



Education & Skills
Funding Agency

Education and Skills Funding Agency
4th Floor
Sanctuary Buildings
20 Great Smith Street
London SW1P 3BT

01 November 2018

Chris Wright
Chair of the Board of Governors
Coulston Sixth Form College
Placehouse Lane
Old Coulston
Croydon
CR5 1YA

Dear Del,

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 Coulston Sixth Form College is required to comply with in order that the 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 Funding Agreements.

I am issuing this NTI because Coulston Sixth Form College has been assessed as having inadequate financial health by the ESFA, based on the financial plan 2017/18 to 2018/19 and the college has requested Exceptional Financial Support (EFS).

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

Referral to the FE Commissioner

Coulston Sixth Form College was referred to the FE Commissioner on 10 October 2017 and an independent assessment of the college's capability and capacity led to a Structure and Prospects Appraisal (SPA) in January 2018. The outcome of the SPA was a recommendation for a Type B merger with Croydon College. The merger is planned to take place on 1 January 2019.

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 through the scheduled case conferences and will work with you and wider agencies to secure the best outcome for learners, employers, the local community. The Notice will terminate at the point of merger when the corporation dissolves.

Compliance

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

The requirements within this NTI will not apply post-merger. However, we would expect that Croydon College will continue to take necessary action to address the reasons why this NTI was originally issued. As such, we recommend that you share this with the Chair of Governors and Principal at Croydon College.

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

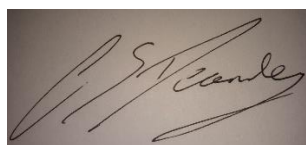
From 1 August 2017, and in accordance with the funding agreement, the ESFA will be publishing all NTIs on .gov.uk

Action required

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

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

Yours sincerely



Chris Dearnley – Head of Territorial Team London and South East

On behalf of David Jeffrey

Deputy Director, FE Territorial Team, London and South East

Cc:

Richard Beales, Principal (Coulsdon SFC)

Gordon Smith, Chair of Board of Governors (Croydon College)

Caireen Mithcell, CEO and Principal (Croydon College)

Jos Parsons, Ofsted

Richard Atkins, FE Commissioner

Schedule 1: Inadequate Financial Coulsdon Sixth Form College

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

		Action	Timetable
1.	Administrative	Acknowledge receipt of the Notice to Improve and Schedule	Within 5 days of receipt of this letter
2.	Leadership and Governance	<p>The college must attend regular meetings with the ESFA. Attendees should include, the Principal, Director of Finance and Chair, or Governor, to represent your Corporation when appropriate.</p> <p>The meetings will focus on the college's progression against the milestones in the plan, where the college will be expected to provide information to demonstrate proper oversight and timely implementation of the plan.</p>	Ongoing, typically monthly, defined by ESFA
3.	Financial planning and forecasting	<p>The ESFA will monitor the college's financial position against the following performance indicators:</p> <ul style="list-style-type: none"> - student number projections and staff planning assumptions, and a detailed sensitivity analysis on these assumptions - actions to implement savings you have identified, manage expenditure and maintain or increase income 	The ESFA acknowledges that the college's financial recovery plan is part of the current Restructuring Facility (RF) ask.
		<p>The college should continue to monitor closely its cash flow position and maintain regular dialogue with Lloyds and ESFA.</p>	Ongoing
4.	Financial Reporting (including solvency issues and cash flow management)	<p>Produce weekly detailed cash flow forecasts until agreement is reached, and confirmed by ESFA to cease, and submit monthly to the ESFA by 25th of each month.</p>	Report monthly
		<p>Submit monthly management accounts to the ESFA by 25th of each month, in a format agreed by the ESFA, which include a twelve-month rolling cash flow along with narrative update reports.</p>	

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