



Department  
for Education

Department for Education  
Bishopsgate House  
Feethams  
Darlington  
DL1 5QE  
Tel: 0300 000 2288  
<http://www.gov.uk/df>

25 July 2025

Kevin Sexton  
Interim Chair of Trustees  
Liverpool Institute for Performing Arts MAT  
41 Upper Duke Street  
Liverpool  
L19 9DY  
Sent via email - [REDACTED]

Dear Mr Sexton,

**Notice to improve: Liverpool Institute for Performing Arts Multi Academy Trust (LIPA MAT)**

We are writing to you in your capacity to as the Interim Chair of Trustees of LIPA MAT, 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, governance, oversight and safeguarding are significant enough to warrant a Notice to Improve.

As you know, the department has been working with the Trust. We recognise the cooperation and extensive discussions that have already taken place between the Trust and officials and the changes you have already actioned since your appointment on 14 July 2025. We also appreciate the remedial actions taken by you and the pace and professionalism you have displayed. However, our concerns remain, in relation to the weak financial position, financial management, safeguarding, oversight and governance at the Trust.

This letter and its annexes serve as a written Notice to Improve oversight, governance, financial management and safeguarding at the Trust (Notice to Improve or "the Notice"). It reflects the weak financial position of the Trust and continued concerns on financial management, governance, oversight, safeguarding and estates 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 driving forward the necessary improvements.

We look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'V. Beer', with a long horizontal flourish underneath.

**Vicky Beer C.B.E.**  
**Regional Director for North West, Department for Education**

A handwritten signature in black ink, appearing to read 'L. Henning', with a long horizontal flourish underneath.

**Lindsey Henning**  
**Director, Schools Financial Support & Oversight, RG, Department for Education**

CC: Rupert Grey – Member - [REDACTED]

# LIVERPOOL INSTITUTE FOR PERFORMING ARTS MULTI ACADEMY TRUST

## Annex A

### Notice to Improve

This Notice to Improve (the 'Notice') is a consequence of the Liverpool Institute of Performing Arts Multi Academy Trust (the 'Trust'):

- failing to ensure that trustees and management have the skills, knowledge, and experience to run the academy trust (Academy Trust Handbook Para 1.1)
- failing to ensure trustees apply the highest standards of conduct and ensure robust governance (para 1.11)
- failing to adequately discharge their responsibilities in matters such as safeguarding, health and safety and estates management (para 1.13)
- failing to safeguard and promote the welfare of children (para 1.14)
- failing to maintain robust oversight of the academy trust (para 2.1)
- failing to ensure rigour and scrutiny in budget management (2.9)
- failing to approve a balanced budget (para 2.10)
- failing to ensure budget forecasts for the current year and beyond are compiled accurately and based on realistic assumptions (para 2.11)
- failing to manage its cash position robustly (para 2.21)
- failing to ensure that its risk management includes contingency and business continuity planning (para 2.36)
- failing to ensure leases maintain the principles of value for money, regularity and propriety (para 5.28)

### 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 ATH.
3. The Trust should take all appropriate actions to ensure the financial recovery steps 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.

#### Safeguarding requirements

5. The Trust should take all actions identified to ensure the school is safe and the health and safety arrangements in place are in line with the Keeping Children Safe in Education guidance.

### Monitoring and progress

6. 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.
7. 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

8. 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.
9. 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.

## LIVERPOOL INSTITUTE FOR PERFORMING ARTS MULTI ACADEMY TRUST

### **Table of Conditions**

The table below summarises the conditions that have been placed upon Liverpool Institute for Performing Arts 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.

<b>Condition</b>	<b>Evidence required to show compliance with the notice</b>	<b>Timescale</b>
<p>1. The trust must prepare and submit a revised financial plan. The plan should be externally validated by an independent expert.</p> <p>The plan must include as a minimum:</p> <ul style="list-style-type: none"> <li>• how the trust will achieve a cumulative surplus position. This must be supported by robust budget forecasts through to 2028/29 with evidence to support realistic pupil number forecasts</li> <li>• 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>Within 8 weeks from the date of this letter.</p>
<p>2. The trust must provide the DfE with its latest internal audit findings and any actions taken by 19 September 2025.</p>	<p>The trust must provide the DfE with its latest internal audit findings and actions taken by 19 September 2025.</p>	<p>8 weeks from the date of this letter.</p>

