



## Department for Education

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**Rt. Hon. Robert Halfon MP**  
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I am writing to inform you of the Government's view of the position of Redcar and Cleveland College following the recent assessment by the Further Education (FE) Commissioner. The College's financial health is judged to be inadequate by the Education and Skills Funding Agency, and following the stalling of merger discussions with Middlesbrough College, I asked the FE Commissioner to undertake an assessment of Redcar and Cleveland College. This took place on 12 – 14<sup>th</sup> March 2017.

As you know, an outcome of the Tees Valley Area Review was for Redcar and Cleveland College to merge with Middlesbrough College in order to allow for the continued delivery of Further Education in Redcar. I am therefore disappointed that despite the initial agreement to merge with Middlesbrough College, merger discussions have so far been unsuccessful. The agreement to a merger with Middlesbrough College was a primary factor in the decision to remove Redcar and Cleveland from FE Commissioner intervention in October 2016. The stalling of merger discussions leaves Redcar and Cleveland College facing significant challenges.

There has been a steady decline in the College's income, with annual operating deficits reported for each of the last four years. This is in spite of the College undergoing a staffing restructure, intended to reduce costs. The significant financial underperformance highlights the urgent need for the Board to take swift and decisive action to implement structural change.

I am pleased that you welcome the recommendation of an FE Commissioner-led Structure and Prospects Appraisal (SPA), which will aim to identify a structural solution that is necessary to secure a sustainable future for FE provision in the area. I have asked the FE Commissioner to consider potential merger partners from within the Tees Valley area and, if necessary, to seek interest from further afield.

You should ensure that the College has effective senior leadership arrangements in place throughout the period leading up to structural change, and you should consider external support and mentoring for staff in senior leadership positions.

In parallel to the FE Commissioner-led SPA, it is imperative that you and your Board members continue to take the necessary actions required to contain the College's operating losses. The Board should actively monitor the College's cash flow position and continue to work with lenders, the Education and Skills Funding Agency and the Transaction Unit. The Board should move quickly to appoint new members to fill vacant posts, with greater representation from the Local Enterprise Partnership and Combined Authority to strengthen the Board during these challenging times.

Finally, I would like to highlight my commitment to working with the College and the FE Commissioner to identify a solution that will ensure the continued delivery of FE provision in the Redcar area.

I have accepted all of the recommendations of the FE Commissioner and a summary of the initial assessment is provided with this letter. This document and my letter will be published on [gov.uk](https://www.gov.uk).

If you have any questions or comments regarding the factual accuracy of the FE Commissioner's report, please contact the FE Commissioner ([fe.commissioner@education.gov.uk](mailto:fe.commissioner@education.gov.uk)) in the first instance.

I am copying this letter to MPs, Anna Turley, Iain Wright, Alex Cunningham, Andy McDonald and Tom Blenkinsop.

A handwritten signature in black ink, appearing to read 'Robert Halfon', with a small mark at the end of the signature.

**ROBERT HALFON MP**