

Rt. Hon. Robert Halfon MP Minister of State for Apprenticeships and Skills

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Tim Mitchell Chair of the Corporation Oldham College Rochdale Road, Oldham OL9 6AA

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I am writing to inform you of the Government's view of the position of Oldham College following the recent assessment by the Further Education (FE) Commissioner. Following the issue of a Notice of Concern over the College's financial health by the Skills Funding Agency in November 2016, I asked the FE Commissioner to undertake an assessment of the College. This took place between 6th and 8th February 2017.

In order to support the College's recovery, your immediate priority will be to address the College's financial position and to prioritise improvements in learning and teaching. This will need to be supported by improvements to the capacity and capability of the College's leadership. A robust and integrated recovery plan should be developed and this will be monitored through regular case conferences, which will be attended by a member of the FE Commissioner team.

There has been a decline in College financial performance over recent years and the College has continually failed to achieve its budgeted surplus. The FE Commissioner makes a number of recommendations to improve the financial position, including the urgent need to reduce pay costs and to strengthen College leadership.

I am aware that prior to his assessment in February the FE Commissioner had identified problems with the feasibility of a proposed merger with Stockport College and Tameside College and as such that original merger recommendation should be reviewed. The College's long-term sustainability as a standalone institution remains a concern and the FE Commissioner recommends that the College should seek an alternative merger partner that will benefit the communities of Oldham and ensure the long-term sustainability of the College.

To take this forward, a Structure and Prospects Appraisal (SPA) will be undertaken by the FE Commissioner. The SPA will assess potential merger partners both within and out of the region. This process should be completed and a merger partner identified by June 2017. The merger should take place no later than January 2018. I am pleased to note that you are already working with the FE Commissioner's team to take this forward.

Finally, I have accepted all of the recommendations of the FE Commissioner and a summary of his initial assessment is provided with this letter. This document and my letter will be published on <u>gov.uk</u>.

If you have any questions or comments regarding the factual accuracy of the FE Commissioner's assessment please contact the FE Commissioner at <u>fe.commissioner@education.gov.uk</u> in the first instance.

I am copying this letter to local MPs, Jim McMahon, Debbie Abrahams, Angela Rayner, Lucy Powell, Graham Stringer, Liz McInnis and Simon Danczuk. They will be informed of this assessment and offered the opportunity to discuss any issues with the Education and Skills Funding Agency Territorial Lead.

Yours sincerely,

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ROBERT HALFON MP