. The update must also include meeting minutes from the month prior.

31. The Funding Agreement must be updated by 1 May 2020.

32. The 2018/19 audited accounts must be published on the trust's website by 31 January 2020 and filed with Companies House by 31 May 2020. The BFR return is due to the ESFA by 31 July 2020. The 2019/20 audited accounts are due to be sent to the ESFA by 31 December 2020.

Monitoring and progress

33. The trust is required to meet the specific conditions outlined above to enable the ESFA to monitor compliance and progress.

34. 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, in extreme cases this includes termination of the funding agreement.

Compliance and the end of the notice period

35. Compliance with this Notice will be demonstrated when:

- the Academy has transferred into a MAT.
- ESFA has received assurances that financial management and governance arrangements are sufficient and meet the requirements set out in the AFH.
- 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 using the [ESFA-enquiry-form](#).
- the trust publishes the 2018/19 audited financial statements on the trust's website by 31 January 2020.
- the trust files the 2018/19 audited financial statements with Companies House by 31 May 2020.
- ESFA receives the BFR, by 31 July 2020.
- ESFA receives 2019/20 audited financial statements with an unqualified audit opinion 31 December 2020.
- ESFA receives 2019/20 auditors' management letter which does not raise concerns by 31 December 2020.

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.