



Education & Skills
Funding Agency

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www.education.gov.uk/efa-enquiry-form

19 January 2021

Mark Conboy
Chair of Governors
St Mary's College
Shear Brow
BLACKBURN
BB1 8DX

Dear Mark

Financial Health Notice to Improve

This letter and its schedules constitute a Notice to Improve (NTI) in line with clauses within the Funding Agreements between the Secretary of State for Education (DfE) acting through the Education and Skills Funding Agency (ESFA) on behalf of the Crown.

It sets out additional conditions of funding that St Mary's College, Blackburn is required to comply with in order that ESFA can continue to fund. The conditions set out in the schedule(s) of this NTI are in addition to the conditions of funding set out in the Funding Agreements.

I am re-issuing this NTI (first issued 27 February 2017) following a review to reflect updated policies and new processes and requirements for the submission and timing of financial data are now in place. St Mary's College is still classed as being in **formal intervention**.

In addition, this FNTI confirms that the college is also in Supervised College status. The requirements of this status are included within the schedule.

Schedule 1 attached sets out the action required under this NTI.

Since the original FNTI was issued the college's situation has changed significantly. The FE Commissioner undertook a stocktake visit (July 2019) and an intervention initial assessment (November 2019). Following those the FE Commissioner recommended a structure and prospects appraisal (SPA) which began in February 2020 and concluded in September 2020. The recommended outcome is that the college closes in July 2022, enabling the existing learners to complete their programmes, and the ESFA has agreed emergency funding (EF) to support the college in the meantime.

The ESFA has already commissioned an independent business review (IBR) which is underway.

Monitoring

ESFA will continue to closely monitor progress made towards meeting these conditions through the scheduled case conferences and will work with you and wider agencies to secure the best outcome for learners, employers and the local community.

Compliance

In the circumstances we do not expect to remove the additional conditions, as they will remain relevant up until the college's closure.

If St Mary's College does not comply with the additional conditions within the specified time period, ESFA will pursue one or more of a range of options outlined in, or incorporated into, the funding agreements.

Complaints

If you consider that ESFA has acted unreasonably or not followed a proper procedure in issuing the additional conditions, you can make a complaint under the procedure for [dealing with complaints about the ESFA](#).

Publication

ESFA publishes all NTIs on [GOV.UK](#).

Reviews

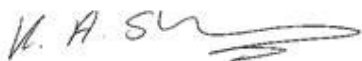
ESFA will regularly review this NTI with you. It is likely that the NTI will be re-issued, at least annually to ensure the terms and conditions remain relevant. ESFA reserves the right to re-issue it at any point should circumstances significantly change.

Action required

Please acknowledge receipt of this letter and the schedule below by emailing Stephen Jones (at stephen7.jones@education.gov.uk) within five working days of the date of this letter.

This NTI is being copied to OFSTED, your local authority, and the FE Commissioner.

Yours sincerely



Karen Sherry
Deputy Director, Northern Territorial Team

Copy to:

Elissa Best, Chief Executive / Principal
Jos Parsons, OFSTED

Jayne Ivory, Director of Children's Services and Education, Blackburn with Darwen Borough Council
Sir Richard Atkins, FE Commissioner

Schedule: Inadequate Financial Health, St Mary's College

This schedule sets out the additional conditions relating to the improvement of the overall services. It has been issued because ESFA has assessed St Mary's College as having inadequate financial health.

Timescales

The additional conditions outlined within this schedule must be acted upon promptly. In addition, where it is evident that the college is not or cannot act within the timescales specified, the ESFA reserves the right to take further action open to it at any point.

Monitoring and Progress

All conditions will be reviewed at case conference and monitoring meetings with the ESFA Territorial Team and the FE Commissioner (regularity to be confirmed by ESFA).

Specific conditions

1 The college must comply fully with the conditions set out in the EF grant agreement which include (but are not limited to):

- making monthly claims for deficit funding and or redundancy costs
- facilitating and complying with stocktake visits by the FE Commissioners
- providing the Integrated Financial Model for Colleges (IFMC) as instructed in the College Financial Planning Handbook or as requested by DfE
- providing monthly management accounts, monthly cash flow, aged creditor and other creditor listings with an accompanying commentary
- providing a monthly update on learner numbers by income type and staff headcount by activity with narrative to explain changes in the month
- facilitating and co-operating with any discussions between the DfE and the College's lenders and/or other creditors/stakeholders.

2 By 31 January 2021, the college must provide the ESFA with its project plan to implement the college's closure in July 2022, with updates provided quarterly from April 2021. Progress in implementing the college's project plan will be monitored by the ESFA to ensure that sufficient progress is being made and agreed milestones are being reached. The college must also engage constructively with the ESFA and the relevant local authorities to support learners to transition from the college when it closes, and or in the event of an early closure before July 2022 which requires the learners to transfer to other training providers.

3 Following the IBR, the college must work with the ESFA to implement any recommendations and or actions required to support a planned and orderly closure.

4 As the college has been placed in Supervised College status, ESFA will continue to attend governing body meetings in an observer capacity until the college closes, and the college will make the regular financial and other returns as specified in this FNTI.

5 As recommended by the FE Commissioner, the college should continue to access support for the chair and governors from the National Leaders of Governance (NLG), and for the principal from the National Leaders of Further Education (NLFE).

6 The college must attend regular meetings with ESFA. Attendees should include as a minimum the Interim Principal, Business Manager and Chair or other appropriate Governor to represent your Corporation. The meetings will focus on the college's financial situation and the planned closure. ESFA will arrange these meetings and your first point of contact is Stephen Jones (email stephen7.jones@education.gov.uk).

7 This NTI may be revised and updated subsequent to the date of issue to reflect progress and/or any change in circumstances including, following the FE Commissioner's intervention and recommendations. It will be formally reviewed with you at least annually, to ensure it remains appropriate and current.