



Education & Skills  
Funding Agency

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

Mr Alan Eastick  
Brighter Academy Trust  
Farringdon Community Academy  
Allendale Road  
Sunderland  
SR3 3EL

17 March 2022

Company Number: 08557883

Dear Mr Eastick

### **Notice to improve: Brighter Academy Trust**

I am writing to you in your capacity as the Chair of Brighter Academy Trust, to inform you that we are issuing the Trust with a Notice to Improve as a result of financial management and governance concerns.

The Education and Skills Funding Agency (ESFA) has been monitoring the Trust's progress towards meeting the recommendations set out in the Katherine Cowell, Regional Schools Commissioner (North), letter of 21 December 2021. I recognise the cooperation and extensive discussions that have taken place between the Accounting Officer and officials. However, my concerns remain in relation to the financial management and governance oversight at the Trust.

This letter and its annexes serve as a written notice to improve financial management, control and governance at the Trust (Notice to improve or "the Notice"). It reflects the continued concerns on governance and oversight of financial management by the Board. 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Being issued with a Notice means that certain delegated authorities, as defined in the ATH, have been revoked.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 Neal Holder, Trust members Glynis Hossack and Shaun Gallagher, and Katherine Cowell the Regional Schools Commissioner (RSC) for North Region.

I look forward to hearing from you.

Yours sincerely



**Warwick Sharp**  
**Director, Academies and Maintained Schools Directorate**

CC. Neal Holder, Accounting Officer  
Katherine Cowell, RSC North  
Glynis Hossack, member

Shaun Gallagher, 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 Brighter Academy Trust (the 'Trust')

- Breaching the Academies Trust Handbook (ATH) at 2.50 . The Trust does not have its own website, therefore cannot fulfil the requirements of information to be listed on the website.
- Breaching the ATH at 2.54-2.56 and 2.7. The information held on Get Information About Schools (GIAS) is incorrect.
- Breaching the ATH 2.3. There is no accompanying description in its governance statement to describe how it maintained effective oversight of funds with fewer than six meetings a year.
- Breaching ATH 1.24 and 3.6. There is no evidence on an Audit and Risk Committee at Trust level. The evidence given states this was created at LGB level and therefore in breach of 1.24 and 3.6.

**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 Brighter 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 applied</b>	<b>Action/ evidence required from Trust</b>	<b>By when</b>
<b>1</b>	The Trust must establish an audit and risk committee, or a committee fulfilling the functions of an audit and risk committee, to provide assurance over the suitability of, and compliance with, the Trust’s financial systems and operational controls and to manage risks.	The Trust must agree the terms of reference for the committee with the ESFA by 10 May 2022. Trust must establish an audit and risk committee, or a committee fulfilling the functions of an audit and risk committee by 10 May 2022.	10 May 2022
<b>2</b>	The Trust is to create a Trust website in order to be transparent with its governance arrangements.	Trust website must be available to access by members of the public.	10 May 2022
<b>3</b>	The ESFA 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 ESFA as soon as they are available.	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 ESFA as soon as they are available).	12 April 2022

4	Increase regularity of Board meetings to 6 times per year and Audit & Finance Sub-Committee meetings to 3 times a year.	The Trust submits minutes confirming the scheduling of an increase in board meetings to 6 times a year and an Audit and Finance Sub-Committee to 3 times a year and ensures that the agenda and draft minutes are forwarded to the ESFA as soon as they are available.	12 April 2022
5	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 between the Principal of the Trusts and the Trustees by 12 April 2022.	12 April 2022
6	<p>Establish a [revised or up to date] scheme of delegation, which meets the required criteria set out in the ATH, the Trust must:</p> <ul style="list-style-type: none"> <li>- Approve a written scheme of delegation of financial powers that maintains robust internal controls.</li> <li>-ensure delegated financial authorities are complied with,</li> <li>and</li> <li>-Provide ESFA with evidence of its use.</li> </ul>	The ESFA is satisfied the Trust has a strong governance structure in place, including a revised scheme of delegation and evidence of its use. The Trust submits minutes of all board and committee meetings to the ESFA to ensure the board are providing the right balance of challenge and have the skills necessary to carry out their duties effectively.	26 April 2022

7	The Trust to be supported by Education and Governance Expert to 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.	The Trust submits minutes of all board and committee meetings to the ESFA to ensure the board are providing the right balance of challenge and have the skills necessary to carry out their duties effectively.	12 April 2022
8	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. This will be evidenced by a written report to be submitted by 10 May 2022.	Submit the Terms of Reference and share the findings of the independent review of the Trusts financial systems and processes with ESFA by 10 May 2022.	10 May 2022
9	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 plan. The frequency of reports thereafter will be determined by the ESFA, based on progress against the Trust financial plan:  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	Trust submits the required information to ESFA on time for a minimum of 12 months and until further notice.	The management reports must be submitted to the ESFA by 15 of the month, for a minimum of 12 months, until further notice.



