



Education
Funding
Agency

Department for Education
Sanctuary Buildings
Great Smith Street
London
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Tel: 0370 000 2288

www.gov.uk/efa

Date: 16 March 2015

Dear Mr/Ms Downs

Thank you for your request for information, which was received on 15 February 2015. A copy of your request is attached at Annex A.

I have dealt with your request under the Freedom of Information Act 2000 ("the Act").

You may find it helpful to know that the outstanding mortgage you have referred to in your request is not a loan, it is known as a legal charge placed on the land. A legal charge is routinely taken over land purchased by the Secretary of State (SoS) for Free School Trusts, in order to protect the expenditure on the school site.

In response to your first question, under section 21 of the Act, the department is not required to provide information in response to a request if it is already reasonably accessible to you.

The amount invested by the SoS for CHAT to acquire the leasehold for the land from Enfield Council is available on the land registry website at:
<https://www.gov.uk/government/organisations/land-registry>¹.

In relation to points 2-5 and as explained above, the Legal Charge provides the SoS with certain rights to deal with the property held by the Academy Trust, if the Academy Trust breaches or terminates the funding agreement or fails to pay monies owing when they fall due.

The terms of the legal charge and how and when it could be enforced are set out in Kingfisher Hall Primary Academy's published Funding Agreement available at:
<http://www.education.gov.uk/cgi-bin/schools/performance/school.pl?urn=138203>

In your request, you made reference to the Condition Improvement Fund (CIF). The CIF replaces the Academies Capital Maintenance Fund (ACMF) and the Building Condition Improvement Fund (BCIF) and is not linked to the legal charge. Therefore, as the legal charge is not a loan and not related to the CIF, we do not hold information regarding the '*names of other academy trusts which received similar loans up to the time CIF was introduced*' as mentioned in your request.

In response to your last point, I can confirm that the Financial Notice to Improve (FNI) does not have an impact on the legal charge.

If you are unhappy with the way your request has been handled, you should make a complaint to the department by writing to me within two calendar months of the date of this

letter. Your complaint will be considered by an independent review panel, who were not involved in the original consideration of your request.

If you are not content with the outcome of your complaint to the department, you may then contact the Information Commissioner's Office.

Your correspondence has been allocated reference number 2015/0008311. If you need to respond to us, please visit: www.education.gov.uk/contactus, and quote your reference number.

Yours sincerely

Harriet Simpole-Clarke
Caseworker

¹ You will need to apply to the land registry for the register of the property. When you have obtained the register you can see the premium paid by the Academy.

Annex A:

Dear Department for Education,

I understand that Cuckoo Hall Academies Trust (CHAT) has an outstanding mortgage, dated 29 October 2013 and registered 5 November 2013, with the Department for Education.

I also understand that the Condition Improvement Fund (CIF) which allows academies to borrow money from the DfE to be repaid by reducing future funding was not launched until Autumn 2014.

I should be grateful, therefore, if you could let me know:

- 1 The amount lent to CHAT.
- 2 The terms of the loan (eg interest, term of loan, method of repayment).
- 3 The source of the loan.
- 4 Who authorised the loan.
- 5 The Government policy and/or source of funding which allowed such a loan to be awarded.

As CHAT has now been given a Financial Notice to Improve, I should be grateful if you could let me know how this impacts on the outstanding mortgage.

I should also be grateful if you could let me know the names of other academy trusts which received similar loans up to the time CIF was introduced.

I look forward to hearing from you.

Yours faithfully,

J Downs