



Education & Skills
Funding Agency

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

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

10 July 2017

Mr G Proctor MBE
De La Salle Academy Trust
De La Salle Academy
Carr Lane East
Liverpool
Merseyside
L11 4SG

Dear Mr Proctor

Financial Notice to Improve: De La Salle Academy Trust

I am writing to you in your capacity as the Chair of De La Salle Academy Trust ("the Trust").

As you know, the Education and Skills Funding Agency (ESFA) issued an advance of funds to the Trust in June 2016. The letter from Tracey Green, dated 25 June 2016 explained that the ESFA may take the decision to issue a Financial Notice to Improve (FNtI) if the Trust's financial position deteriorated or if the Trust could not manage its budget without further financial assistance. I recognise the cooperation and discussions that have taken place between the Trust and officials and the changes you have already made to strengthen accounting and internal financial controls. However, I remain concerned about the Trust's financial management and governance, in particular:

- the Trust's failure to balance its budget; and
- the requirement for further financial support from the ESFA.

This letter and its annex serve as a written notice to improve financial management, control and governance at the Trust. It reflects the weak financial position of the Trust and continued concerns about governance and oversight of financial management by the Board.

The Trust is required, pursuant to the provisions of the Academy Financial Handbook (AFH) and the Funding Agreement (FA), to comply with the terms of this FNtI ("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. 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 when the 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 email within three working days of the date of this letter to Bruce Barclay at bruce.barclay@education.gov.uk.

I am copying this letter to David Hayes, the Accounting Officer and Vicky Beer, the Regional Schools Commissioner (RSC) for Lancashire and West Yorkshire.

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

Acting Director: Academies and Maintained Schools Group

CC. David Hayes, Accounting Officer, De La Salle Academy Trust
Vicky Beer CBE, RSC

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 De La Salle Academy Trust ('the Trust'):
 - failing to balance its budget; and
 - the requirement for further financial support from the ESFA.

Conditions

2. The Trust is required to:
 - repay the advance within 12 months
 - manage its budget without the need for further financial assistance
 - provide a detailed recovery plan
 - provide an accurate and detailed 5-year budget forecast
 - submit monthly management accounts, against which financial management and governance can be monitored
 - monitor pupil numbers, providing updated financial forecasts if pupil projections are not achieved
 - make the ESFA aware of any threats to its recovery at the earliest opportunity.

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 any 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.

Timescales

6. The Trust must repay the advance in full by 30 June 2018.
7. The 5-year budget forecast and recovery plan must be provided by 21 July 2017.

Monitoring and progress

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

9. 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

10. Compliance with this Notice will be demonstrated when:

- The advance of funds is repaid in full
- The financial statements for 2019/20 show that the Trust has returned to a cumulative surplus position
- 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 [efa-enquiry-form](#)
- The ESFA receives all Budget Forecast Returns by the due dates
- The ESFA receives audited financial statements with an unqualified audit opinion on 31 December each year, up to and including 31 December 2020
- The ESFA receives the auditors' management letter which does not raise concerns on 31 December each year, up to and including 31 December 2020

11. 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.