



Education & Skills
Funding Agency

Education and Skills Funding Agency
The Cube
123 Albion Street
Leeds
LS2 8ER

20 October 2020

Mrs L Watson
Chair of the Corporation
Hartlepool College of Further Education
Stockton Street
Hartlepool
TS24 7NT

Dear Linda,

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 Hartlepool College of Further 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 Funding Agreements.

I am re-issuing this NTI (originally sent to the college on 3 April 2019) following review to reflect updated policies and new processes and requirements for the submission and timing of financial data are now in place. Hartlepool College of Further Education is still classed as being in **formal intervention**.

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

Referral to the FE Commissioner

The FE Commissioner undertook a Diagnostic Assessment of the college in May 2018 which led to a Structure and Prospects Appraisal. Further to the issue of the NTI on 3 April 2019, the FE Commissioner's Office completed an Intervention Visit on 6 and 7 June 2019 which resulted in a number of recommendations being made. A further FE Commissioner stocktake visit took place on 23 and 24 October 2019. The FE Commissioner's Team held a virtual FEC stocktake visit on Wednesday 30 September.

Monitoring

ESFA will continue to closely monitor progress made towards meeting these 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 Hartlepool College of Further 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 funding agreements.

In all cases, the removal of the additional conditions will occur when Hartlepool College of Further 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](#).

Publication

ESFA publishes all NTIs on gov.uk

Reviews

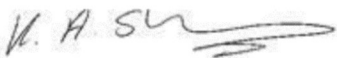
ESFA will regularly review this NTI with you. It is likely that the NTI will be re-issued, at least annually to ensure the terms and conditions remain relevant. ESFA reserves the right to reissue at any point should circumstances significantly change.

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 authority, Tees Valley Combined Authority and the FE Commissioner.

Yours sincerely



Karen Sherry
Northern Territory Director
Further Education Directorate

Cc:

Darren Hankey, Principal
Jos Parsons, Ofsted

Gill Alexander, Chief Executive, Hartlepool Borough Council

Chris Beck, Director of Business and Skills, Tees Valley Combined Authority

Richard Atkins, Further Education Commissioner

Schedule: Inadequate Financial Health – Hartlepool College of Further Education

This schedule sets out the additional conditions relating to the improvement of the overall services. It has been issued because ESFA has assessed Hartlepool College of Further Education as having inadequate financial health following submission and assessment of the college's financial record 2017 to 2018.

Timescales

The additional conditions outlined within this schedule must be addressed swiftly. 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 Intervention Team and the FE Commissioner (regularity to be confirmed by ESFA).

Specific conditions

1. The college must continue to work with ESFA and the FE Commissioner and his advisers, this will include supplying all necessary information to the FE Commissioner or his Advisers to support the ongoing monitoring of progress against the FE Commissioners recommendations and the financial recovery plan.
2. 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.
3. The college must attend regular meetings with ESFA. Attendees should include, as a minimum, the Principal, Director of Finance and Chair or another 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 Helen Williamson.
4. The college should continue to submit monthly management accounts in the agreed format.
5. ESFA may attend governing body meetings in an observer status until it is satisfied that there is sufficient oversight and challenge of the financial position. ESFA should receive all board papers related to finance.
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 the college's financial health grade has improved from inadequate in 2017 to 2018 to at least requires improvement for the period of 2019 to 2020 as evidenced by a revised financial plan, endorsed by the governing body – 2019 to 2020 financial record of requires improvement or better. In addition, ESFA's assessment that beyond 2019 to 2020 there is no significant risk of decline in financial health.

When the college complies with the actions within the timescales set out, ESFA will lift the NTI and confirm this in writing.