



Education & Skills
Funding Agency

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

Andrew Cropley
Cadbury Sixth Form College
Downland Close
Kings Norton
Birmingham
B38 8QT

9 April 2018

Dear Mr Cropley

Revised Financial Health Notice to Improve

This letter and its schedule(s) 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 Cadbury College is required to comply with in order that ESFA can continue to fund. The conditions set out in the schedule(s) of this NTI are in addition to the conditions of funding set out in the Financial Memorandum and Funding Agreement.

I am re-issuing this NTI further to the publication of the Further Education Commissioner's Intervention Report on Cadbury College on Gov.uk¹ and to reflect the additional recommendations made which you will already be aware of and are acting upon.

The NTI was issued because Cadbury College has been assessed as having inadequate Financial Health by ESFA as a result of having insufficient cash to enable it to operate independently.

Schedule 1 attached sets out the actions required under this NTI.

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 and the local community. The college must attend regular meetings with ESFA (regularity to be confirmed by ESFA). Attendees should include, as a minimum, the Principal, Director of Finance

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/691585/Cadbury_Sixth_Form_College-Further_Education_Commissioner_assessment_summary.pdf

and Chair or other appropriate Governor to represent your Corporation. The meetings will focus on the college's progression against the milestones in the improvement plan, recruitment strategy and progress towards a merger.

Compliance

If Cadbury 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 obligations will occur when Cadbury Sixth Form College receives a letter from ESFA indicating that the additional obligations have been met.

Complaints

If you consider that ESFA has acted unreasonably or not followed a proper procedure in issuing the additional obligations, you can make a complaint under the procedure for dealing with complaints about the ESFA please use the [Department for Education complaints procedure](#).

Publication

From 1 August 2017, ESFA will be publishing all NTIs on www.gov.uk.

Action Required

Please acknowledge receipt of this letter and the schedule below by writing to me within 10 working days of the date of this letter.

All matters relating to this letter should be directed to Lorna Pursglove, Head of Intervention at lorna.pursglove@education.gov.uk

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

Yours sincerely



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

Copy to: David Cragg, Chair
Elise Scotford, Clerk to the Corporation
Jos Parsons, Ofsted
Richard Atkins, FE Commissioner

Schedule 1: Inadequate Financial Health: Cadbury College

This schedule sets out the additional obligations relating to the improvement of the overall services. It has been issued because ESFA has assessed Cadbury College as having inadequate financial health as a result of having insufficient cash for the 2017/18 academic year.

Timescales

The additional obligations outlined within this schedule must be addressed swiftly. Once the FE Commissioner has completed his assessment, an additional schedule will be issued to confirm any additional obligations that are required.

Compliance in respect of the additional obligations is:

	Concern	Action	Timetable
1.	Administrative	Acknowledge receipt of the Notice to Improve and Schedule	Within 10 days of receipt of this letter Completed
2.	Leadership and governance	The College will co-operate with an FE Commissioner review	End of November 2017 Completed
		The Corporation should ensure that the College has effective senior leadership arrangements in place, throughout the period leading up to merger with external support/mentoring as required.	31 December 2018 or until the outcome of structural change Completed
		The new Chair supported by the Clerk should continue the steps being taken to strengthen the effectiveness of the Board, including the appointment of new governors with appropriate skills and experience particularly curriculum, quality and finance.	Ongoing Completed
		The Corporation should move quickly to consider the recruitment of an experienced interim Principal who will need to concentrate on reversing the decline in financial health; and work with the Board to develop a clear long-	Completed

		term vision and mission for the College.	
		The Vice Principal/ Interim Principal needs to maintain a focus on preparing the college for an Ofsted inspection likely to take place in Spring 2018	Completed
		The College should use its curriculum planning tools and skills to inform a comprehensive review of the curriculum to ensure there is a viable curriculum offer for 2018 and improve utilisation of teaching staff.	Ongoing
		Send copies of Corporation minutes and relevant reports (to be determined by the EFSA) to the Agency within a week of the meetings taking place.	Ongoing
3.	Financial planning and forecasting	Produce a stabilisation plan to reflect both the current and future financial performance of the College. The plan should have the informed consent and ownership of the college's Governing Body and senior executive team. The improvement plan should include measures and milestones that will enable the College and the ESFA to assess the progress being made. This should be evidenced by the audited financial statements and finance 2016/17 audited financial statements submitted in December 2018.	End of December 2017 Completed
		Produce a realistic plan to address the significant under recruitment of students in 2017/18 and produce a realistic strategy for the recruitment of students for 2018/19.	End of December 2017 Completed
		The College should continue to take short term actions to contain its operating losses and align its cost base to reflect anticipated reductions in funding and income in 2017-18.	Ongoing

		The College should continue to monitor closely its cash flow position and maintain regular dialogue with its Bank, the Education and Skills Funding Agency and Transactions Unit leading up to implementation of a structural change.	Ongoing
4.	Financial Reporting (including solvency issues and cashflow management)	Produce weekly detailed cashflow forecasts for the next two years or until agreement is reached to cease and submit monthly to the ESFA by 25 th of each month. Submit monthly management accounts to the ESFA by 25 th of each month, in a format agreed by the ESFA, which include a twelve-month rolling cash flow along with narrative update reports.	Ongoing
5.	Structure and Prospects Appraisal	The Further Education Commissioner should undertake a Structure and Prospects Appraisal to examine if there is a sustainable future for Cadbury Sixth Form College through the identification of an appropriate merger partner	No later than 31 March 2018, with a target for implementation of no later than 31 December 2018.

This Notice may be further revised and updated subsequent to the date of issue to reflect progress and/or any change in circumstances including, following the FE Commissioner's intervention and recommendations.

In addition, where it is evident that sufficient improvement is not or cannot be achieved within the timescales specified, the ESFA reserves the right to take further action open to it at any point.