<p>3. The trust must undertake an independent review of the trust's financial management arrangements to identify any gaps and recommendations for improvement.</p> <p>The terms of reference of the review and the outcome must be shared and agreed with the DfE.</p> <p>This must cover:</p> <ul style="list-style-type: none"> <li>• trust governance arrangements: (as a minimum, an assessment of the oversight exercised by the Trust board, a skills audit of the current members and trustees)</li> <li>• trust procedures and policies.</li> <li>• a review of the trust's financial systems and processes</li> </ul> <p>The review must consider the above areas in view of the regulatory framework governing academies and provide assurance on the level of compliance with those requirements. In particular, the Trust's Articles of Association, the Funding Agreement, the Academy Trust Handbook and the Companies Act 2006.</p> <p>Where non-compliance or improvements are identified, the trust should provide DfE with an action plan and timeline to address those issues.</p>	<p>The trust must, by 22 August 2025, agree the terms of reference with the DfE.</p> <p>The trust must provide evidence of having reviewed and actioned any recommendations from the external review.</p>	<p>The findings of the review and action plan to implement the recommendations should be submitted to the DfE within 10 weeks from the date of this letter.</p>
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<p>4. Following the review, 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.</p>	<p>Submit written report, detailing the actions the trust has taken to strengthen the financial management and monitoring structures, to DfE.</p>	<p>8 weeks from the date of the review's completion.</p>
<p>5. Trust to carry out Integrated Curriculum and Financial Planning (ICFP) analysis and to produce a report that identifies any potential savings/benefits and shows how the trust is using (or will in the future use) data on ICFP metrics to inform its planning and deployment of teachers.</p> <p>As part of this, identify whether it is using guidelines or benchmarks for these metrics – and what they are. Some core metrics to consider are:</p> <ul style="list-style-type: none"> <li>• average teacher contact ratio</li> <li>• average class size</li> <li>• pupil to teacher ratio</li> <li>• average teacher cost</li> <li>• % spend on teachers</li> <li>• SLT as % of teaching workforce.</li> </ul> <p>If the trust identifies savings, they must incorporate them into a revised Trust financial plan.</p> <p>The school resource management self-assessment tool [<a href="https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool">https://www.gov.uk/government/publications/school-resource-management-self-assessment-tool</a>] includes key metrics relevant to an ICFP approach, the trust may wish to use this as a starting point for their ICFP review.</p>	<p>Trust undertakes ICFP analysis and produces a report on potential saving/benefits by 19 September 2025.</p> <p>This report must include at a minimum the metrics as requested.</p>	<p>8 weeks from the date of this letter.</p>

<p>6. The trust should make reasonable endeavours to implement recommendations for improvements identified by the independent School Resource Management Advisor.</p>	<p>The trust should provide DfE with details of the actions they have taken to implement the improvements identified by the SRMA. The trust may want to incorporate this within an action plan.</p>	<p>8 weeks from the date of this letter.</p>
<p>7. The trust should supply their monthly management accounts to DfE each month until further notice. The board must also consider these when it meets and be assured that it has appropriate oversight of the trust's financial position.</p> <p>The monthly management accounts should include:</p> <ul style="list-style-type: none"> <li>• 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>• 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>• a detailed monthly cash flow forecast rolling 12 months ahead</li> <li>• details of any aged creditors.</li> </ul>	<p>The trust to submit the required information to DfE by the 25<sup>th</sup> of each month.</p> <p>The trust should also submit board meeting minutes evidencing that the management accounts have been discussed.</p>	<p>Until the Ntl is lifted.</p>
<p>8. Explore and adopt National Deals (Deals for Schools), unless evidence is provided to the DfE that an alternative (or current) supplier provides better value for money.</p>	<p>The trust provides DfE with evidence that an alternative supplier provides better value for money as tested through a robust procurement process.</p> <p><b>And/or</b></p> <p>The trust adopts "Deals for Schools" where better value can be obtained.</p>	<p>8 weeks from the date of this letter.</p>