	<p>follow those in the Trust financial plan.</p> <p>b. A balance sheet showing the position at the end of the last calendar month and forecast to the end of the academic year;</p> <p>c. A detailed monthly cash flow forecast rolling 12 months ahead.</p>		
<b>10</b>	The Trust should make reasonable endeavours to implement improvements identified by an upcoming School Resource Management Adviser (SRMA) deployment.	The Trust should provide ESFA with details of the actions they have taken to attempt to implement the improvements identified by the SRMA. The Trust may want to incorporate this within an action plan.	Within 4 weeks of receiving the SRMA report.
<b>11</b>	<p>The Trust is required to:</p> <p>a) Comply with the funding agreement requirement to submit all audited financial statements to the ESFA on time and without qualification.</p> <p>b) The Trust is required to submit the Budget Forecast Return (BFR) by the deadline required by the ESFA.</p> <p>c) Contact the ESFA at an early stage if it believes it is not able to follow is falling behind the schedule set out in their Trust financial plan.</p>	<ul style="list-style-type: none"> <li>- The ESFA receives audited financial statements by 31 December 2022, each year until the NTI is lifted.</li> <li>- The ESFA receives BFR by date required, each year until NTI is lifted.</li> <li>- Returns show recovery in line with the Trust financial plan.</li> </ul>	<p>Submit audited financial statements by 31 December 2022, each year until the NTI is lifted.</p> <p>Submit BFR by date required, each year until NTI is lifted.</p>

12	<p>The Trust requests approval from the ESFA, in advance, for any actions under the revoked freedoms in 6.21 of the ATH. These requests should be sent using the <a href="#">esfa-enquiry-form</a>. A request for retrospective approval will be deemed as a breach of the AFH.</p>	<ul style="list-style-type: none"> <li>- The Trust must submit a request for approval for any actions relating to the delegated freedom revoked under the terms of the Ntl.</li> </ul>	<p>Until the Ntl is lifted.</p>
13	<p>Ensure that all necessary Trustee contact details are up to date.</p>	<ul style="list-style-type: none"> <li>- <b>All fields specified in GIAS for the individuals must be completed before the Ntl can be lifted.</b> The Trust must ensure its record on Get information about schools for the individuals remains up to date.</li> </ul>	<p>12 April 2022</p>
14	<p>The Trust must consider transferring the academy to a strong Multi-Academy Trust (MAT). The ESFA expect any decision regarding joining a MAT to result from careful consideration of all relevant factors. The Trust must provide the ESFA with a detailed breakdown of the evidence considered and reasoning underlying the Trust's decision. This includes but is not limited to: a) details of the MATs that were considered  b) That the following factors were considered</p>	<ul style="list-style-type: none"> <li>- Trust board meets to consider transferring the academy to a strong MAT and confirms its decision to ESFA by 7 June 2022. Trust provides a detailed breakdown of the reasoning behind its decision and produces evidence as requested in the condition</li> </ul>	<p>7 June 2022</p>

	<p>i. Geographical proximity  ii. Alignment of vision and values  iii. Capacity and quality of support  iv. Long term sustainability</p> <p>c) evidence of discussion and scrutiny of proposals e.g. board meeting minutes, MAT presentations, risk analysis etc.</p> <p>d) evidence that all decisions have been approved by the board through a majority vote</p>		
15	<p>If a decision to transfer the academy into a multi academy Trust (MAT) is not made by 7 June 2022, the Trust must ensure they have a minimum of 3 members and increase the number of trustees to a minimum of 8 whilst ensuring all appointments have specialist expertise in finance, governance and education.</p> <p>The Trust must ensure they follow the guidance below when recruiting members and trustees:  <a href="https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/105222/academy-trust-governance-structures-and-role-descriptors.pdf">Academy Trust governance - structures and role descriptors (publishing.service.gov.uk)</a></p>	<p>Trust to submit details of proposed appointments, including a brief bio and what skills they will bring to the role.  The Trust provides details of new appointments and minutes to show board approval  -</p>	5 July 2022