



Department  
for Education

Department for Education  
Regional Director's Office  
Bishopsgate House  
Darlington  
DL1 5QE

Date: 14 October 2024

Ms Maria Potter  
Westwoodside Church of England Academy Trust  
Nethergate,  
Westwoodside,  
Doncaster,  
DN9 2DR

Company Number: 08161921

**Dear Ms Potter,**

**Notice to improve: Westwoodside Church of England Academy Trust**

We are writing to you in your capacity as the Chair of Trustees for Westwoodside Church of England Academy Trust ("the trust").

Schools Financial Support and Oversight (SFSO) has assessed the trust's breaches of the Academy Trust Handbook (ATH). On this basis, we are issuing the trust with a Notice to Improve on financial grounds.

As you are aware, the trust board failed to provide appropriate oversight of the trust's financial position and manage the trust's cash position. This is a formal requirement of the trust's Funding Agreement (FA) as set out in the ATH.

Paragraphs 2.11, 2.18-2.21 of the ATH state:

- **2.11** states – The board **must** ensure budget forecasts for the current year and beyond are compiled accurately.
- **2.18** states – The trust **must** prepare management accounts, including an income and expenditure account, variation to budget report, cash flows and balance sheet every month setting out its financial performance and position.
- **2.19** states – Management accounts **must** be shared with the chair of trustees every month and the board **must** consider these when it meets and be assured that it has appropriate oversight of the trust's financial position.
- **2.20** states – The board **must** ensure appropriate and timely action is being taken to maintain financial viability, including addressing variances between the budget and actual income and expenditure.
- **2.21** also states - The trust **must** manage the trust's cash position robustly becoming overdrawn and breaching restrictions on borrowing.

This letter and its annexes serve as a written Notice to Improve (Notice to Improve or “the Notice”). It reflects continued concerns on governance and oversight of financial management by the trust.

The trust is required, pursuant to the provisions of the ATH and the FA, to comply with the terms of this Notice to Improve. These terms are set out in Annex A.

Being issued with a Notice to Improve means that certain delegated authorities, as defined in the ATH, are revoked. All transactions previously covered by these delegations, regardless of their size, must now be approved in advance by SFSO, 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.

If the trust seeks retrospective approval from SFSO this will be deemed a breach of the ATH. Further details of the approval process will be forwarded to the trust’s 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.

SFSO will monitor progress made towards meeting the requirements of this Notice through weekly case reviews. A decision to lift the Notice will be taken when we are satisfied the requirements set out in the annexes have been met in full.

We will support the trust as it implements the required changes through regular contact and clear routes of escalation to resolve any questions or queries you might have. However, if the trust is unable to deliver the necessary improvement and fails to make sufficient progress against the original conditions, we reserve the right to issue a revised Notice and add further specific 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 our satisfaction, it will be considered to have failed to comply with the terms of the ATH. Failure to comply will be deemed a funding agreement breach and may lead to termination of the FA.

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.

In line with the requirements set out in our publishing policy, the trust has 10 working days to offer any final comments on factual accuracy to SFSO colleagues before publication.

The trust is required to publish the Notice on its website within 14 days of it being published on gov.uk and retain it there until the Notice is lifted.

We recognise that this may be an uncertain time for the trust and its staff. We are mindful of creating additional pressures on individuals involved. Therefore, we ask the trust to ensure appropriate provision is in place to support all its staff, as necessary. You may find the [Education staff wellbeing charter](#) helpful.

We 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], who will be your main point of contact related to this Notice to Improve.

We will continue to keep clear and regular lines of communication open with you. As such, [REDACTED] will be in contact shortly to answer any questions you may have, and to discuss the next steps in more detail including any support the trust may require to drive the necessary improvements.

Yours sincerely



**Lindsey Henning (Director, Schools Financial Support & Oversight, ESFA)**



**Alison Wilson (Regional Director, Yorkshire and Humber)**

CC.

Paul Thompson, Director of Education at The Diocese of Lincoln Diocesan Board of Education

Mike Adnitt, Acting Accounting Officer, Westwoodside Church of England Academy Trust

Mr Alex Jenman, Vice Chair of Trustees & Member of Westwoodside Church of England Academy Trust

Mr Guy Howitt, Member, Westwoodside Church of England Academy Trust

Mrs Hilary Beverley, Member, Westwoodside Church of England Academy Trust

Mr Neal Craven, Member, Westwoodside Church of England Academy Trust

## **Westwoodside Church of England Academy Trust**

### **Annex A**

#### Notice to Improve

This Notice to Improve (the 'Notice') is a consequence of Westwoodside Church of England Academy Trust (the 'trust'):

- Failing to ensure budget forecasts for the current year and beyond are compiled accurately, based on realistic assumptions including any provision being made to sustain capital assets, and reflect lessons learned from previous years as required in ATH 2.11
- Failing to prepare management accounts, including an income and expenditure account, variation to budget report, cash flows and balance sheet every month setting out its financial performance and position as required by ATH 2.18
- Failing to ensure appropriate board oversight of the trust's financial position and ensure appropriate and timely action is being taken to maintain financial viability, including addressing variances between the budget and actual income and expenditure, as required by ATH 2.19 and 2.20
- Failing to manage the trust's cash position as required by ATH 2.21

#### **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 ATH.

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

SFSO 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 SFSO 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, SFSO 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 SFSO 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 SFSO.

