



Education & Skills
Funding Agency

Education and Skills Funding Agency
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20 Great Smith Street

London SW1P 3BT

Tel: 0370 000 2288

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

25 May 2018

Maria Thompson
Havering College of Further and Higher Education
Ardleigh Green Road
Hornchurch
Essex, RM11 2LL
Sent via email to: mthompson@havering-college.ac.uk

Dear Maria

Financial Health Notice to Improve

This letter and its schedules constitute a Notice to Improve (NTI) in line with clauses within the Financial Memorandum and Funding Agreement 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 Havering College of Further and Higher Education 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 Financial Memorandum and Funding Agreement.

I am issuing this NTI because Havering College of Further and Higher Education has been assessed as having inadequate financial health by ESFA. This was confirmed to you in our letter of 24 April 2018, following our review of the College's audited statements and finance record for the year ending 31 July 2017. This letter also confirms the College is now in Formal Intervention, following our previous confirmation of Early Intervention in November 2017.

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

Referral to the FE Commissioner

This NTI aligns with the Department's published policy, *Rigour and Responsiveness in Skills* (April 2013). This NTI also brings Havering College into scope for referral to the FE Commissioner for an independent assessment of the college's capability and capacity to make the required improvements within a reasonable period of time. The FE Commissioner reserves the right to carry out this assessment, and the ESFA reserves the right to vary the terms of the NTI to reflect any recommendations made by him.

Where an NTI has been issued, the ESFA may take it into account when determining any eligibility for growth funding and/or it may also affect your ability to be successful in tendering for other funds and other competitive tendering processes for new provision.

Monitoring

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

Compliance

If Havering College of Further and Higher Education 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 financial memorandum and funding agreement.

In all cases, the removal of the additional conditions will occur when Havering College of Further and Higher Education receives a letter from ESFA indicating that the additional conditions have been met.

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 [\[add link\]](#).

Publication

From 1 August 2017, and in accordance with the funding agreement, the ESFA has published all Notices to Improve on GOV.UK.

If a specific request for information relating to minimum standards is received under the Freedom of Information Act 2000 the ESFA may be required under the provisions of the Act to disclose details of your organisation's underperformance and the action we have taken (including any additional conditions of funding applied).

Action required

David Gayther (email: david.gayther@education.gov.uk and telephone: 07979 694131) will be your primary point of contact for any questions or concerns.

Please acknowledge receipt of this letter, and the attached schedule, with them directly by signing and returning the declaration in the attached copy of this letter within 5 working days of the date of this letter.

Yours sincerely



David Jeffrey
Territorial Director, Intervention (London and South East)

cc:
Stan Rose, Chair of Governors
Rieks Drijver, Ofsted, Ofsted
Richard Atkins, Further Education Commissioner

Schedule A

Reason for the issue of this Notice

As a result of the assessment of its audited financial statements and finance record for 2016/17, Havering College of Further and Higher Education received an 'inadequate' grade for Financial Health. This was confirmed in the letter from Jacqui Smillie, dated 24 April 2018.

Actions Required

	THE COLLEGE IS REQUIRED TO:	TIMESCALE:
1.	Acknowledge receipt of this Notice.	Within 5 days of receipt of this Notice
2.	<p>Prepare a financial recovery plan, that will give the ESFA sufficient confidence that the actions planned will bring about sufficient and sustained improvements. The plan should be developed for the College as a standalone entity. The plan should also inform the development of, and be consistent with the College Financial Plan to be sent to the ESFA by 31 July 2018.</p> <p>The recovery plan should aim to secure the College's financial position by demonstrating a financial health grade of at least 'satisfactory' for two successive years. This should be evidenced by:</p> <ul style="list-style-type: none">• The audited financial statements and finance record for the first year;• The latest financial reports for the subsequent year.	Within 6 weeks of receipt of this Notice
3.	Agree measures and milestones with the ESFA against which to monitor progress.	As above
4.	Continue to submit management accounts approved by the Corporation, as part of a monthly report on progress.	As above
5.	Regular Case Conferences will be scheduled by the ESFA to monitor progress against the notice. The ESFA will organise and chair these. Where appropriate, they may also be attended by the FE Commissioner or one of his advisers. The College must ensure the appropriate responsible staff are available for the Case Conferences.	As above
6.	The ESFA may undertake periodic monitoring visits to gauge progress against key performance indicators stipulated in this schedule.	As above

Financial Health Notice to Improve - declaration
Havering College of Further and Higher Education

I confirm receipt of this letter dated 25 May 2018 and its associated schedule A, and that I have read, understood and will comply with the additional contractual obligations and conditions of funding contained within it.

Signed: 

Position: PRINCIPAL & CEO

Date: 24 May 2018