



Education & Skills
Funding Agency

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

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

1 August 2018

Karl Wainwright
Chair of Trustees
St Neots Learning Partnership
Longsands Academy
Longsands Road
St Neots
Cambridgeshire
PE19 1LQ

Dear Mr Wainwright

Financial notice to improve: The St Neots Learning Partnership

I am writing to you in your capacity as Chair of The St Neots Learning Partnership (“the trust”). This is further to recent dialogue with my officials regarding the concerns we have on the trust’s governance and financial management.

I recognise the trust’s cooperation and extensive discussions that have taken place between the trust and Astrea regarding the rebrokerage of Ernulf and Longsands Schools. However, I am concerned about the leadership and management of the trust and am not convinced that it can effectively address the issues raised with you.

Therefore this letter and its annex serve as a written notice to improve financial management, control and governance at the trust. It reflects our continued concerns regarding the governance and oversight of financial management by the Board.

The trust is required, pursuant to the provisions of the Academies Financial Handbook (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 the Annex.

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 first come to the ESFA 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.

We will monitor progress made towards meeting the requirements associated with this Notice.

We will lift the Notice only when all requirements set out in the annex have been met. 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. As a result of this breach of the AFH, and therefore also of the FA, the termination process in the FA may be triggered. Depending upon the severity of the breach, this may be considered a material breach of the terms of the FA and lead to termination.

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

I am copying this letter to the copy recipients below and to Sue Baldwin, the Regional Schools Commissioner (RSC) for East of England and North East London and Rick Carroll, CEO at SNLP.

I look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Pettifer', written in a cursive style.

Mike Pettifer
Director, Academies and Maintained Schools Group

Cc: Sue Baldwin, RSC for East of England and North East London
Rick Carroll, CEO at SNLP

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:
 - Concerns regarding grant advances for a 10 year period to two private companies breaching the Academies Financial Handbook
 - Ineffective financial management and governance
 - Potential conflicts of interest in recruiting staff

Conditions

2. We require the trust to:
 - i. Investigate the grant advances to the two private companies. This investigation should have independent input, have the scope cleared with ESFA, along with any interim executive arrangements that may be necessary during the conduct of the review, and be completed by 31 August 2018. The investigation should consider whether:
 - a. the grant advances were in line with the purposes the money was intended for when received by SNLP;
 - b. the Accounting Officer met the requirements of the Academies Financial Handbook (AFH), in terms of when the grant advances were made, when contractual documentation was put in place and at subsequent review points; the key sections are 1.5.21 to 1.5.26 in the 2017 edition of the AFH, and
 - c. The trust met ESFA requirements for novel, contentious and repercussive transactions (section 3.3 of the 2017 edition of the AFH).
 - ii. Continue working with Astrea to facilitate the smooth rebrokerage of the trust's two schools by 1 September 2018, and with the ESFA for the trust's subsequent wind up.

Financial management requirements

3. The trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the weaknesses identified.
4. The trust should take all appropriate actions to ensure an action plan is fully implemented.
5. The ESFA must be satisfied that the trust is doing everything it can to rectify the weaknesses identified.

Monitoring and progress

6. The trust is required to meet the specific conditions outlined above to enable the ESFA to monitor compliance and progress.

7. 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 ESFA will begin to consider and explore the contractual intervention options available.

Compliance and the end of the notice period

8. 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 us using the ESFA-enquiry-form
 - The ESFA receives audited financial statements with an unqualified audit opinion by 31 December 2018
 - The ESFA receives the auditors' management letter which does not raise concerns by 31 December 2018
 - The ESFA receives notice of all board meetings, including extra-ordinary meetings; and that the agenda and draft minutes (including confidential notes) are forwarded to the ESFA as soon as they are available)
 - The ESFA receives monthly management accounts by the 20th of the following month and provide any clarification when requested
9. When the Trust meets the conditions outlined in this annex, the ESFA will write to the Trust to confirm that the notice has been lifted.