



Education & Skills
Funding Agency

Education and Skills Funding Agency
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www.education.gov.uk/efa-enquiry-form

10/07/2020

Gavin Jones
By email to gavinjones@claritywm.co.uk

Dear Mr Jones

Financial Notice to Improve

On 23 February 2018, I wrote to you in your capacity as the Chair of Trustees at Bay Education Trust to serve notice that Bay Education Trust (‘the trust’) was required to improve the financial management at the trust. This was as a consequence of:

- Failure to ensure good financial management and effective internal controls (AFH 2.2.4)

We have closely monitored the trust’s progress against the conditions set out in the notice, which were as follows:

- Commission external reviews into governance and financial management to be completed by 27 April 2018. This must include a review of the operational effectiveness of the trust head office and a governance skills audit. The trust should compile an action plan based on the findings of the external reviews to provide a framework for the trust to work through and implement the required changes to ensure compliance and effective governance and financial management.
- Deliver a report on Integrated Curriculum and Financial Planning by 27 April. This should include figures on the number of teaching assistants employed over the last 5 years and projections for the next year.
- Prepare and submit an action plan setting out the steps it will take to address the issues identified in the trust’s management letter for 2016/17 including regularising arrangements for senior leaders pay and ensuring procedures are compliant. That action plan must be submitted to the ESFA no later than 20 April 2018.
- Prepare and submit a revised financial recovery plan for the trust. The plan should be externally validated by an independent expert (such as those available at the Association of School and College Leaders, the National Association of Head Teachers or the Institute of School Business Leaders). The plan must be submitted no later than 13 April. The plan must include, as a minimum: i. how the trust will achieve a cumulative surplus position by the end of August 2019, and each year

thereafter. This must be supported by robust budget forecasts through to 2021/22 with evidence to support realistic pupil number forecasts ii. a clear efficiency and savings plan setting out specific areas where further savings can be made across the trust

- Implement new financial management and monitoring structures and undertake further actions to strengthen challenge in managing the budget and finances. This must include ensuring effective processes are in place for the trust to 4 monitor financial performance and the financial risks to its operation. This will be exemplified in a written report to be submitted by 13 April 2018.
- Adopt the latest model funding agreement by 13 April 2018.

I am pleased to inform you that I am satisfied with the progress made on the FNtl conditions being met and am satisfied that you are working effectively towards the final condition to achieve a surplus position. As conditions of lifting the FNtl the ESFA would want:

- a) to continue to have monitoring meetings at the trust on a quarterly basis to enable the ESFA to maintain oversight over the financial progress at the trust. The monitoring meetings will continue until the trust has achieved a cumulative surplus revenue position.
- b) the trust continues to work towards achieving a balanced budget position by 21/22
- c) the trust to actively explore ways in which it can reduce the proportion of income spent on staffing over the next few years while continuing to improve its educational performance.
- d) the trust to actively discuss potential mergers with other suitable trusts and consider how any potential merger would impact on the recruitment of Paignton Academy's new head teacher. The Trust should report back to the RSC about the outcome of these discussions and how it relates to the confirmation of the new head teacher.

As you have confirmed that you are content with these conditions, I am happy to confirm that the FNtl will be lifted with effect from the date of this letter. Please note that the ESFA reserves the right to reissue an FNtl if we do not believe that you are making sufficient progress towards these conditions.

This letter will be published on the gov.uk website. I am copying this letter to Stephen Kings, Accounting Officer of the trust and Hannah Woodhouse, Regional Schools Commissioner for the South West.

Yours sincerely



Mike Pettifer
Director, Academies and Maintained Schools Directorate