



Education & Skills
Funding Agency

Education and Skills Funding Agency
Agora, 4th Floor
Cumberland Place
Nottingham
NG1 6HJ

www.gov.uk/esfa

10 March 2020

Paul Hinkins
Chair of Governors
Telford College
Haybridge Road
Wellington
TF1 2NP

Dear Paul

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 Telford College is required to comply with in order that ESFA can continue to fund. The conditions set out in the schedule of this NTI are in addition to the conditions of funding set out in the Funding Agreements.

I am re-issuing this NTI (first issued to Telford College of Arts and Technology, now Telford College on 25 November 2015) following a review to reflect updated policies and requirements for the submission and timing of financial data returns. Telford College is still classed as being in **formal intervention** until such time as there are two consecutive years post-merger financial health of 'requires improvement' or better.

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

This NTI aligns with the Department's published policy, *College Oversight: Support and Intervention* (April 2019).

Where a NTI is issued, the ESFA may take it into account when determining any eligibility for growth funding and/or it may also affect your ability to be successful in tendering for other funds and other competitive tendering processes for new provision.

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, the local community.

Compliance

If Telford 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 Telford 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, WMCA and the FE Commissioner.

Yours sincerely



Karen Riley
Deputy Director
FE Directorate Territorial Team – Midlands and East

Copy to: Graham Guest, Chief Executive & Principal
 Jos Parsons, Ofsted
 Clare Hatton, Head of Skills Delivery, WMCA
 Richard Atkins, FE Commissioner

Schedule 1: Inadequate Financial Health – Telford College

This schedule sets out the additional conditions relating to the improvement of the overall services. In November 2015, the Skills Funding Agency (now the Education and Skills Funding Agency) issued a Notice of Concern (the Notice) to Telford College of Arts and Technology (now Telford College). This was because Telford College of Arts and Technology (now Telford College) had been rated inadequate by the SFA for Financial Health.

The financial record relating to 2018/19 was moderated to 'requires improvement' from 'inadequate'.

Monitoring and Progress

All conditions will be reviewed at case conference and monitoring meetings with the ESFA Territorial Team and the FE Commissioner (regularity to be confirmed by ESFA).

Specific conditions

1. The college must attend regular meetings with ESFA. Attendees should include, as a minimum, the Principal, Director of Finance 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 and its subsequent iterations. The college will be expected to provide information to demonstrate proper oversight and timely implementation.

ESFA will arrange these meetings and your first point of contact is Lorna Pursglove.

2. The college should continue to undertake a regular review of potential cash flow requirements and provide the ESFA with monthly management accounts (inclusive of narrative update reports) for review by the 25th of each month. The college should also complete the monthly cashflow template in the format provided by ESFA and the college's own detailed cash flow for a minimum period to the end of 2020/2021.
3. This NTI may be revised and updated subsequent to the date of issue to reflect progress and/or any change in circumstances. It will be formally reviewed with you, at least annually, to ensure it remains appropriate and current.
4. 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 EFSA will take further action.
5. ESFA will determine when the college has made sufficient progress for the NTI to be lifted. This will be when the college's financial health grade has improved from inadequate to a sustained position that is assessed as being at least 'requires improvement' for two consecutive years. In particular this will be evidenced by:
 - The college's audited finance record for the period 2019/20, evidencing improvement in the financial health score to at least 'requires improvement'.
 - ESFA's assessment that during and beyond 2020/21 there is no significant risk of decline in financial health as evidenced by the financial plan and in year update for 2021/22 and potentially the finance record for 2020/21.

- Sustained financial health points scores of 140 points or above, with all ratios scoring above 0 points and EBITDA as % of income (education specific) generating 50 points or higher.

When the college complies with the actions within the timescales set out ESFA will lift the NTI and confirm this in writing.