



Education & Skills  
Funding Agency

Education and Skills Funding Agency  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT  
Tel: 0370 000 2288  
[ESFA-enquiry-form](#)

19 July 2022

Mr Adrian Powell, Chair of Trustees  
Bamford Academy  
Belgium Street  
Bamford  
Rochdale  
OL11 5PS  
Company Number: 07721109

Dear Mr Powell

### **Notice to improve: Bamford Academy**

I am writing to you in your capacity as the Chair of Bamford Academy, to inform you that we are issuing the Trust with a Notice to Improve for financial management concerns.

As you know, the Education and Skills Funding Agency (ESFA) has been monitoring the Trust's progress towards meeting the conditions set out in Dr Kevin Mothersdale's letter of 25 April 2022. Whilst I recognise that the Trust has taken some action to address matters, there are outstanding issues which give cause for concern and the ESFA therefore does not have sufficient assurance of good financial management and governance within the Trust. These issues constitute breaches of the Academy Trust Handbook (ATH) sections 1.3, 1.6, 2.1, 2.10, 2.17, 2.52, 2.7, 4.4 and 6.9, and the Trust's Funding Agreement (FA), clauses 34, 85, 117 and 118. Consequently, 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 (Notice to improve or "the Notice"). It reflects the weak financial position of the Trust and continued concerns about the Trust's capacity to return to a balanced budget.

The Trust is required, pursuant to the provisions of the ATH and the 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Being issued with a Notice means that certain delegated authorities, as defined in the ATH, have been revoked.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
- carry forward of unspent GAG from one year to the next beyond any limit in the funding agreement
- pooling of GAG

If the Trust comes to the ESFA to seek retrospective approval this will be deemed a breach of the ATH. 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 ATH. This will amount to a breach of the terms of the FA and may lead to termination.

If continued non-compliance with the ATH 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] ([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 Ntl on its website within 14 days of it being published by the ESFA and retain it on the website until the Ntl is lifted by ESFA.

I am copying this letter to the Accounting Officer, Lisa Matthews, Trust Member, Jackie Kirby, and Vicky Beer, the Regional Schools Commissioner (RSC) for Lancashire and West Yorkshire.

Yours sincerely



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

CC. Lisa Matthews, Accounting Officer  
Vicky Beer, Regional Schools Commissioner, Lancashire and West Yorkshire  
Jackie Kirby, Member

**Notice to improve**

The Education and Skills Funding Agency (ESFA) has decided to issue a Notice to improve (the 'Notice') as a consequence of Bamford Academy (the 'Trust')

- failing to demonstrate adequate financial management and governance control, ATH 2.1
- failing to achieve a balanced budget, ATH 2.10 and 2.17
- failing to provide all information to the ESFA by stated deadlines, ATH 2.52
- failing to take sufficient action to avoid the current cash-flow position, ATH 2.7
- failing to submit all returns by ESFA deadlines, ATH 6.9

**Conditions**

The Trust is required to comply with all of the conditions set out in Annex B.

**Financial management and governance requirements**

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 Academy Trust Handbook.

The Trust should take all appropriate actions to ensure the action plan agreed with the ESFA is fully implemented.

The ESFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.

**Monitoring and progress**

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. 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**

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.

When the Trust meets all the conditions outlined in this Notice, is fully compliant with the most recent edition of the ATH and no other breaches have been identified, the ESFA will write to the Trust to confirm that the Notice has been lifted.

## Bamford Academy

## Annex B

### Table of conditions

The table below summarises the conditions that have been placed upon Bamford Academy (“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 Notice to improve (“the Notice”). All conditions set out in the table must be met before the Notice can be lifted.

