



Education
Funding
Agency

Mr M Armstrong-Harris
Headteacher
Woolmer Hill School
Haslemere
Surrey
GU27 1QB

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

Tel: 0370 000 2288

**Email enquiry form:
www.education.gov.uk/help/contactus**

20 March 2015

Dear Mr Armstrong-Harris

Financial Notice to Improve

Tony Foot's letter of 2 February set out that we were minded to issue a Financial Notice to Improve to the Academy Trust ("the trust"). Following our review of the information you have provided, I am now writing with my final decision.

In summary, we have continued significant concerns about the financial position of the trust given a forecast deficit position until at least 2016/17. I note that the cash flow position has improved but the cash flow forecast still shows an overdraft position from September 2015 onwards. The trust should have taken earlier action to avoid the now imminent predicted deficit position. This letter and its annex therefore serve as a written notice for the trust to improve financial management.

Upon receipt of this Financial Notice to Improve ("the Notice"), all of the delegated authorities as identified in the Academies Financial Handbook (AFH) will be revoked, and all transactions by the trust previously covered by these delegations (regardless of size) must come to the EFA 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.


The trust is required, pursuant to the provisions of the AFH and the funding agreement, to comply with the terms of this Notice. These terms are set out in Annex A.

We will work with you to support and monitor progress towards meeting the requirements associated with this Notice and explore an appropriate financial support package. We will lift the Notice when the requirements set out in the annex have been met. If the trust fails to comply with all the terms of this Notice the Secretary of State may consider it appropriate to terminate the funding agreement because of such non-compliance.

I should be grateful if you would acknowledge receipt of this letter by email and within three working days of the date of this letter to [REDACTED] at [REDACTED]. Please also provide the information requested in Annex A by the dates set to [REDACTED].

I am copying this letter to Susan Stathers as Chair of the Governing Body.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sue Baldwin'. The signature is fluid and cursive, with the first name 'Sue' being more prominent and the last name 'Baldwin' following in a similar style.

Sue Baldwin
Director, Academies and Maintained Schools Group

cc – Susan Stathers, Chair of Governors

Woolmer Hill School (the “trust”)

Ref: WHSFNTI01

Conditions

1. The Education Funding Agency (EFA) has decided to issue a Financial Notice to Improve (the “Notice”), pursuant to paragraph 1.5.6 of the Academies Financial Handbook 2014, as a consequence of:
 - The trust’s failure to submit a recovery plan to bring the academy finances back to surplus by 2016/17
 - The trust’s general management of the academy budget and finances, which has led to a forecast significant cash flow deficit from September 2015 onwards.
 - The trust’s financial governance arrangements, which have not secured sufficient prompt action to avoid the predicted deficit position.
2. The trust is required to:
 - On the trust’s financial position, send to the EFA by 1 May:
 - Revised and updated budget forecasts showing a balanced budget by 2016/17.
 - A detailed recovery plan that sets out the expected savings and actions necessary to achieve a balanced budget by 2016/17.
 - The amount of any cash advance required to avoid going into cash deficit, together with proposals for repayment.
 - On financial governance/management, send to the EFA by 17 April:
 - The trust’s financial management controls and monitoring arrangements including plans for any improvements.
 - An action plan to strengthen and secure prompt internal financial management interventions including action planning.

Monitoring and Progress

3. The trust is required to meet the specific conditions outlined above to enable the EFA to monitor compliance and progress.
4. The trust must supply the EFA with monthly financial monitoring information by the 20th working day of each month for one year from the date of this Notice. The frequency of the financial monitoring information will be agreed with the trust after this.

5. 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 EFA will begin to consider and explore the contractual options available.

Compliance and the End of the Notice Period

6. Compliance with this Notice will be demonstrated when:
 - The trust meets all the conditions in this notice and the EFA is able to validate, by visiting the trust to conduct testing as appropriate;
 - New financial controls incorporate prompt effective financial interventions that ensure the academy retains a long term healthy balanced budget – validated under an EFA Financial Management and Governance visit; and
 - The EFA receives a future updated budget projection demonstrating, with reasonable certainty, that no additional financial support – beyond any support agreed as part of a recovery plan – is required.
7. If the trust meets the conditions outlined in this annex to the satisfaction of the EFA, the Notice will no longer apply and the EFA will write to the trust again to confirm that the Notice has been lifted.