<p>9. The trust must consider transferring its academies to a strong Multi-Academy Trust (MAT).</p> <p>The DfE expect any decision regarding joining a MAT to result from careful consideration of all relevant factors. The Trust must provide the DfE with a detailed breakdown of the evidence considered and reasoning underlying the trust's decision. This includes but is not limited to:</p> <ul style="list-style-type: none"> <li>a) details of the MATs that were considered</li> <li>b) That the following factors were considered <ul style="list-style-type: none"> <li>i. Geographical proximity</li> <li>ii. Alignment of vision and values</li> <li>iii. Capacity and quality of support</li> <li>iv. Long term sustainability</li> </ul> </li> <li>c) evidence of discussion and scrutiny of proposals e.g. board meeting minutes, MAT presentations, risk analysis etc.</li> <li>d) evidence that all decisions have been approved by the board through a majority vote.</li> </ul>	<p>Trust board meets to consider transferring its academy to a strong MAT and confirms its decision to DfE by 17 October 2025. Trust provides a detailed breakdown of the reasoning behind its decision and produces evidence as requested in the conditions.</p>	<p>12 weeks from the date of this letter.</p>
<p>10. All necessary information is published on the Trust's website as per the ATH.</p>	<p>The trust has published all necessary information on their website, as required by the ATH.</p>	<p>4 weeks from the date of this letter.</p>
<p>11. The DfE receives notice of all board meetings, including extra-ordinary meetings; and that the agenda and draft minutes (in particular all information relevant to the trust's financial or governance position) are forwarded to the DfE as soon as they are available. DfE reserve the right to attend board meetings to observe their effectiveness.</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 the DfE as soon as they are available).</p>	<p>4 weeks from the date of this letter.</p>
<p>12. Increase regularity of Board meetings and particularly Audit &amp; Finance Sub-Committees above the minimum of 3 times a year.</p>	<p>The trust submits minutes confirming the scheduling of an increase in board meetings above the minimum of 3 times a year and ensures that agenda and draft minutes are forwarded to the DfE as soon as they are available.</p>	<p>4 Weeks from the date of this letter.</p>

<p>13. Strengthen the executive team by:</p> <ul style="list-style-type: none"> <li>i. appointing an accounting officer and CEO who is appropriately qualified and experienced, as agreed with the DfE.</li> <li>ii. appointing an interim CFO who is appropriately qualified and experienced, as agreed with the DfE. Recruitment timetable for all posts to be agreed with DfE.</li> </ul>	<p>The trust has appointed a suitably qualified interim AO/CEO and a fully qualified accountant to cover the role of CFO during the suspension of the substantive CFO and can provide assurance of their capacity to implement the cost savings required.</p>	<p>Agree a recruitment timetable 1 week from the date of this letter.</p> <p>The date for appointing the required individuals to be agreed with DfE.</p>
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<p>14. The trust must commission an external review of safeguarding to identify any gaps and recommendations for improvement. The terms of reference of the review and the outcome must be shared and agreed with the DfE. The scope of the review should include but not be limited to:</p> <ol style="list-style-type: none"> <li>trust safeguarding arrangements: (as a minimum, an assessment of the oversight exercised by the Trust board, a skills &amp; training audit of the current staff and trustees, arrangements and training for the Designated Safeguarding Lead and any deputies).</li> <li>trust safeguarding procedures and policies and their implementation.</li> <li>trust recruitment processes, including compliance with all statutory requirements.</li> </ol> <p>The review should consider the above areas in view of the regulatory framework governing academies and provide assurance on the level of compliance with those requirements. In particular, the trust's Funding Agreement, the Academy Trust Handbook, <u>Keeping children safe in education</u>, <u>Working together to safeguarding children</u> and the <u>Education (Independent School Standards) Regulations 2014</u>.</p> <p>Where non-compliance or improvements are identified, the trust should provide DfE with an action plan and timeline to address those issues.</p>	<p>The trust must submit a copy of the terms of reference for the review to be agreed by DfE; evidence of procurement and commissioning; and share the report/findings with DfE.</p> <p>The trust must submit copies of their compliant policies, signed off by trustees, and an approved plan for regular review and update of policies to the DfE.</p>	<p>Terms of reference to be shared and agreed with DfE within 4 weeks from the date of this letter.</p> <p>Final report to be shared with DfE within 12 Weeks from the date of this letter.</p> <p>Copies of policies and the review plan for policies to be submitted by 17 October 2025.</p>
<p>15. The trust is required to:</p> <ul style="list-style-type: none"> <li>comply with the funding agreement requirement to submit all audited reports, accounts and statements to DfE on time and without qualification.</li> <li>submit an Academies budget forecast return (BFR) by the deadline required by DfE.</li> </ul>	<p>The trust must submit audited financial statements by 31 December, and the BFR by 28 August 2025.</p>	<p>Until the Ntl is lifted.</p>

<p>16. The trust requests approval from DfE, in advance, for any actions under the revoked freedoms in paragraph 6.18 of the ATH 2023. These requests should be sent using the <u>enquiry form</u>. 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>17. Ensure that all necessary trustee contact details are up to date.</p>	<p>The trust must ensure its record on Get Information about Schools and Companies House is up to date.</p>	<p>4 weeks from the date of this letter.</p>