<b>Condition</b>	<b>Evidence required to show compliance with the notice</b>	<b>Timescale</b>
1. Prepare and submit a Trust financial plan. The plan must be submitted on the ESFA financial plan template no later than 30 September 2022. The plan must include, as a minimum: i. how the Trust will achieve a cumulative surplus position by the end of August 2025 and each year thereafter. This must be supported by robust budget forecasts through to 2024/25 with evidence to support realistic pupil number forecasts ii. a clear efficiency and savings plan setting out specific areas where further savings can be made across the Trust	Financial recovery consistent with the agreed Trust financial plan is demonstrated as evidenced in the budget forecast return and the audited financial statements for that year.	By 30 September 2022.
2. We will expect the Trust to supply the following financial information on a monthly basis for a period of 12 months from the date of this notice. The frequency of reports thereafter will be determined by the ESFA, based on progress against the Trust financial plan:	Trust submits the required information to ESFA on time for a minimum of 12 months and until further notice.	The management reports must be submitted to the ESFA by 25 <sup>th</sup> of the month, for a minimum of 12 months, until further notice.

<p>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.</p> <p>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</p> <p>c. A detailed monthly cash flow forecast rolling 12 months ahead.</p> <p>d. Details of all aged creditors.</p>		
<p>3. The Trust must demonstrate that every possible economy is being made to achieve a balanced budget – this must consider the Trust-wide SMT structure, service providers and staffing costs across its academies.</p> <p>The Trust must demonstrate that it has made use of the School Resource Management tools available at <a href="https://www.gov.uk/government/collections/schools-financial-health-and-efficiency">https://www.gov.uk/government/collections/schools-financial-health-and-efficiency</a> and also engaged fully with any additional resources made available through this programme i.e. a School Resource Management Adviser.</p> <p>The Trust should make reasonable endeavours to implement improvements identified by an SRMA.</p>	<p>The Trust should provide ESFA with details of the actions they have taken to attempt to implement the improvements identified by the SRMA. The Trust may want to incorporate this within an action plan.</p>	<p>Within 6 months of the SRMA deployment.</p>
<p>4. The Trust must consider transferring Bamford Academy to a strong Multi-Academy Trust (MAT).</p>	<p>Trust board meets to consider transferring the academy to a strong</p>	<p>By October 2022.</p>

<p>The ESFA expect any decision regarding joining a MAT to result from careful consideration of all relevant factors. The Trust must provide the ESFA with a detailed breakdown of the evidence considered and reasoning underlying the Trust's decision. This includes but is not limited to:</p> <ul style="list-style-type: none"> <li>a) details of the MATs that were considered</li> <li>b) that the following factors were considered <ul style="list-style-type: none"> <li>i. Geographical proximity</li> <li>ii. Alignment of vision and values</li> <li>iii. Capacity and quality of support</li> <li>iv. Long term sustainability</li> </ul> </li> <li>c) evidence of discussion and scrutiny of proposals e.g. board meeting minutes, MAT presentations, risk analysis etc.</li> <li>d) evidence that all decisions have been approved by the board through a majority vote</li> </ul>	<p>MAT and confirms its decision to ESFA by 17 October 2022.</p> <p>Trust provides a detailed breakdown of the reasoning behind its decision and produces evidence as requested in the condition.</p>	
<p>5. Submit minutes of all board and finance committee meetings within one week of the meeting occurrence.</p>	<p>Trust submits the required information to ESFA on time for a minimum of 12 months and until further notice.</p>	<p>For a minimum of 12 months, until further notice</p>
<p>6. Participate in full with the planned external review of governance. This has been commissioned and funded by ESFA. ESFA will set the scope and terms of reference.</p> <p>The scope of the review will include but not be limited to:</p>	<p>The Trust must participate in full in an external review of governance.</p> <p>Where non-compliance or improvements are identified by the external review of governance an action plan will be created by the Trust for approval by ESFA.</p>	<p>The reviewer will contact the Trust to arrange a suggested commencement date and timeline for the review.</p> <p>The Trust must act reasonably in agreeing a commencement date.</p>

