



Education & Skills Funding Agency

Education and Skills Funding Agency
The Cube
123 Albion Street
Leeds
LS2 8ER
www.gov.uk/esfa

27 April 2021

**Bob Harrison, Joint Chair of Governors
Governors cc Yultan Mellor, Principal**

Clive Macdonald, Joint Chair of

Dear Bob and Clive

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 Northern College for Residential Adult Education Ltd (Northern 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 issuing this NTI because Northern College has been escalated into **Formal Intervention** by the ESFA and the Further Education Commissioner following the Diagnostic Assessment undertaken in February 2021.

Schedule 1 attached sets out the action required under this NTI. **Referral to the FE Commissioner**

This NTI aligns with the Department's published policy, *College Oversight: Support and Intervention* (April 2019). This NTI also puts Northern College in scope for referral to the FE Commissioner for an independent assessment of the college's capability and capacity to make the required changes and improvements within a reasonable period

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

Where an NTI is been 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 Northern 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 Northern 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

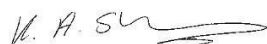
ESFA will regularly review this NTI with you. It is likely that the NTI will be re-issued, at least annually to ensure the terms and conditions remain relevant. ESFA reserves the right to reissue at any point should circumstances significantly change.

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, the Mayoral Combined Authority, Office for students and the FE Commissioner.

Yours sincerely



Karen Sherry

Deputy Director, Territorial Team (Northern), ESFA

Cc via email to:

Yultan Mellor, Principal & Chief Executive

Jos Parsons, Ofsted

Wendy Lowder, Executive Director, Adults and Communities Barnsley MBC

Helen Kemp, SCR Mayoral Combined Authority

Office for Students

FE Commissioner

Schedule 1: Formal Intervention. Northern College for Residential Adult Education Ltd (Northern College)

This schedule sets out the additional conditions relating to the improvement of the overall services. It has been issued because Northern College has been escalated into Formal Intervention due to the FE Commissioner's concerns identified following the Diagnostic Assessment undertaken in February 2021 and a follow up visit in March 2021 that the college faces increasing uncertainty regarding its capacity to continue as a going concern

Timescales

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

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.

Monitoring and Progress

All conditions will be reviewed at case conference and monitoring meetings with the ESFA Territorial Team and the FE Commissioner

Specific conditions.

1. By end July 2021 (completion of the SPA), governors should agree to participate in an FEC-led structure and prospects appraisal (SPA) and local provision needs analysis (LPNA) alongside the Sheffield City Region and West Yorkshire Combined Authority to explore options including structural change and standalone as a way of securing a sustainable delivery model.
2. Pending the outcome of the SPA, the college should continue to work closely with the ESFA to develop contingency plans given the risk of escalation of the current pressures on solvency and going concern status. Target date: ongoing
3. By end May 2021, as part of work to finalise a fully costed curriculum plan for 2021/22, the senior leadership team (SLT) should complete work underway to quantify realistic opportunities to grow student numbers; necessary increases in curriculum efficiency; and scope to further reduce operating costs.
4. Governors and senior leaders should continue to monitor closely the college's cashflow forecast to assess the full extent of potential recovery of funds from the ESFA both in respect of 2020/21 and the funding audit for previous years. Target date: ongoing
5. By March 2021, governors and senior leaders should confirm the appointment of an experienced interim finance director as soon as possible to provide for effective handover/cover, given the long-planned retirement in May 2021 of the current assistant principal

This NTI may be revised and updated subsequent to the date of issue to reflect progress and/or any change in circumstances following the FE Commissioner's intervention and recommendations. It will be formally reviewed with you, at least annually, to ensure it remains appropriate and current.

If, in ESFA's view, Northern 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.

The ESFA will determine when Northern College has made sufficient progress for the NTI to be lifted. This will generally be when the milestones and targets outlined in Schedule 1 have been achieved. When ESFA lifts the NTI this will be confirmed in writing.