



Education
Funding
Agency

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

Tel: 0370 000 2288

www.education.gov.uk/efa-enquiry-form

4 July 2016

Sir Greg Martin
Chair of Governors
Durand Academy Trust
Durand Academy
Hackford Rd
London
SW9 0RD

Dear Sir Greg,

Notice of provisional intention to terminate the Funding Agreement made between the Secretary of State and Durand Academy Trust.

This letter is by way of notice pursuant to clause 89 of the Funding Agreement dated 10 September 2012 (“the Funding Agreement”) made between the Secretary of State and Durand Academy Trust (“the Academy Trust”) in respect of the Durand Academy school (“the Academy”).

By clause 89 of the Agreement the Secretary of State may give notice of her provisional intention to terminate the Funding Agreement, if any of the following three conditions apply:

- a) the Academy no longer has the characteristics set out at clause 10 of the Funding Agreement;
- b) The conditions and requirements set out in clauses 12-33 of the Funding Agreement are not being met; or
- c) The Academy Trust is otherwise in material breach of the provisions of the Funding Agreement.

The Secretary of State considers that conditions (b) and (c) above apply. Without prejudice to the generality of those matters, it is clear that there have been repeated significant breaches of the Funding Agreement. There have been repeated significant breaches of the Academies Financial Handbook. (As you well know, by clause 65 of the Funding Agreement the Academy Trust is required to “abide by the requirements of” the Academies Financial Handbook.)

By clause 90(b) of the Funding Agreement, the Secretary of State is required to specify the steps that need to be taken to remedy the breaches that have occurred. Those steps are as follows:

- A. Secure that, by 1 August 2016, no director of DAT is also a director of Durand Education Trust (DET), London Horizons Limited or GMG Management Resource (UK) Ltd.
- B. Without prejudice to the generality of A above, secure that, by 1 August 2016, Mr Mark McLaughlin either (i) resigns from any position with DET, London Horizons Limited or any company of which Sir Greg Martin is a director or has a shareholding of over 5%; or (ii) resigns from his position as acting Executive Head Teacher of DAT and (for so long as he shall have any position with DET, London Horizons Limited or any company of which Sir Greg Martin is a director or has a shareholding of over 5%), holds no other position with and has no further involvement with DAT.
- C. By 29 August 2016 DAT shall appoint two directors/trustees. Those appointed must (i) have appropriate experience and skills to assist DAT to deliver excellent education, governance and financial management; (ii) have no previous connection with DAT or the Durand school. A statement from the Regional Schools Commissioner that candidates have between them the experience and skills identified in (i) will be regarded as sufficient evidence that the candidates' experience and skills are appropriate.
- D. By 1 August 2016 secure that £1.8m being the balance of the £2m funds that were transferred to DET by DAT in 2013/14 is repaid to DAT.
- E. By 1 August 2016 secure that Sir Greg Martin resigns as Chair of Governors of DAT and ceases to be a director/trustee of DAT and from any other position with DAT. Ensure that in future Sir Greg Martin is neither employed by or acts as a trustee of DAT, or is a member of DAT (and for the avoidance of doubt, shall not act as shadow director)
- F. By 29 August 2016 DAT will publish on its website, a list of the relevant business and pecuniary interests of members, trustees and local governors, in accordance with clauses 2.5.2 and 3.1.20 of the Academies Financial Handbook 2015.
- G. By 29 August 2016 confirm that the Academy Trust has taken appropriate steps to ensure the following:
 - a) That trustees of the Academy Trust understand their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements.
 - b) That the Academy Trust has suitable arrangements in place to ensure that trustees comply with the obligations referred to at (a) above.
- H. By 1 August 2016 put in place arrangements to ensure that DAT retains all records as required by the Funding Agreement and the Academies Financial Handbook, for 6 years.

By 1 August 2106, please provide your written response to this notice and your written confirmation that you will comply with all the requirements set out above by the dates specified.

Please acknowledge receipt of this letter to me by Monday 11 July 2016.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Peter Lauener". The signature is fluid and cursive, with a prominent initial "P" and a long, sweeping underline.

Peter Lauener
Chief Executive

Cc Governing Body – Tyrone Watson (Vice-Chair), Brenden McShane, Hakim Taylor, Angel Lue-Taim, Mark McLaughlin

