



Education & Skills
Funding Agency

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

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

2 November 2021

Ms Jane Farrell
Chair of Trustees
Holland Park School
Airlie Gardens
Campden Hill Road
London
W8 7AF

Company Number: 8588099

Dear Ms Farrell

Notice to Improve: Holland Park School

I am writing to you in your capacity as the Chair of Holland Park School, to inform you that we are issuing the trust with a Notice to Improve for compliance concerns.

Firstly, I want to thank you for the positive action you have taken since taking up the position of Chair in September 2021, and for your cooperation with my team and the Regional Schools Commissioner in strengthening the board. You have made a significant impact in a very short time.

There are, however, continued concerns relating to the governance and oversight of financial management by the Board prior to your arrival and that of the other trustees and members in September 2021. This letter, and its annexes, serve as a written notice to improve the financial control and governance at the Trust (Notice to Improve or “the Notice”).

The Trust is required, pursuant to the provisions of the Academy Trust Handbook (ATH) and the Funding Agreement (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Being issued with a Notice means that certain delegated authorities, as defined in the ATH, have been revoked.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].

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 David Chappell, Trust Members Miss Margaret Allen, Mrs Elizabeth Rutherford, Mr Vic Daniels, Mr Howard Freed and Dame Kate Dethridge the Regional Schools Commissioner (RSC) for North-West London and South-Central England.

I look forward to hearing from you.

Yours sincerely

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

Warwick Sharp
Director, Academies and Maintained Schools Directorate

CC. David Chappell, Accounting Officer
Dame Kate Dethridge, RSC
Miss Margaret Allen, Member
Mr Vic Daniels, Member
Mrs Elizabeth Rutherford, Member
Mr Howard Freed, 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 Holland Park School (the 'Trust'):

- Failing to ensure regularity and propriety in use of the trust's funds as required in paragraph 1.14 of the Academy Financial Handbook 2020 (AFH).
- Incurring significant expenditure with two companies whilst failing to follow the correct procurement process as required in paragraph 2.28 of the AFH.
- Failing to seek prior approval from the ESFA of 'novel and contentious' expenditure as required in paragraph 5.5 of the AFH.

Conditions

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

Financial management and governance requirements

2. 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.
3. The Trust should take all appropriate actions to ensure the action plan agreed with the ESFA is fully implemented.
4. The ESFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.

Monitoring and progress

5. 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.
6. 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

7. 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.
8. 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.

Table of conditions

The table below summarises the conditions that have been placed upon Holland Park School (“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.

	Condition applied	Action / evidence required from trust	By when
1	The Trust must reduce overlaps between trustees and members by reviewing its governance structure. This should take into account the Department’s strong preference for the majority of trust members to be independent of the board of trustees, as per paragraph 1.6 of the 2021 Academy Trust Handbook (ATH).	Trust to provide the ESFA with the revised governance and committee structure.	19 November 2021
2	The trust must implement new financial management and monitoring structures, and undertake further actions to strengthen challenge in managing the budget and finances. This must include ensuring effective processes are in place for the trust to monitor financial performance and risks. The trust must be able to show the application of basic control principles and financial planning as set out in paragraphs 2.6 to 2.8 of the ATH.	Trust to submit a written report to the ESFA, detailing the actions the trust has taken to strengthen financial management and monitoring structures (considering paragraphs 2.6 to 2.8 of the ATH).	3 December 2021
3	The trust must implement a robust procurement policy that ensures the requirements of paragraph 2.28 of the ATH are complied with.	Documents setting out the trust’s procurement policy are submitted to ESFA.	3 December 2021
4	Establish a revised scheme of delegation, which meets the required criteria set out in paragraphs 2.4 and 2.7 of the ATH. The trust must: <ul style="list-style-type: none"> • Approve a written scheme of delegation of financial powers that maintains robust internal controls. • Ensure delegated financial authorities are complied with, and • Provide ESFA with evidence of its use. 	Trust to submit a revised scheme of delegation, and provide evidence of its use, thereby assuring the ESFA that the trust has a strong governance structure in place.	3 December 2021

5	The trust must produce a plan to bring the setting of executive pay in line with ATH requirements (paragraphs 2.30 to 2.32 of the ATH).	The trust must provide ESFA with a copy of the plan and any new pay policies produced as a result.	3 December 2021
6	The trust to consider starting the process for moving the school into a multi-academy trust.	The trust to consider providing the Regional Schools Commissioner's office with a selection of possible MATs the school will consider joining.	15 December 2021
7	The trust to respond to allegations from former pupils and staff, and to review the relevant policies for managing complaints.	Trust to provide the ESFA with a detailed, timebound plan on how the allegations will be investigated and responded to. Trust to set out the process it will undergo to review the relevant policies.	19 November 2021
8	The trust is required to: <ul style="list-style-type: none"> a) Comply with the funding agreement requirement to submit all audited reports, accounts and statements to the ESFA on time and without qualification. b) Submit the Budget Forecast Return Outturn (BFRO) by the deadline required by the ESFA. c) The Trust is required to submit the Budget Forecast Return (BFR3Y) by the deadline required by the ESFA. 	<p>The ESFA receives the trust's audited reports, accounts and statements by 31 December each year until the Ntl is lifted.</p> <p>The ESFA receives the trust's BFRO by the date required, each year until Ntl is lifted.</p> <p>The ESFA receives BFR3Y by date required, each year until Ntl is lifted.</p>	<p>Submit audited financial reports, accounts and statements by 31 December 2021, and thereafter each year until the Ntl is lifted.</p> <p>Submit BFRO by date required, each year until Ntl is lifted.</p> <p>Submit BFR3Y by date required, each year until Ntl is lifted.</p>
9	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 esfa-enquiry-form . Retrospective approval will be deemed as a breach of the ATH.	The Trust must submit a request for approval for any actions relating to the delegated freedom revoked under the terms of the Ntl.	Until the Ntl is lifted.
10	Ensure that all necessary Trustee and Member contact details are up to date, as per paragraphs 2.54 to 2.58 of the ATH.	All fields specified in Get Information About Schools (GIAS) for the individuals must be completed before the Ntl can be lifted. The trust must ensure its record on GIAS for the individuals remains up to date.	3 December 2021.