



Education & Skills
Funding Agency

Education and Skills Funding Agency
Sanctuary Buildings
Great Smith Street
London SW1P 3BT

20 October 2018

Paul Amoo
Chair of Governors
Worthing College
1 Sanditon Way
Worthing
BN14 9FD

Dear Paul

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 Worthing College is required to comply with in order that ESFA can continue to fund. The conditions set out in the schedule 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 Worthing College has been assessed as having inadequate financial health by ESFA following a review of the financial plan submitted in July 2018.

Schedule 1 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 Worthing College into scope for referral to the FE Commissioner for an independent assessment of the college's capability and capacity to make the required changes and improvements within a reasonable period of time.

I understand that the college is committed to a merger with the Chichester College Group, which is a change to the original recommendation for Worthing College following the Sussex Area Review. The FE Commissioner's team led the Structure and Prospects Appraisal (SPA) which resulted in Worthing College selecting the Chichester College Group as the preferred merger partner. As part of this process, the FE Commissioner was made aware that the Worthing College's financial health would be assessed as inadequate based on the latest financial plans. The Commissioner supported the change of area review recommendation on the grounds that a merger would help protect the

long-term viability of the college and bring benefits in terms of quality and the curriculum offer.

The FE Commissioner's team will assess whether any further review of the college's position is required in response to this notice. The ESFA reserve the right to vary the terms of the NTI to reflect any further recommendations made by the FE Commissioner. These recommendations would be included in an additional Schedule to this NTI.

Where a 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

The ESFA will closely monitor progress made towards meeting the additional conditions and will work with you and wider agencies to secure the best outcome for learners, employers, the local community. We will arrange a meeting with Worthing College to discuss this notice, and agree arrangements for ongoing monitoring of both the conditions of funding and progress towards the merger.

Compliance

If Worthing 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 financial memorandum and funding agreement.

In all cases, the removal of the additional conditions will occur when Worthing College 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.

<https://www.gov.uk/government/organisations/education-and-skills-funding-agency/about/complaints-procedure>

Publication

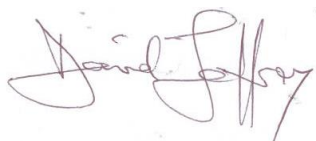
From 1 August 2017, and in accordance with the funding agreement, ESFA will be publishing all NTIs on .gov.uk

Action required

Please acknowledge receipt of this letter and the schedule below by writing to me within 5 working days of the date of this letter.

This NTI is being copied to Ofsted and the FE Commissioner.

Yours sincerely



David Jeffrey

Deputy Director, FE territorial team - London & South East
Education & Skills Funding Agency

cc

Paul Riley, Principal

Richard Atkins, FE Commissioner

Jos Parsons, Ofsted

Schedule 1: Inadequate Financial Health Worthing College

This schedule sets out the additional obligations relating to the improvement of the overall services. It has been issued because ESFA has assessed Worthing College as having inadequate financial health.

Worthing College is assessed as having inadequate financial health for the academic year 2017/18 following the ESFA review of the 2017/18-2018/19 Financial Plan submitted in July 2018.

Timescales

The additional obligations outlined within this schedule must be addressed swiftly. If the FE Commissioner undertakes an assessment, an additional schedule will be issued to confirm any additional obligations that are required.

In addition, where it is evident that sufficient improvement is not or cannot be achieved within the timescales specified, the EFA reserves the right to take further action open to it at any point.

Monitoring and Progress

You are required to prepare a comprehensive response, in response to the schedule details to address the identified underperformance. This will be reviewed at case conference and monitoring meetings with the ESFA Intervention Team and potentially the FE Commissioner (regularity to be confirmed by ESFA).

Further obligations

1. The college to agree a merger plan with the Chichester College Group, to achieve a merger by 29th March 2019. This plan should be shared with the ESFA and the ESFA will monitor progress against this plan to ensure that sufficient progress is being made and agreed milestones are being reached.
2. The college, in conjunction with Chichester College Group, must provide all materials required for a successful Restructuring Facility application in line with timescales set by the Transactions Unit to enable the college to merge by 29th March 2019.
3. The college should complete and return a cashflow forecast to the ESFA (using the template which will be provided).
3. The college should continue to supply the ESFA with management accounts, including narrative updates, each month.
4. The college must attend regular meetings with ESFA. The college must make sure that appropriate representatives are available for these meetings, which will focus on ensuring that sufficient progress is being made on the merger and related RF application. The college will be expected to provide information to demonstrate proper oversight and timely implementation of the plan. ESFA will arrange these meetings and your first point of contact is Alan.Shaw@education.gov.uk.

5. This Notice may be revised and updated subsequent to the date of issue to reflect progress and/or any change in circumstances.

6. If, in the ESFA's view, the college fails to take the necessary actions (in whole or part) within the timescales set out, or if evidence of progress is not appropriate or not available, the ESFA will take further action.

7. The ESFA will determine when the college has made sufficient progress for the Notice to be lifted. This will be lifted when Worthing College can demonstrate an improvement in Financial Health to at least Satisfactory as evidenced by an audited Finance Record for at least one year and at least Satisfactory Financial Health for a further one year subject to assessment by ESFA. When the college complies with the actions within the timescales set out the ESFA will lift the Notice and confirm this in writing.