



Education & Skills
Funding Agency

Education and Skills Funding Agency

13 February 2020

Martin Doel
Interim Chair of Corporation
Highbury College
Tudor Crescent
Portsmouth PO6 2SA

Sent via email – addressed to: m.doel@ucl.ac.uk

Dear Martin

Financial Health Notice to Improve

This letter and its schedules constitute a Notice to Improve (NTI) in line with clauses within the Funding Agreements 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 Highbury 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 Funding Agreements.

I am re-issuing this NTI (originally sent to the college on 12 November 2019), to reflect updated policies, processes and requirements placed on colleges in formal intervention and to confirm that the college has also been placed in Supervised College status in accordance with FEC recommendations made in November 2019.

The requirements of Supervised College status are included within the attached schedule alongside the original conditions set under the NTI. Highbury College is still classed as being in **formal intervention**.

Structure and Prospects Appraisal (SPA)

It is recognised that the College is taking steps to address the concerns identified by the FEC Diagnostic Assessment in November 2019. As part of this, the College has agreed to take part in an FEC led SPA that will commence in February 2019. The SPA will focus on finding a solution for Highbury College which will secure long term financial sustainability and improve the quality of provision for its learners.

The purpose of the SPA will be to assess the structural options for addressing the serious concerns on governance and leadership at the college. There has been

significant public interest around use of public funds by the College leadership team and any solution will need to provide reassurance in this area.

Monitoring

ESFA will continue to closely monitor progress made towards meeting these conditions through the scheduled case conferences and will work with you and wider agencies to secure the best outcome for learners, employers, the local community.

Compliance

If Highbury 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 funding agreements.

In all cases, the removal of the additional conditions will occur when Highbury College receives a letter from ESFA indicating that the additional conditions have been met.

Complaints

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

Publication

ESFA publishes all NTIs on gov.uk

Reviews

ESFA will regularly review this NTI with you. It is likely that the NTI will be re-issued, at least annually to ensure the terms and conditions remain relevant. ESFA reserves the right to reissue at any point should circumstances significantly change.

Action required

Please acknowledge receipt of this letter and the schedule below by writing to me within 5 working days of the date of this letter.

This NTI is being copied to Ofsted, your local authority, Office for Students, and the FE Commissioner.

Yours sincerely



Paul Lucken
Deputy Director, Intervention (South West and South), ESFA

Cc:

Penny Wycherley, Interim Principal

Jos Parsons, Ofsted

Alison Jeffery, Director of Children, Families and Education, Portsmouth City Council
Office for Students

FE Commissioner

Schedule: FEC Diagnostic Assessment escalation to Formal Intervention and Supervised College Status: Highbury College

This schedule sets out the additional conditions relating to the improvement of the overall services. It has been issued because the FEC has identified significant concerns around leadership and governance at Highbury College.

Timescales

The additional conditions outlined within this schedule must be addressed swiftly. 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.

Monitoring and Progress

All conditions will be reviewed at case conference and monitoring meetings with the ESFA Intervention Team, PMO and the FE Commissioner.

Specific conditions

1. The college must work with ESFA and the FE Commissioner and his advisers to undertake an independent assessment of the college's capability and capacity to make the required changes and improvements. This will include supplying all necessary information to the FE Commissioner or his Advisers so the assessment can be made.
2. The college must prepare and share with the FEC and ESFA an action plan which addresses the concerns raised by the FEC team. This action plan must be approved and finalised by the college Corporation prior to submission. The date of submission to be confirmed subject to the college receiving the FEC's published report.

The plan should detail specific, measurable, achievable, realistic and timely activities and milestones, and should cover but not be limited to:

- governance and governor ownership and monitoring of the actions within the plan
- the management of any risks to the delivery and quality of education provision

ESFA and the FE Commissioner will monitor progress against the plan to ensure that sufficient progress is being made and agreed milestones are being reached.

3. The college must attend regular meetings with the ESFA and FEC. Attendees should include, as a minimum, the Principal, Chief Finance Officer and Chair or other appropriate Governor to represent your Corporation. The meetings will focus on the college's progression against the milestones in the plan, where the college will be expected to provide information to demonstrate proper oversight and timely implementation of the plan. ESFA will arrange these meetings and your first point of contact is Caroline Pover.

4. The ESFA reserves the right to procure a third party firm to undertake an Independent Business Review and that the college co-operates in full with this process.
5. The college is required to continue to supply the ESFA with a monthly management accounts and a cashflow template in the format provided by ESFA.
6. The FEC and ESFA will determine when the college has made sufficient progress for the NTI to be lifted. When the college complies with the actions within the timescales set out by the FEC, the ESFA will lift the NTI and confirm this in writing.
7. As the college has been placed in Supervised College status, ESFA will attend governing body meetings until it is satisfied that there is sufficient oversight and challenge of the recovery plan or until the college achieves an improved financial assessment. In addition, the college must supply in advance copies of agendas and relevant papers including minutes of previous board meetings.
8. The College must inform the ESFA on any items of expenditure that are valued at £20k or above and are outside of the College's current Financial Plan.
9. The College must comply with the ESFA funding agreement and funding regulations, putting in place controls, measures and checks that ensure the effective performance of college provision, programmes and sub-contracted provision.
10. This NTI may be 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.
11. If, in ESFA's view, the College fails to take the necessary actions (in whole or part) within the timescales set out, or if evidence of progress is not appropriate or not available, the ESFA will take further action.