<ul style="list-style-type: none"> <li>a) Reporting on non-compliance with the Trust's obligations, including as set out in the Academy Trust Handbook and the Trust's Articles of Association</li> <li>b) A review of the Trust's approach to internal scrutiny</li> <li>c) A review of the Trust's risk management arrangements</li> <li>d) Understanding the impact of local governance arrangements, including reviewing the appropriateness of terms of reference and schemes of delegation</li> <li>e) Assessing the governance professional (clerk to the board)</li> <li>f) Understanding the Trust's approach to financial budgeting and oversight</li> <li>g) A review of the Trust's approach to managing conflicts of interest</li> <li>h) Considering the role of the members of the Trust</li> </ul> <p>The review should consider the above areas in view of the regulatory framework governing academies and provide assurance on the level of compliance with those requirements. In particular, compliance with the Trust's Articles of Association, its Funding Agreement, the Academy Trust Handbook and the Companies Act 2006.</p> <p>The findings of the external review of governance will be shared with the Trust.</p>	<p>The Trust must provide evidence of having met the actions set out in the action plan.</p>	<p>Evidence of the review being scheduled for an agreed commencement date must be submitted by the Trust to ESFA within 2 weeks of contact from the reviewer.</p> <p>This review must be completed within 3 months of the commencement date.</p>
--	--	--



<p>Where non-compliance or improvements are identified in the review, the Trust will be required to develop an action plan and timeline to address those issues, for approval by ESFA. The action plan will set out activity that must be completed in full and evidenced by the Trust before this condition is deemed to have been met.</p>		
<p>7. The Trust must publish all necessary information on the Trust's website as per the ATH, including the currently omitted audited financial statements for 2018/19 onwards.</p>	<p>The Trust has published all necessary information on their website, as required by the ATH.</p>	<p>Within 10 days of the date of this Notice</p>
<p>8. The Trust must give due consideration to the resilience of its cashflow and assess the need for recoverable financial support from the ESFA.</p>	<p>The Trust submits evidence of a discussion at Board level exploring the need for an advance of funding from the ESFA.</p>	<p>By 30 September 2022.</p>
<p>9. The Trust must recruit an additional member, who must not be a Trustee, to comply with its Articles of Association and the ATH requirement for a minimum of 3 members. The Trust should ensure a significant separation between members and trustees.</p>	<p>The Trust submits evidence to the ESFA of the appointment of a third member.</p>	<p>By the commencement of the Autumn term, September 2022.</p>
<p>10. The Trust must consider appointing new external auditors, or give notice of its intention to appoint new external auditors, at the earliest opportunity to ensure robust independent challenge of the accounts.</p>	<p>Submit confirmation of consideration at a board meeting.</p>	<p>By September 2022.</p>

<p>11. The Trust is required to:</p> <ul style="list-style-type: none"> <li>a) Comply with the funding agreement requirement to submit all audited reports, accounts and statements to the ESFA on time and without qualification.</li> <li>b) Submit an Academies budget forecast return outturn (BFR) by the deadline required by the ESFA.</li> </ul> <p>Contact the ESFA at an early stage if it believes it is not able to follow or is falling behind the schedule set out in their Trust financial plan.</p>	<p>The ESFA receives the Trust's audited financial statements by 31 December 2022, each year until the Ntl is lifted.</p> <p>The ESFA receives the Trust's BFR by the date required, each year until Ntl is lifted.</p> <p>Returns show recovery in line with the Trust financial plan.</p>	<p>Submit audited reports, accounts and statements by 31 December 2022, and each year thereafter until the Ntl is lifted.</p> <p>Submit BFR by date required, each year until Ntl is lifted.</p>
<p>12. The Trust requests approval from the ESFA, in advance, for any actions under the revoked freedoms in paragraph 6.21 of the ATH 2021. These requests should be sent using the <a href="#">ESFA enquiry form</a>. Retrospective approval will be deemed as a breach of the ATH.</p>	<p>The Trust must submit a request for approval for any actions relating to the delegated freedom revoked under the terms of the Ntl.</p>	<p>Until the Ntl is lifted.</p>