



Ms. S Berelowitz
Chair of Governors
Greater Brighton Metropolitan College
Pelham Street
Brighton
BN1 4FA

22nd June 2020

Dear Sue

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 Greater Brighton Metropolitan 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 Funding Agreements.

I am issuing this NTI because Greater Brighton Metropolitan College has been assessed as having cash related concerns resulting in a new request for emergency funding. As stated in the College Oversight: Support and Intervention Policy; “any request for emergency funding to continue the running of the college will always result in a college being put into formal intervention and we will always issue a Notice to Improve”. Therefore, Greater Brighton Metropolitan College is now in **formal intervention**.

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, *College Oversight: Support and Intervention* (April 2019). This NTI also brings Greater Brighton Metropolitan 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. Once this assessment has been undertaken by the FE Commissioner, we reserve the right to vary the terms of the NTI to reflect any recommendations made by him. These recommendations would be included in an additional Schedule to, or reissue of, this NTI. The FE Commissioner’s office will contact you regarding the arrangements for the assessment.

Where an NTI is 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 scheduled monthly case conferences and will work with you and wider agencies to secure the best outcome for learners, employers, the local community.

Compliance

If Greater Brighton Metropolitan 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.

In all cases, the removal of the additional conditions will occur when Greater Brighton Metropolitan 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](#).

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 at any point should circumstances significantly change.

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, your local authorities and the FE Commissioner.

Yours sincerely



Steve Bagley
Interim Deputy Director, FE Territorial Team London and South East, ESFA

Cc:

Nick Juba, Chief Executive

Jos Parsons, Ofsted

Paul Wagstaff, Director of Education, West Sussex County Council

Jo Lyons, Assistant Director Education and Skills, Brighton and Hove City Council

Richard Atkins, FE Commissioner

Hannah Caldwell, Head of Territorial Team Kent and Sussex, ESFA

Schedule 1: Cash Related Concerns Greater Brighton Metropolitan College

This schedule sets out the additional conditions relating to the improvement of the overall services. It has been issued because ESFA has assessed Greater Brighton Metropolitan College as having cash related concerns resulting in a request for new emergency funding.

Timescales

The additional conditions outlined within this schedule must be addressed swiftly. Once the FE Commissioner has completed his assessment, amendments may be issued to confirm any additional conditions that are required.

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.

Monitoring and Progress

All conditions will be reviewed at case conference and monitoring meetings with the ESFA Territorial Team and the FE Commissioner, these meetings will be scheduled on a monthly basis.

Specific conditions

1. The college must work with ESFA and the FE Commissioner and his advisers to undertake an independent assessment of the college's capability and capacity to make the required changes and improvements. This will include supplying all necessary information to the FE Commissioner or his Advisers so the assessment can be made.
2. The college must prepare and share with ESFA a draft financial recovery plan by 31st July 2020 which should then be approved and finalised by the college Corporation after ESFA's comments have been received by the college. Final plan to be received no later than 30th September 2020 or within 30 days of the completion of the FEC visit in the event the visit cannot happen in the 19/20 academic year, whichever is the later.

The plan should demonstrate, in ESFA's assessment, that the proposed activity will secure the college's financial position. The plan should clearly indicate how the college intends to make sufficient cost savings to achieve this.

The plan should also include risk analysis that encompasses contingency arrangements should any proposed solutions fail to proceed.

The plan should detail specific, measurable, achievable, realistic and timely activities and milestones, and should cover but not be limited to:

- detailed financial planning tables, including supplementary narrative to explain assumptions in the planning
- the outcomes of exploration into further staff savings for 2020/21 and 2021/22, which should include a thorough review of curriculum areas

- a strategic, integrated, comprehensively costed curriculum plan which includes analysis of the contribution required by each course to ensure the college's financial stability
- student number projections and staff planning assumptions, and a detailed sensitivity analysis on these assumptions; for both in year and future savings
- actions to implement savings you have identified, manage expenditure and maintain or increase income, including specific measurable objectives for how you will ensure financial sustainability
- governance and governor ownership and monitoring of the actions within the plan
- an estates strategy for the college, including effective delivery of any current or planned capital projects
- the management of any risks to the delivery and quality of education provision

ESFA and the FE Commissioner will monitor progress against the plan to ensure that sufficient progress is being made and agreed milestones are being reached.

3. Option for sustainability concerns: The ESFA reserves the right to procure a third-party firm to undertake an Independent Business Review and that the college co-operates in full with this process

4. The college must attend regular meetings with ESFA. Attendees should include, as a minimum, the CEO, Principal, COO and Chair or other appropriate Governor to represent your Corporation. 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.

ESFA will arrange these meetings and your first point of contact is Ben Payne, Senior Territorial Team Manager.

5. The college should continue to undertake a regular review of potential cash flow requirements and the college is required to supply ESFA with monthly management accounts and a monthly cash flow.

6. 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.

7. If, in 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 EFA will take further action.

8. ESFA will determine when the college has made sufficient progress for the NTI to be lifted. This will be when:

- there is no reliance on further emergency funding for the entire financial plan duration

- a longer-term agreement is secured for an appropriate repayment plan for the emergency funding
- the college's audited accounts and finance record to demonstrate financial health of at least requires improvement for two full successive years. When the college complies with the actions within the timescales set out, ESFA will lift the NTI and confirm this in writing.