



Education
Funding
Agency

Mr S Peach
Accounting Officer
The Oldershaw Academy
Valkyrie Road
Wallasey
Wirral
CH45 4RJ

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

Tel: 0370 000 2288

[EFA online enquiry form](#)

15 January 2016

Financial notice to improve

Dear Mr Peach

I am writing to you in your capacity as the Principal and Accounting Officer of The Oldershaw Academy Trust (“the Trust”) to inform you of my decision to issue a Financial Notice to Improve (“the Notice”) to the Trust.

You submitted a recovery plan on 30 November 2015, which we have agreed. This recovery plan sets out the Trust’s plans to achieve a balanced budget by the end of 2015/16, but this is predicated on recoverable advances from the EFA. Therefore, this letter and its annex serve as a written notice to improve the financial management, control and governance at the Trust in the light of concerns over:

- the Trust’s failure to balance its budget;
- the Trust’s failure to ensure robust financial management, control and oversight; and
- the weak financial position of the Trust, that requires the financial support of the EFA.

Upon receipt of this 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.

In addition, the Notice will be published in due course on www.gov.uk.

We will work with you to support and monitor progress towards meeting the requirements associated with this Notice. 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 the 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 to [REDACTED] [REDACTED] within 3 working days of receipt. I am copying this letter to Dr Cubbin, the Chair of the Trust.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Sue Baldwin". The signature is written in a cursive style with a large, stylized initial 'S'.

Sue Baldwin

Director: Academies and Maintained Schools

cc – Dr I Cubbin, Chair of The Oldershaw Academy Trust

The Oldershaw Academy Trust (“the Trust”)

Ref: TOATFNTI01

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 balance its budget;
 - the Trust’s failure to ensure robust financial management, control and oversight; and
 - the Trust’s requirement for additional financial support from EFA.
2. The Trust is required to:
 - deliver against the agreed recovery plan, achieving in-year surplus balances in 2015/16 and onwards, and completing the repayment of the financial support provided by the EFA by 28 February 2017 at the latest;
 - submit by 31 January 2016, a plan to the EFA that sets out the action it proposes to take, to improve financial management, control and oversight;
 - submit all required returns to the EFA by the stipulated deadlines; and
 - contact the EFA at an early stage if it believes that financial performance is falling behind the schedule set out in the recovery plan.
3. Please note however:
 - the Trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the control weaknesses identified;
 - the Trust should take all appropriate actions to ensure the agreed action and recovery plans are fully implemented; and
 - the EFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.
4. The Trust should contact the EFA at an early stage if it believes that financial performance is falling behind the schedule set out in the recovery plan.

Monitoring and Progress

5. The Trust must supply the EFA with monthly progress reports on the work undertaken and the improvements and outcomes achieved, as set out in paragraph 6 below, initially for the first twelve months of the Notice. The frequency of the reports thereafter will be determined by the EFA, based on progress against the Trust’s recovery plan.

6. We expect the Trust to supply the following financial information by the 10th of each month:

- a. a revenue income and expenditure report setting out:
 - The budget for the current academic year to date;
 - Actual results for the current academic year to date;
 - A narrative explaining any significant variances for the year to date;
 - The budget for the current full academic year as stated in the recovery plan;
 - The latest forecast for the current full academic year;
 - A narrative explaining any significant variances for the current full academic year;

Income and expenditure classifications in this report should follow those in the recovery plan.

- b. a balance sheet showing the position at the end of the last calendar month and forecast to the end of the academic year;
- c. a detailed monthly cash flow forecast rolling forward 12 months ahead; and
- d. updates on pupil recruitment for 2016/17 every second month from the date of this Notice.

This information should be emailed to [REDACTED]

Compliance and the End of the Notice Period

7. Compliance with this Notice will be demonstrated by delivery of the requirements set out in it, and when:
 - financial recovery consistent with the agreed recovery plan has been sustained until 31 August 2017, as evidenced in the audited financial statements for that year;
 - no audit qualification or adverse regularity opinions are recorded in the audited financial statements for the years 1 September 2015 to 31 August 2017; and
 - a robust governance structure that fulfils the requirements of the Academies Financial Handbook has been operating for at least 12 months.
8. When the Trust meets the conditions outlined in this annex, the Notice will no longer apply and the EFA will write to the Trust again to confirm that the Notice has been lifted. We may revisit the compliance conditions at any time.
9. Should it become evident that the Trust is unlikely to fulfil the conditions and/or requirements set out in this Notice within the above timescales, the EFA will consider the contractual options available.