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for Education

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I am writing to inform you of the Government's view of the position of South Leicestershire College following the Further Education (FE) Commissioner's recent review, and the next steps that should be taken to secure improvement.

As you know, in light of the financial issues of the college and the breach to its banking covenants at 31 July 2014 resulting in all the bank borrowings being classed as current liabilities, as Minister for Skills, I asked the FE Commissioner, Dr David Collins, to carry out an assessment of the college. This assessment was conducted between 22–26 June 2015.

I have carefully considered the FE Commissioner's assessment and accept all the recommendations he makes. I welcome the progress the college has made over the recent months in tackling its financial difficulties. I am also encouraged about determination amongst the Board and Senior Leadership Team to improve the college's financial performance to the same degree as it has approached its quality issues.

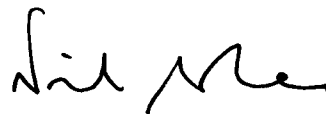
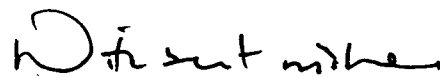
In his assessment, the FE Commissioner acknowledges the improvement in the degree of challenge to the Senior Leadership Team following your recent appointment and that of the Vice Chair.

You will see that the key recommendation made by the FE Commissioner is that South Leicestershire College and North Warwickshire and Hinckley College should develop their federation model into a full merger, with one board, one senior management team and fully integrated systems and procedures. He also recommends that the composition of the new Board should take account of the skills of the members of both colleges to ensure that it has adequate curriculum, business and financial expertise to challenge and support the senior management team.

A further important recommendation is that, in order to reduce staff costs significantly and make the necessary improvements to the college's forecast operating surplus/deficit positions, it should revisit its financial forecasts for 2015/16 and 2016/17 as a matter of urgency.

A summary of the FE Commissioner's assessment report and full recommendations is provided with this letter. This summary and my letter to you will be published on www.gov.uk two weeks following the date on which this letter is sent.

If you have any questions about the FE Commissioner's assessment or this letter, please contact Mary Rogers in the Skills Funding Agency at: Mary.rogers@SFA.bis.gov.uk in the first instance.



NICK BOLES MP