



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 2018

Mr Anselm Jacobs
Chair of Governors
St Anthony's Free School
93 Belle Vue Road
Cinderford
GL14 2AA

Dear Mr Jacobs

Financial notice to improve: St Anthony's Free School

Further to the Notice of Termination of the Funding Agreement issued to you on 21 May by Lisa Mannall, Regional Schools Commissioner for the South West, I am writing to you in your capacity as the Chair of St. Anthony's Free School ("the trust").

I recognise the cooperation and discussions that have taken place between the trust and officials since your appointment as chair of trustees. I also recognise that when you, and indeed your predecessor, took over as chair, the trust was in a weak financial position and since that time you have both made efforts to strengthen the position. However, our concerns have yet to be fully resolved. The ESFA remains concerned by the urgency of the recent financial support request which suggests that the trust does not have sufficient oversight of its financial position. This letter and its annex serve as a written notice to secure the financial management, control and governance at the trust in order to comply with the Notice of Termination.

Paragraph 1.4.1 of the Academy Financial Handbook (AFH) states: *Academy trusts must take full control of their financial affairs and apply the letter and spirit of this handbook.*

The trust is required, pursuant to the provisions of the AFH and the Funding Agreement (FA), to comply with the terms of this Financial Notice to Improve ("the Notice"). These terms are set out in Annex A.

Upon receipt of this Notice, all of the delegated authorities as identified in the AFH (sections 3.6-3.10) will be revoked, and all transactions by the trust previously covered by these delegations (regardless of size) must come to the ESFA for approval.

We will monitor progress made towards meeting the requirements associated with this Notice. 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. The FNtl will be published on the gov.uk website as per ESFA process and this is scheduled for Friday 25 May.

I would be grateful if you would acknowledge receipt of this letter by email to [REDACTED]

I am copying this letter to Lorna Middleton, Accounting Officer and Lisa Mannall, the Regional Schools Commissioner for the South West.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Pettifer', written over a light grey grid background.

Mike Pettifer
Director, Academies and Maintained Schools Group

CC Lorna Middleton, Accounting Officer
Lisa Mannall, Regional Schools Commissioner for the South West

Financial notice to improve

1. The Education and Skills Funding Agency (ESFA) has decided to issue a Financial Notice to Improve (the 'Notice') as a consequence of St. Antony's Free School trust's ('the trust'):
 - Failure of the trust to have appropriate oversight of financial transactions (AFH 2.1.8).
 - Remaining in a deficit budget.
 - Request for emergency advance funding at short notice to cover essential costs such as staff salaries.
 - Failure to submit returns by published deadlines and provide information by agreed deadlines.
 - Failure to implement in full the recommendations from the ESFA's provider risk assurance financial management and governance review set out in the report issued in November 2017.

Conditions

2. The ESFA will place a limit on how much the trust can spend on individual transactions without the permission of the ESFA with immediate effect.
3. The trust must cooperate with the ESFA and RSC to provide information requested.
4. The trust must provide monthly monitoring reports of the financial position at the school, including a monthly cash flow report and aged creditors report for review by the ESFA. The timetable for submitting these monthly returns will be agreed with the trust.
5. Trust to confirm increase in frequency of trust meetings to monitor the use of funds.
6. The trust is required to:
 - a) Comply with the funding agreement requirement to submit all audited financial statements to the ESFA on time and without qualification.
 - b) Submit the Budget Forecast Return Outturn (BFRO) by the deadline required by the ESFA.
 - c) 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 financial plan.

Financial management requirements

7. The trust is responsible for its own financial management, control and governance and is expected to take appropriate action to ensure it has robust arrangements in place to manage the finances up to the point of closure of the school and the winding up of the trust.
8. The trust should take all appropriate actions to ensure it has a financial plan in place, which is monitored up to the point the trust is wound up.

9. The ESFA must be satisfied that the trust is doing everything it can to ensure there is sufficient oversight of the trust's financial position.

Timescales

10. The trust must provide a financial plan to the ESFA by 22 June 2018.
11. The trust must share their latest internal audit report by end of July 2018.
12. Submit the 2017/18 audited accounts to the ESFA by 31 December 2018.

Monitoring and progress

13. The trust is required to meet the specific conditions outlined above to enable the ESFA to monitor compliance and progress.
14. The trust will supply the following financial information on a monthly basis until no longer required by the ESFA:
 - A revenue income and expenditure report with a narrative explaining any significant variances for this academic year. Income and expenditure classifications in this report should follow those in the financial plan submitted to the ESFA previously;
 - A balance sheet showing the position at the end of the last calendar month and forecast to the end of the academic year; and
 - Details of any further aged creditors which cause cash flow pressures.
15. The ESFA reserves the right to amend and add further specific conditions to this Notice should they be required. This may include the recovery of funds from the trust.
16. Should it become evident that the trust is unlikely to fulfil the conditions or requirements set out in this Notice and/or within the agreed timescales, the ESFA will begin to consider and explore the contractual intervention options available.

Compliance with the Notice

17. Compliance with this Notice will be demonstrated when:
 - The trust requests approval from the ESFA for any actions under the revoked freedoms in Part 3 and Annex B of the AFH. These requests should be sent to us using the [ESFA-enquiry-form](#).
 - The ESFA receives audited financial statements by 31 December 2018.