



17 November 2020

Sue Noyes
Chair of Governors
Coventry College
Henley Road
Bell Green
Coventry
CV2 1ED

Dear Sue

Revised Notice to Improve

On the 4 February 2020 the Education and Skills Funding Agency (ESFA) issued a Notice to Improve (Notice) for Financial Health with the attached schedule (1) because Coventry College had been assessed as having inadequate financial health by ESFA following the submission/ review of the college's audited financial statements and financial record for 2018/19. Coventry College remains in **formal intervention**.

This letter issues new schedules (2 and 3) to the Notice in line with clauses within the Funding Agreements between the Secretary of State for Education (DfE) acting through the ESFA on behalf of the Crown.

It sets out additional conditions of funding that Coventry College is required to comply with in order that the ESFA can continue to fund. The conditions set out in the schedule(s) of this Notice are in addition to the conditions of funding set out in the Funding Agreements.

I am issuing this Notice because Coventry College:

- has been assessed as having inadequate financial health,
- has failed 2018/19 minimum standards for all age apprenticeships; and
- to reflect the recommendations made by the FE Commissioner.

Schedule 2 and 3 of this Notice sets out the additional actions required under the Notice.

Referral to the FE Commissioner

This Notice aligns with the Department's published policy, *College Oversight: Support and Intervention* (as amended October 2020) In accordance with this policy Coventry College is already subject to FE Commissioner intervention for an independent evaluation of the college's capability and capacity to make the required changes and improvements. If future evaluations undertaken by the FE Commissioner result in further recommendations to the ESFA, we reserve the right

to vary the terms of the Notice to accommodate the recommendations. The recommendations would be included in an additional schedule to this Notice. The FE Commissioners Office will contact you regarding any future arrangements required.

Where a Notice 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 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 Coventry 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 Coventry 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 Notices to Improve on gov.uk.

Reviews

ESFA will regularly review this Notice with you. It is likely that the Notice 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, WMCA and the FE Commissioner.

Yours sincerely



Karen Riley
Deputy Director
FE Directorate Territorial Team – Midlands and East

Copy to: Carol Thomas, Chief Executive and Principal
Jos Parsons, Ofsted
Kirston Nelson, Director of Education and Skills, Coventry City Council
John Gregg, Director of Children's Services, Coventry City Council
Clare Hatton, Head of Skills Delivery, WMCA
Richard Atkins, FE Commissioner

Schedule 1: Inadequate Financial Health – Coventry College

This schedule sets out the additional conditions relating to the improvement of the overall services. It has been issued because ESFA has assessed Coventry College as having inadequate financial health, following the submission/ review of the college's audited financial statements and financial record for 2018/19.

Timescales

The additional conditions outlined within this schedule must be addressed swiftly. Once the FE Commissioner has completed the 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 (regularity to be confirmed by ESFA).

Specific conditions

1. The college must work with ESFA and the FE Commissioner and his advisers (names to be confirmed) 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 which should then be approved and finalised by the college Corporation after ESFA's comments have been received by the college, by no later than 28th February 2020. **Now completed.**
3. The ESFA reserves the right to request that the college procures and pays for an external independent review of its financial, management and governance control environment, with a duty of care to the ESFA and the scope of the work to be agreed with the ESFA.
4. The college must attend regular meetings with ESFA. Attendees should include, as a minimum, the CEO, the Principal, Director of Finance 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 Lorna Pursglove.

5. The college should continue to undertake a regular review of potential cash flow requirements and provide the ESFA with monthly management accounts (inclusive of narrative update reports) for review by the 25th of each month. The college should also complete the monthly cashflow template in the format provided by ESFA and the college's own detailed cash flow for a minimum period to the end of 2020/2021.
6. This Notice 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 Notice to be lifted. This will be when:
 - The college's financial health grade has improved from inadequate to a position that is assessed as being at least requires improvement. This will be evidenced by the audited finance record; and
 - the college has secured stable and ongoing banking arrangements; and
 - the college's cashflow forecast for at least the next 18 months confirms there is no requirement for emergency funding.

Schedule 2: 2018/19 Failure of Minimum Standards - Coventry College

Reason for the issue of the Notice: Amended Notice due to third consecutive year of Minimum Standard failure and pace of improvement being too slow, in addition to the actions required in Schedules 1 and 3.

Coventry College to:

- Produce and share with the ESFA, an improvement plan that demonstrates immediate action will be taken to bring about significant and sustained improvement to the apprenticeship provision which failed Minimum Standards (MS). These actions may be included in the college's strategic plan, to aid leadership focus on all improvements required and to enable effective monitoring. The plan must:
 - clearly identify the issues that have contributed to the failure in MS, and contain measurable outputs and milestones for action and improvement indicators including the use of Funding Monitoring Reports (FMR) to identify risks / issues likely to affect 2020 to 2021 achievement.
 - include sufficient actions to improve provision to meet Minimum Standards in Apprenticeship provision that failed in 2018 to 2019.
 - provide ESFA with progress updates on the implementation of the improvement plan at the case conferences set by ESFA.

- Supply written progress updates on the implementation of the improvement plan. These will be supplied to the ESFA, as a minimum, following the R04 and R06 ILR returns 2020 to 2021 and before R12 ILR return 2020 to 2021.

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

Schedule 3: FEC Recommendations – Coventry College

Reason for the issue of the Notice: Amended Notice to include the recommendations made by the FE Commissioner and published in October 2020, in addition to the actions required in Schedule 1 and 2.

Recommendation 1: The review of the effectiveness of governance (SAR) to be undertaken by the new NLG should ensure it also focuses on:

- a. Prioritisation of agendas for boards and sub-committees in line with key strategic objectives and KPIs derived from the new strategic plan by December 2020.
- b. Improving the quality of executive summaries for SLT reports to governors so they consistently, clearly and concisely bring to governors' attention key performance indicators, the issues to be considered and SLT recommendations.

Recommendation 2: Ensure the college cultural change strategy and underpinning performance management framework are developed and implemented as a matter of priority, so that all staff both understand and are committed to the requirements of delivering a high quality curriculum and the best possible learner outcomes. To be completed by December 2020.

Recommendation 3: The college must develop a strategic financial recovery plan that demonstrates how the college will achieve long-term financial sustainability. This plan should be driven by the mission to be agreed at the strategy day in October and the emerging curriculum strategy that incorporates the resources required to deliver this including, critically, the college estates. To be completed by December 2020.