Department for Education

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Phil Huck – Chair of Trustees,
South Cumbria Multi Academy Trust,
Chetwynde School,
Croslands,
Rating Lane,
Barrow-in-Furness,
LA13 0NY

Sent by email: [redacted]

27 June 2025

Dear Mr Huck

Notice to Improve: South Cumbria Multi Academy Trust

We are writing to you in your capacity as the Chair of South Cumbria Multi Academy Trust (the trust) to inform you that the Department for Education (the department) has assessed that the trust's breaches of the Academy Trust Handbook (ATH) relating to financial management are significant enough to warrant a Notice to Improve (NtI). On this basis, we are issuing the trust with a NtI on financial grounds. We understand that this decision may be disappointing and want to assure you that we recognise the positive action the trust has taken to date to address the concerns.

As you know, the department has been monitoring the trust's progress towards meeting the actions set out in the warning letter of 3 March 2025. We recognise the cooperation and extensive 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, our concerns remain in relation to the weak financial position and financial management at the trust, resulting in a request for exceptional financial support.

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

The trust is required, pursuant to the provisions of the 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, are revoked. All transactions previously covered by these delegations, regardless of their size, must now be approved in advance by the department, 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 seeks retrospective approval from the department 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.

The department will monitor progress made towards meeting the requirements of this Notice and will keep us updated through regular 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.

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.

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] who will be your main point of contact related to this Notice to Improve. 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 DfE 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 (https://www.gov.uk/guidance/education-staff-

wellbeing-charter) helpful.

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.

We look forward to hearing from you.

Yours sincerely,

Vicky Beer
Regional Director for North West, Department for Education

Lindsey Henning
Director, Schools Financial Support & Oversight, Regions Group, Department for Education

CC:
Andrew Wren - Accounting Officer
Ben Shirley - Member
Janice Fielding - Member
John Butler - Member
Keith Johnson - Member

ANNEX A – Notice to Improve conditions

South Cumbria Multi Academy Trust
Notice to Improve

This Notice to Improve (the 'Notice') is a consequence of South Cumbria Multi Academy Trust (the 'trust'):

- Failing to maintain robust oversight of the academy trust (Academy Trust Handbook 2024 para 2.1)
- Failing to ensure financial plans are prepared and monitored for the trust to satisfy itself it will remain a going concern and financially stable (para 2.8)
- Failing to provide a 3 year budget forecast to the DfE (para 2.8)
- Failing to ensure rigour and scrutiny in budget management (para 2.9)
- Failing to approve a balanced budget (para 2.10)
- Failing to ensure budget forecasts are accurate (para 2.11)
- Failing to take appropriate and timely action to maintain financial viability (para 2.20)

Conditions

1. The trust is required to comply with all 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 ATH.

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

4. The department 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 department 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 department 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 department 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 department.
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, we will write to the trust to confirm that the Notice has been lifted.

Annex B - Table of conditions

The table below summarises the conditions that have been placed upon South Cumbria Multi 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 to Improve (”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
Prepare and submit a revised trust financial plan. The plan should be externally validated by an independent expert. The plan must be submitted no later than 31 October 2025. The plan must include, as a minimum: i. how the trust will achieve a cumulative surplus position. This must be supported by robust budget forecasts through to achieving sustained yearly financial stability with evidence to support realistic pupil number forecasts ii. a clear efficiency and savings plan setting out specific areas where further savings can be made across the trust	Demonstrate financial recovery consistent with the agreed trust financial plan as evidenced in the budget forecast return and the audited financial statements for that year.	By 31 October 2025
The trust implements 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.	Submit written report, detailing the actions the trust has taken to strengthen the financial management and monitoring structures, to the DfE.	By 31 October 2025
The trust should make reasonable endeavours to implement recommendations for improvements	The trust should provide the DFE with details of the actions they have taken to attempt to implement the improvements identified by the	By 31 October 2025

identified by the independent School Resource Management Advisor (SRMA).	SRMA. The trust must incorporate this within an action plan.	
The trust must supply the DfE with the following financial information on a monthly basis for a minimum period of 12 months. The frequency of reports thereafter will be determined by the DfE, based on progress against the trust financial plan: - 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. - A balance sheet showing the position at the end of the last calendar month and forecast to the end of the academic year; and - A detailed monthly cash flow forecast rolling 12 months ahead. - Details of any further aged creditors, which cause cash flow pressures. - Provide separate accounting details for any 'central' or 'core' teams within the trust.	The trust submits the required information to the DfE on time for a minimum of 12 months and until further notice.	The management reports must be submitted to the DfE by 24th of the month, for a minimum of 12 months, until further notice.
The trust must strongly consider merging with a High Quality Trust.	Trust board/member meeting minutes where this has been discussed.	30 September 2025
Implement recommendations from the External Review of Governance (ERG).	Share action plan with the DfE and action timeline of implementation.	By 30 September 2025
Work closely with Regional Department for Education (DfE) Director's representatives to	The trust provides evidence to the DfE that it has entered into a formalised partnership to	By 30 September 2025

formalise a partner trust to support the trust with governance improvements. Trusts should make reasonable endeavours to implement improvements identified through the partnership. Continue the collaboration with representatives nominated by the Regional Department for Education (DfE) Director, utilising their skills and experience effectively to drive school improvement.	support the trust with governance improvements.	
Ensure that proper arrangements are in place, whereby the trust board has the appropriate skill set and processes in place to challenge and hold to account the Accounting Officer, Finance Officer and other members of the executive management team and evidence this. **ATH 1.8 – 1.26 - trustees**. **ATH 3.1** All academy trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.	The trust board are providing the right balance of challenge and have the skills necessary to carry out their duties effectively.	By 30 September 2025
The trust ensures there are clear lines of accountability between the Accounting Officer of the trust and the trustees, including effective oversight and support for financial management.	The trust submits evidence a terms of reference and scheme of delegation that evidence the clear lines of accountability.	Following External Review of Governance.
Increase regularity of board meetings and particularly Audit & Finance Sub-Committees above the minimum of 3 times a year.	The trust submits minutes confirming the scheduling of an increase in board meetings above the minimum of 3 times a year and	By 31 October 2025 and ongoing until the NtI is lifted.

	ensures that agenda and draft minutes are forwarded to the DfE as soon as they are available.	
All necessary information is published on the trust's website as per the ATH.	The trust has published the Notice and all other necessary information on their website, as required by the ATH.	2 weeks from the Notice issue date.
All Related Party Transactions (RPT) must be pre-approved by the DfE.	Approval for all RPTs received before transaction takes place. Any transactions requiring retrospective approval would count as a breach of this condition.	Until the NtI is lifted.
The trust is required to: - Comply with the funding agreement requirement to submit all audited reports, accounts and statements to the DfE on time and without qualification. - Submit a budget forecast return (BFR) by the deadline required by the DfE.	The trust must submit audited financial statements by 31 December, and the BFR by the date required.	Until the NtI Is lifted
The trust requests approval from the DfE, in advance, for any actions under the revoked freedoms in paragraph 6.18 of the ATH 2024. These requests should be sent using the 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 NtI.	Until the NtI is lifted