



Education & Skills
Funding Agency

Education and Skills Funding Agency
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Cumberland Place
Nottingham NG1 6HJ
www.gov.uk/esfa

Mr Robin Somerville
Chairman of the Board of Governors
Barnfield College
New Bedford Road
Luton
Bedfordshire
LU2 7BF

7 December 2017

Dear Robin

Notice to Improve – Financial Health

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 Barnfield 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 Barnfield College has been assessed as having inadequate financial health by ESFA.

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 Barnfield 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 this NTI. The FE Commissioner's office will contact you regarding the arrangements for the assessment.

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

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 Barnfield 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 Barnfield 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

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, copied to Stuart Parkes, Head of Intervention within 5 working days of the date of this letter.

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

Yours sincerely



Karen Riley
Territorial Director
Intervention Team - Midlands and East
Education and Skills Funding Agency

Copy to: Tim Eyton-Jones, Chief Executive/Principal
Jos Parsons, Ofsted

Schedule 1:

Notice to Improve - Financial Health

The revised financial plans submitted by Barnfield College on 24th November 2017 have been reviewed and given a rating of inadequate.

Areas of Concern and Actions Required

Concern	Action Required	Timescale
	Acknowledge receipt of this Notice to Improve and Schedule	Within 5 days of receipt of this Notice
The College's financial health grade for the year ended 31st July 2016 was considered Inadequate by virtue of the review of the College's 2016/17 to 2018/19 and 16/17 to 2021/22 (with New Build move) financial plan.	<p>Prepare a comprehensive response, in the form of a financial recovery plan that will give the ESFA sufficient confidence that Barnfield College is planning appropriate actions to bring about significant and sustained improvements.</p> <p>The plan should have the informed consent and ownership of the college's Corporation and senior executive team.</p> <p>The plan should include improvement indicators and associated measures and milestones that will enable Barnfield College and the ESFA to assess the progress being made.</p> <p>The recovery plan should secure the college's financial position by demonstrating a financial health at a grade of at least Satisfactory for two successive years.</p> <p>Ensure that there are appropriate strategies in place to protect the college's financial position at all times.</p> <p>Agree measures and milestones with the ESFA to monitor progress against.</p>	<p>Draft by 12th January 2017</p> <p>Final by 28th February 2017</p> <p>As part of agreeing draft and final plan above</p>
	<p>Provide the SFA with a monthly report on progress against the recovery plan to include:</p> <ul style="list-style-type: none"> • management accounts and commentary • a 12 month rolling cash flow • key performance indicators for both finance and quality • an updated action plan including key milestones and timeline tracking 	By 25 th of each month (28 th in February)

	Facilitate and make staff, including senior staff, available for any meetings requested or organised by the ESFA - including but not limited to monitoring meetings, stock take meetings or case conferences including stakeholders	As determined by ESFA
	The college must attend regular meetings with ESFA. Attendees should include, as a minimum, 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, including updates on the progression of a structural solution given the current hiatus relating to the SEMLEP Area Review recommendation.	As determined by the ESFA, usually monthly.