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Rt. Hon. Robert Halfon MP Minister of State for Apprenticeships and Skills

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19 January 2017

I am writing to inform you of the Government's view of the position of Hull College Group following the review by the Further Education (FE) Commissioner's team and the steps that now need to be taken to secure the necessary improvement.

As you are aware, following Hull College Group's request to the Skills Funding Agency for Exceptional Financial Support and the subsequent receipt of a Notice of Concern for Financial Health, I asked the FE Commissioner team to carry out an assessment of the college. This was undertaken between the 29 November and the 1 December 2016.

Having read the FE Commissioner's report, it is clear to me that the Board and staff of the college are both dedicated and hard-working, and I am pleased to see this reflected in the quality of your offer and provision for learners. However, the FE Commissioner is concerned that the college has had significant failures in financial management. Leadership and governance needs to improve in this respect - both in capacity and in capability - in order to secure a sustained financial recovery within an acceptable timeframe.

I recognise that you and your board members have previously identified shortcomings in leadership and in the transparency of reporting information to the board. I understand you have appointed a Turnaround Director to help develop a comprehensive and effective financial recovery plan. I welcome their appointment, which is an important step that must be supported by further decisive action to secure the college's financial position.

In addition, it is imperative that you continue to fully engage in the York, North Yorkshire, East Riding and Hull Area Review. As discussed at the third area review steering group meeting, the college needs to urgently develop appropriate and robust proposals relating to the "Fresh Start" option, which would enable the college to apply to the Restructuring Facility, but would require substantial changes to provide assurance of the strength of the college's leadership going forward.

The FE Commissioner has made a number of recommendations for improvement which I endorse. To ensure that the FE Commissioner and his team can fully support you, I have asked that they now work with you to contribute to the assessment of the draft final financial recovery plan and the final recovery plan (due by mid-March 2017). I have also asked the FE Commissioner to meet with you again in February to discuss progress against the recommendations set out in his report. His office will contact you to arrange this visit. The FE Commissioner will work with the Skills Funding Agency to ensure that they continue to monitor progress via monthly case conferences.

You should note that you have two weeks from the date of this letter to respond to me regarding the factual accuracy of the FE Commissioner's summary report, in advance of the report being published on www.gov.uk

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ROBERT HALFON MP