



Education & Skills
Funding Agency

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

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

15 April 2021

Mr Peter de Naeyer
Chair of Trustees
Grasvenor Avenue Infant
School
Grasvenor Avenue
Barnet, Herts
EN5 2BY

Company Number: 08164849

Dear Mr de Naeyer,

Financial Notice to Improve: Grasvenor Avenue Infant School

I am writing to you in your capacity as the Chair of Grasvenor Avenue Infant School.

As you are aware, the Education & Skills Funding Agency (ESFA) is currently assisting with the trust's cashflow shortage, and projected financial deficit.

I am sorry to hear that your trust has encountered difficulties. I recognise the efforts you have made through the Grasvenor Project to provide tailored support to children with high needs, whilst continuing to provide high quality education across the school. COVID-19 has had a negative impact, and I note that the trust is already taking steps to restructure and take challenging decisions where necessary.

This letter and its annexes serve as a written notice to improve financial management, control and governance at the Trust (Financial Notice to Improve or "the Notice"). 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 and Annex B.

Being issued with a Notice means that certain delegated authorities, as defined in the AFH, have been revoked. All transactions previously covered by these delegations, regardless of their size, must now be approved in advance by ESFA, specifically:

- special staff severance payments
- compensation payments

- writing off debts and losses
- entering into guarantees, indemnities or letters of comfort
- disposals of fixed assets beyond any limit in the funding agreement
- taking up a leasehold or tenancy agreement on land and buildings of a duration beyond any limit in the trust's funding agreement
- GAG carry forward from one year to the next beyond any limit in the funding agreement and the pooling of GAG by MATs

If the Trust comes to the ESFA to seek retrospective approval this will be deemed a breach of the AFH. Further details of the approval process will be forwarded to the Accounting Officer upon acknowledgment of receipt of this letter. These delegated authorities shall be returned to the Trust once we are satisfied that the requirements of the Notice have been, and will continue to be, complied with to the satisfaction of the Secretary of State.

We will monitor progress made towards meeting the requirements of this Notice. We will lift the Notice when the requirements set out in the annex have been met in full.

We reserve the right to issue a revised Notice and add further specific conditions if required, should the trust fail to make sufficient progress against the original conditions. 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 agreed timescales, we will explore the contractual intervention options available.

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. This will amount to a breach of the terms of the FA and may lead to termination.

If continued non-compliance with the AFH occurs, we may also refer the case to the Charity Commission and/or Insolvency Service for further investigation, as deemed appropriate in the circumstances.

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]. In line with the requirements set out in ESFA's publishing policy, the Trust has 10 working days to offer any final comments on factual accuracy before publication. The Trust is required to publish the FNtl on its website within 14 days of it being issued and retain it on the website until the FNtl is lifted by ESFA.

I am copying this letter to the Accounting Officer Jessie Chakraborty, Trust Member Jacqui Zimaras, and Kate Dethridge the Regional Schools Commissioner (RSC) for North West London & South Central.

I look forward to hearing from you.

Yours sincerely



Warwick Sharp
Director, Academies and Maintained Schools Directorate

CC. Jessie Chakraborty
Kate Dethridge
Jacqui Zimaras

Financial notice to improve

The Education and Skills Funding Agency (ESFA) has decided to issue a Financial Notice to Improve (the 'Notice') as a consequence of Grasvenor Avenue Infant School (the 'Trust')

- experiencing cashflow difficulties which have required advances of GAG funding from ESFA at short notice (AFH 2.24)
- failing to provide adequate financial governance oversight and challenge through the Board of Trustees (AFH 2.6)
- failing to adhere to trust articles by only having two Members (Academy Trust Governance Structures and Role Descriptors)

Conditions

1. The trust is required to comply with all of the conditions set out in Annex B.

Financial management requirements

2. The Trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the weaknesses identified and return to compliance with the Academies Financial Handbook.
3. The Trust should take all appropriate actions to ensure the action plan agreed with the ESFA is fully implemented.
4. The ESFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.

Monitoring and progress

5. The Trust is required to submit the evidence for the specific conditions to the timescales outlined in Annex B to enable the ESFA to monitor compliance and progress.
6. 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 given timescales, the ESFA will begin to consider and explore the contractual intervention options available.

Compliance and the end of the notice period

7. As outlined in Annex B, the trust is required to submit evidence to demonstrate compliance with the conditions of this notice, which the ESFA will use to monitor the trust's progress. Annex B sets out the detail of the evidence required to fulfil the condition and the timescales to submit this evidence to the ESFA.
8. When the Trust meets all the conditions outlined in this Notice, is fully compliant with the most recent edition of the AFH and no other breaches have been identified, the ESFA will write to the Trust to confirm that the Notice has been lifted.

Table of conditions

The table below summarises the conditions that have been placed upon Grasvenor Avenue Infant School (“the Trust”). It sets out the evidence the Trust must provide, and the timescales the Trust must meet, to show that they have complied with the Financial Notice to Improve (“the Notice”). All conditions set out in the table must be met before the Notice can be lifted.

Condition	Evidence required to show compliance with the notice	Timescale
<p>1. The trust is required to:</p> <p>a) Comply with the funding agreement requirement to submit all audited financial statements to the ESFA on time and without qualification.</p> <p>b) Submit the Budget Forecast Return Outturn (BFRO) by the deadline required by the ESFA.</p> <p>c) The Trust is required to submit the Budget Forecast Return (BFR) by the deadline required by the ESFA.</p> <p>d) Contact the ESFA at an early stage if it believes it is not able to follow is falling behind the schedule set out in their Trust financial plan.</p>	<p>The ESFA receives audited financial statements by 31 December 2021, each year until the FNtl is lifted.</p> <p>The ESFA receives BFRO by date required, each year until FNtl is lifted.</p> <p>The ESFA receives BFR by date required, each year until FNtl is lifted.</p> <p>Returns show recovery in line with the Trust financial plan.</p>	<p>Submit audited financial statements by 31 December 2021, each year until the FNtl is lifted.</p> <p>Submit BFRO by date required, each year until FNtl is lifted.</p> <p>Submit BFR by date required, each year until FNtl is lifted.</p>
<p>2. The Trust requests 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.</p>	<p>The Trust must submit a request for approval for any actions relating to the delegated freedom revoked under the terms of the FNtl.</p>	<p>Until the FNtl is lifted.</p>

3. Evidence of need.	Trust demonstrates evidence of financial need.	Monthly.
4. The trust recruits additional trustees.	Trustee recruitment exercise to be compliant with AFH and trust articles. Trustee appointment.	May 2021.
5. The trust recruits additional members.	Member recruitment exercise to be compliant with AFH and trust articles. Member recruitment.	May 2021.
6. Trust governance review, examining failings of financial oversight, and identifying other weaknesses that need addressing. Trust to draft an action plan addressing findings of governance review.	The ESFA receives a copy of the governance review report from independent reviewer. The ESFA receives action plan addressing findings. The ESFA receives evidence that action plan has been completed.	May 2021.
7. Trust financial recovery plan.	The Trust must submit a robust financial recovery plan, detailing how cost savings will create a balanced budget and repay any ESFA funding.	April 2021.
8. Pursuit of outstanding debtors.	The trust must provide evidence that they are taking all reasonable steps to recover monies owed.	Until FNtl is lifted.