



BY EMAIL ONLY

Education & Skills Funding Agency
Sanctuary Buildings
Great Smith Street
London
SW1P 3BT

Ken Warman
Principal
Brooke House Sixth Form College
Kenninghall Road
London
E5 8BP

20th June 2017

Dear Ken

Notice to Improve (Notice) for Financial Control (attached)

The Education & Skills Funding Agency (ESFA) wrote to the college on 10 March 2017 and indicated that, subject to the Sixth Form College Advisers' visit to the college and their subsequent findings, a Notice for Financial Control may be issued.

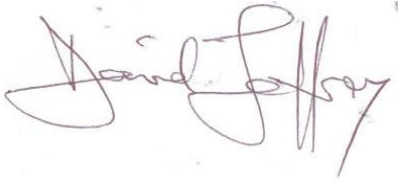
Whilst we acknowledge the action taken by the college, since July 2016, in response to the significant weaknesses in financial control and governance identified by the then EFA; the Advisers' report that the Governing body need to improve their oversight and control of college finances. Therefore, we find it necessary to issue a Notice to Improve (Financial Control).

The Notice schedule (attached) has separate and distinct additional obligations of funding to those contained in the Notice for Financial Health. The college must comply with these additional obligations, which form part of the funding agreement with the ESFA. Our previous letter, supplied references and links to relevant material on Gov.UK and the AoC website to support recovery.

This letter will be copied to the Chair of Governors.

If you have any queries, please contact [REDACTED] [REDACTED] at [REDACTED].

Yours sincerely

A handwritten signature in blue ink, appearing to read 'David Jeffrey', with a stylized flourish at the end.

David Jeffrey
Territorial Director
Intervention Team London and South East

Notice to Improve (Notice) for Financial Control

Issued to Brooke House Sixth Form College (BSix) on 20 June 2017

This Notice for Financial Control, covers governance, management and procurement. The conditions below, in table 1, are in addition to the existing conditions outlined in table 2 (Financial Health).

Schedule

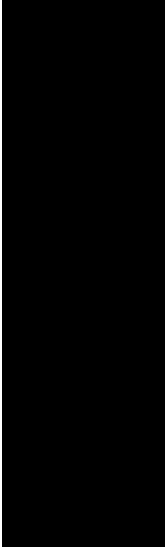
Table 1: Financial Control

Issue/ Concern	Actions required for Notice for Financial Control	Timescale
Governing body need to improve their oversight and control of college finances and the college's review of procurement and tendering issues, as identified by the Sixth Form College Advisers.	<ul style="list-style-type: none"> • Governing Body reviews its own mechanism for financial supervision and control. Robust governance implemented. <p>The college is required to develop and evidence capacity for change.</p> <ul style="list-style-type: none"> • Supply evidence to demonstrate more robust governance, including improving skills of Board members at the main and other Boards, the level at which decision-making will be made and oversight arrangements. • Secure suitable support to improve financial management, control and governance by partnering, for example, with an institution of 'outstanding' financial health and control. • Supply evidence of the controls put in place support transparent financial management, and secure value for money for public funds. 	Immediate and on-going
As above.	<ul style="list-style-type: none"> • Governance and management immediately implement a complete review of all procurement systems, especially those involving agency staff. Robust systems implemented. • Implement all the Procurement Governance Recommendations (as set out on the document titled Procurement Governance Review, dated 16 November 2016) to strengthen financial governance and establish good practice. • Agree an implementation timeline with the Intervention Team (IT). • Supply evidence to IT that demonstrates improved processes/ internal controls for contract management and approval. 	Immediate and on-going
Financial administration is under resourced.	<ul style="list-style-type: none"> • Staff resources in the finance department are increased, [REDACTED] 	Immediate and on-going

	<ul style="list-style-type: none"> • 			Immediate and on-going
	<p>The College is required to provide for 2016/17:</p> <ul style="list-style-type: none"> • • • 			

Table 2: Financial Health

Issue/ Concern	Actions already required for Notice for Financial Health	Timescale
	<ul style="list-style-type: none"> • Submit copies of any bank current overdraft agreement. 	Already requested (but not yet received)
Following a review of the Financial Record for 2015 to 2016, the college's financial health grade for 2015 to 2016 and 2016 to 2017 has been	<ul style="list-style-type: none"> • Continue to submit latest monthly management accounts. • Submit an income & expenditure account, balance sheet outturn forecasts and a rolling monthly cash flow forecast for at least the next 12 months. 	Immediate and on-going

<p>assessed as Inadequate.</p> 		
	<ul style="list-style-type: none"> • Produce a financial recovery plan, approved by the corporation, which is acceptable to the Agency. Present the recovery plan to the agency, including the Sixth Form Commissioner for consideration. • The actions and milestones in the recovery plan will form an annex to this Notice. 	<p>Draft produced by March 2017</p> <p>Final produced by April 2017</p>
	<ul style="list-style-type: none"> • The financial recovery plan should secure the college's financial position by demonstrating a financial health grade of at least Satisfactory for two successive years. This should then be evidenced by the audited Financial Statements and Finance Record for the first year and the latest financial reports for the subsequent year. 	

Support for actions and monitoring of progress

- Regular case conferences (initially monthly) involving stakeholders (if appropriate) will be scheduled by the Agency to monitor progress against the Notice. The Agency will organise and chair the case conferences. We expect the attendance of the Chair, Principal and Financial Director as a minimum at those case conference, without substitution.
- In the event that the college fails to meet these conditions or further concerns arise, the ESFA reserves the right to act in accordance with intervention policy and/or the terms and conditions of their respective funding agreements.