



Education & Skills  
Funding Agency

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

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

25 May 2021

Robert Till  
Chair of Trust  
Health Futures UTC  
350 High Street West  
Bromwich  
B70 8DJ

Company Number: 08257814

Dear Mr Till

### **Financial Notice to Improve: Health Futures UTC**

I am writing to you in your capacity as the Chair of Health Futures UTC.

As you know, the Education and Skills Funding Agency (ESFA) has been monitoring the Trust's progress towards meeting the conditions set out in [REDACTED] letter of 6 August 2020. I recognise the cooperation and extensive discussions that have taken place between the Trust and officials and the changes you have already made to strengthen accounting and internal financial controls. However, my concerns remain in relation to the weak financial position and financial management at the Trust.

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").

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Being issued with a Notice means that certain delegated authorities, as defined in the AFH, have been revoked.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, Ruth Umerah, Trust Member, Michelle Lowe and Andrew Warren, the Regional Schools Commissioner (RSC) for West Midlands.

I look forward to hearing from you.

Yours sincerely



**Warwick Sharp**  
**Director, Academies and Maintained Schools Directorate**

CC. Ruth Umerah, Accounting Officer  
Michelle Lowe, Trust Member  
Andrew Warren, Regional Schools Commissioner for West Midlands

### 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 Health Futures UTC (the 'Trust') failing to meet the following as stated in the 2020 Academies Financial Handbook:

- 1.3. "The academy trust must have at least three members, although the Department's strong preference is that trusts should have at least five members..."
- 2.10. "The board of trustees must approve a balanced budget..."
- 2.24. "The trust **must** manage its cash position robustly"

### 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 Health Futures UTC (“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 <a href="#">ESFA enquiry form</a>. 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>

<p>3. Ensure that all necessary Trustee contact details are up to date.</p>	<p><b>All fields specified in GIAS for the individuals must be completed before the FNtl can be lifted.</b> The trust must ensure its record on Get information about schools for the individuals remains up to date.</p>	<p>4 weeks</p>
<p>4. Explore and adopt National Deals (Deals for Schools), unless evidence is provided to the ESFA that an alternative (or current) supplier provides better value for money.</p>	<p>The trust provides ESFA with evidence that an alternative supplier provides better value for money as tested through a robust procurement process.</p> <p>and/or</p> <p>The trust adopts "Deals for Schools" where better value can be obtained</p>	<p>[8 weeks]</p>
<p>5. The Trust must work constructively with the Department to formally transfer to a strong MAT by 1 September 2021.</p>	<p>Trust formally agrees to join a strong MAT. UTC formally transfers to a strong MAT.</p>	<p>By 30 April 2021. The UTC must transfer by 1 September 2021.</p>
<p>6. The trust must increase the number of members to 3 or 5 in total.</p>	<p>The UTC must provide evidence (i.e. minutes of any governing meeting to approve appointment) that the UTC has appointed additional members to reach 3 or 5 in total.</p>	<p>[6 weeks]</p>
<p>7. We will expect the trust to supply the following financial information on a monthly basis for a period of 12 months. The frequency of reports thereafter will be determined by the ESFA, based on progress against the Trust financial plan:</p>	<p>Trust submits the required information to ESFA on time for a minimum of 12 months and until further notice.</p>	<p>The management reports must be submitted to the ESFA by <b>10th of the month</b>, for a minimum of <b>12</b></p>

<ul style="list-style-type: none"> <li>a. Revenue income and expenditure report with a narrative explaining any significant variances for the current full academic year. Income and expenditure classifications in this report should follow those in the Trust financial plan.</li> <li>b. A balance sheet showing the position at the end of the last calendar month and forecast to the end of the academic year; and</li> <li>c. A detailed monthly cash flow forecast rolling 12 months ahead and reconciling back to previous months actuals</li> <li>d. Aged creditor report from finance system</li> <li>e. Aged debtor report from finance system</li> <li>f. Provide separate accounting details for any 'central' or 'core' teams within the trust</li> <li>g. Copies of monthly bank statements for all accounts held</li> </ul>		<p><b>months</b>, until further notice.</p>
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