



Education & Skills  
Funding Agency

Education and Skills Funding Agency  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT  
Tel: 0370 000 2288  
[ESFA-enquiry-form](#)

28 March 2019

Dr Antony Moody  
Bradfield School,  
Kirk Edge Road,  
Worrall,  
Sheffield,  
South Yorkshire,  
S35 0AE

Dear Dr Moody

### Financial notice to improve: Bradfield School

I am writing to you in your capacity as the Chair of Bradfield School (“the Trust”).

As you are aware, the Trust has not yet submitted its audited financial statements and auditor’s management letter which were due on 31 December 2018. This is a formal requirement of the trust’s Funding Agreement (FA) as set out in the Academies Financial Handbook (AFH):

*2.8.1 The academy trust **must** maintain adequate accounting records and prepare an annual report and accounts in line with the Charity Commission’s Statement of Recommended Practice (SORP) and ESFA’s Accounts Direction. The accounts **must** be audited.*

*2.8.4 The audited accounts **must** be:*

- *submitted to ESFA by 31 December each year*

Failure to submit this return is therefore a breach of the AFH and the FA.

You will also know the Trust is in intervention with the Education and Skills Funding Agency (ESFA) due to concerns regarding financial management. I acknowledge the steps that the Trust is taking to work with the ESFA to address these. However, the Trust has not provided assurances that it can achieve a balanced budget. Its financial position is poor and worsening, and it continues to operate in both in-year and cumulative deficit positions, which is also a breach of the AFH.

Section 2.3 of the AFH states:

*The academy trust must prepare and monitor financial plans to ensure ongoing financial health...*

*2.3.3 The board of trustees, and any separate committee responsible for finance, **must** ensure rigour and scrutiny in budget management.... Managers **must** take appropriate action to ensure ongoing viability.*

The Trust has forecasted significant in-year and cumulative deficits for 2018/19 and has failed to provide and implement a satisfactory plan that provides financial recovery.

This letter and its annex serve as a written Notice to improve financial management, control and governance at the Trust. 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 AFH and the FA, to comply with the terms of this Financial Notice to Improve ("the Notice"). These terms are set out in Annex A.

Upon receipt of this Notice, all of the delegated authorities as identified in the AFH (sections 3.6-3.10) will be revoked, and all transactions by the trust previously covered by these delegations (regardless of size) must come to the ESFA for approval. These delegated authorities shall be returned to the trust providing that the terms set out in the Notice have been complied with and continue to be complied with, to the satisfaction of the Secretary of State.

We will monitor progress made towards meeting the requirements associated with this Notice. We will lift the Notice when the requirements set out in the annex have been met. 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 AFH. As a result of this breach of the AFH, and therefore also of the FA, the termination process in the FA may be triggered. Depending upon the severity of the breach, this may be considered a material breach of the terms of the FA and lead to termination.

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].

I am copying this letter to Deborah Banks, Accounting Officer of the Trust, and John Edwards, the Regional Schools Commissioner (RSC) for East Midlands and the Humber.

Yours sincerely,



**Mike Pettifer**  
**Director, Academies and Maintained Schools Directorate**

cc: Accounting Officer Deborah Banks ([DBanks@bradfield.sheffield.sch.uk](mailto:DBanks@bradfield.sheffield.sch.uk))  
RSC John Edwards ([john1.edwards@education.gov.uk](mailto:john1.edwards@education.gov.uk))

**Financial notice to improve**

1. The Education and Skills Funding Agency (ESFA) has decided to issue a Financial Notice to Improve ('the Notice') as a consequence of Bradfield School ('the Trust'):
  - Failing to submit its audited financial statements and auditor's management letter to the ESFA as required in the Academies Financial Handbook (AFH) paragraph 2.8.4;
  - Failing to ensure ongoing financial health (AFH 2.3.).
  - Failing to ensure appropriate action is being taken to maintain financial viability (AFH 2.3.3).

**Conditions**

2. The Trust is required to provide a comprehensive revised recovery plan covering the period until 31 December 2019, showing clearly:
  - How all SRMA efficiency recommendations have been implemented, or otherwise giving compelling reasons as to why they cannot;
  - Evidence of all other actions being taken to mitigate projected cashflow issues and the deficit;
  - How integrated curriculum and financial planning has been applied;
  - How the review of Post-16 provision affects finance forecasts for 3 years;
  - A realistic revised forecast cumulative position for August 2019, clearly showing the financial impact all planned actions are expected to have.
3. The board is required to set clear targets for incremental deficit reduction, and progress against these targets must be reported at all full governing body meetings effective immediately. The targets, progress updates, and minutes from the meetings must be provided to the ESFA.
4. Bradfield School must transfer, or be in the process of transferring, to a multi-academy trust by September 2019.
5. The Trust is required to submit audited 2017/18 accounts and management letter.
6. The Trust must continue to provide accurate monthly management financial accounts to ESFA by the 20th day of each month until advised by the ESFA. These should be signed off by the Chair and Accounting Officer and include:
  - a. A clear breakdown of the trust's financial position, both actual and projected for the current financial year and the following two financial years, and flag variances to the previously reported figures;
  - b. summary of revenue and capital income and expenditure;
  - c. a detailed cash flow forecast;
  - d. in-year budget position.

7. The Trust is required to submit the 2019 Budget Forecast Return (BFR) by the deadline required by the Education and Skills Funding Agency.
8. The Trust is required to submit 2018/19 accounts by the deadline required by the Education and Skills Funding Agency.

### **Financial management requirements**

9. The Trust is responsible for its own financial management, control and governance and is expected to take appropriate action to strengthen the weaknesses identified.
10. The Trust should take all appropriate actions to ensure an action plan is fully implemented.
11. The ESFA must be satisfied that the Trust is doing everything it can to rectify the weaknesses identified.

### **Timescales**

12. The audited 2017/18 accounts and management letter are due by 15 April 2019.
13. The comprehensive revised recovery plan is due by 1 May 2019.
14. The BFR return is due to the ESFA by 31 July 2019.
15. The school must transfer, or be in the process of transferring, to a multi-academy trust by September 2019.
16. The 2018/19 audited accounts are due to the ESFA by 31 December 2019.

### **Monitoring and progress**

17. The Trust is required to meet the specific conditions outlined above to enable the ESFA to monitor compliance and progress.
18. 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 above timescales, the ESFA will begin to consider and explore the contractual intervention options available.

### **Compliance and the end of the notice period**

19. Compliance with this Notice will be demonstrated when:
  - The ESFA receives and verifies as realistic, the revised recovery plan.
  - Bradfield School joins a multi-academy trust.
  - The ESFA receives audited 2017/18 accounts and the associated management letter for the Trust by the 15 April deadline.
  - The Trust requests approval from the ESFA for any actions under the revoked freedoms in Part 3 and Annex B of the AFH. These requests should be sent to us using the [ESFA-enquiry-form](#)
  - The ESFA receives the 2019 Budget Forecast Return, by the 31 July 2019 deadline.

- The ESFA receives audited financial statements with an unqualified audit opinion by the 31 December 2019 deadline.
- The ESFA receives the auditors' management letter which does not raise concerns by the 31 December 2019 deadline.

20. When the Trust meets the conditions outlined in this annex, the ESFA will write to the Trust to confirm that the Notice has been lifted.