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, we 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 Westwoodside Church of England Academy Trust (“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.

All conditions set out in the table must be met before the Notice can be lifted.

Condition	Evidence required to show compliance with the Notice	Timescale
<p>1. 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 SFSO on time.</li> <li>b. Submit an Academies budget forecast return (BFR) by the deadline required by SFSO.</li> </ul>	<ul style="list-style-type: none"> <li>a. SFSO receives the trust’s audited financial statements by 31 December, each year until the Ntl is lifted.</li> <li>b. SFSO receives the trust’s BFR by the date required, each year until Ntl is lifted.</li> </ul>	<ul style="list-style-type: none"> <li>a. Submit audited reports, accounts, and statements by 31 December 2024, and each year thereafter until the Ntl is lifted.</li> <li>b. Submit BFR by date required, each year until Ntl is lifted.</li> </ul>
<p>2. The trust requests approval from SFSO, in advance, for any actions under the revoked freedoms in paragraph 6.18 of the ATH 2024 These requests should be sent using the <a href="#">Customer Help Portal</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>

<p>3. Prepare and submit a revised trust financial plan. An independent expert should externally validate the plan. The plan must include, as a minimum:</p> <ul style="list-style-type: none"> <li>a. How the trust will maintain a cumulative surplus position by the end of August 2025, and each year thereafter. This must be supported by robust budget forecasts through to 2027 with evidence to support realistic pupil number forecasts.</li> <li>b. A clear efficiency and savings plan setting out specific areas where further savings can be made across the trust.</li> </ul>	<p>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.</p>	<p>By 22 November 2024.</p>
<p>4. We will expect the trust to supply the following financial information on a monthly basis for a period of 12 months from agreement of the financial plan. The frequency of reports thereafter will be determined by SFSO / DfE, based on progress against the trust financial plan:</p> <ul style="list-style-type: none"> <li>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.</li> <li>b. A balance sheet showing the position at the end of the last calendar month and forecast to the end of the academic year.</li> <li>c. A detailed monthly cash flow forecast rolling 12 months ahead.</li> <li>d. Details of any further aged creditors, which cause cash flow pressures.</li> </ul>	<p>The trust submits the required information to SFSO on time for a minimum of 12 months and until further notice.</p>	<p>The management reports must be submitted to SFSO by the 10<sup>th</sup> of the following month, for a minimum of 12 months, until further notice.</p>

<p>5. 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 the financial risks to its operation.</p>	<p>Submit a written report, detailing the actions the trust has taken to strengthen the financial management and monitoring structures, to SFSO.</p>	<p>By 22 November 2024.</p>
<p>6. The trust should conduct an investigation to determine if there has been any fraud, irregularity or theft. The investigation should be supported by advice from an independent HR or financial audit company.</p>	<p>Submit a copy of the investigation report to SFSO.</p>	<p>By 29 November 2024.</p>
<p>7. The trust to set out the actions it is taking to explore joining a high-quality multi-academy trust (MAT), including:</p> <ul style="list-style-type: none"> <li>a. The details of the MATs being considered.</li> <li>b. Evidence of discussions and scrutiny of options by all trustees by 22 November 2024. This consideration and outcomes to be discussed with DfE by 29 November 2024.</li> </ul>	<p>The trust board meets to discuss transferring the academy to a strong MAT and confirms its decision to DfE by 20 November 2024.</p> <p>The trust provides a detailed breakdown of the reasoning behind its decision and produces evidence as requested in the condition.</p>	<p>Evidence of discussions by 29 November 2024.</p>
<p>8. The DfE receives notice of all board meetings, including extra-ordinary meetings; and that the agenda and draft minutes are forwarded to DfE as soon as they are available.</p>	<p>The trust submits notice of all board meetings, including extra-ordinary meetings; and that the agenda and draft minutes (including confidential notes) are forwarded to SFSO /DfE as soon as they are available.</p>	<p>Until the NTI is lifted.</p>
<p>9. The trust to report to DfE on:</p> <ul style="list-style-type: none"> <li>a. How it is managing the overlap between trustees and members with reference to 1.6 in the Academies Trust Handbook 2024.</li> <li>b. Its approach to managing conflicts of interest.</li> </ul>	<p>Trust submits a report to DfE on how it is managing its trustee and member overlap and any resulting conflicts of interest.</p>	<p>By 29 November 2024.</p>