



Department
for Education

Department for Education
7-8 Wellington Place
Leeds
LS1 4AP

Lesley Davies
Chair of Governors
Hull College
Queen's Gardens
Hull HU1 3DG

3 May 2022

Dear Lesley

This letter and its schedule constitute a Notice to Improve (NTI) in line with clauses within the Funding Agreements between the Secretary of State for Education acting through the Department for Education (DfE) and Education and Skills Funding Agency (ESFA) on behalf of the Crown.

It sets out additional conditions of funding that Hull College is required to comply with in order that the DfE and 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 11 November 2016 and updated on 8 June 2017 and 5 February 2021) following a review to reflect updated policies and new processes and requirements for the submission and timing of financial data which are now in place. Hull College is still classed as being in **intervention**.

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 (July 2021). [College oversight: support and intervention - GOV.UK](https://www.gov.uk/government/policies/college-oversight-support-and-intervention) (www.gov.uk)

Where an NTI is issued, the DfE or 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

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

Compliance

If Hull College does not comply with the additional conditions within the specified time period, DfE and ESFA will pursue one or more of a range of options outlined in, or incorporated into, the funding agreements.

Complaints

If you consider that DfE or 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 [DfE](#) or [ESFA](#).

Publication

The DfE publishes all NTIs on gov.uk

Reviews

DfE and 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. DfE and ESFA reserves the right to reissue at any point should circumstances significantly change. In all cases, the removal of the additional conditions will occur when Hull College receives a letter from DfE indicating that the additional conditions have been met.

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



Karen Sherry
Territory Director – North
Post 16 Skills Group
Post-16 Regions and FE Provider Oversight Directorate

Cc:

Jos Parsons Ofsted
Shelagh Legrave CBE FE Commissioner
Nicola Dandridge Office for Students
Matt Jukes Kingston Upon Hull Local Authority

Schedule: Financial Health Hull College Group

This schedule sets out the additional conditions relating to the improvement of the overall services. It has been issued because the ESFA has previously assessed Hull College Group as having inadequate financial health (based on 2016/17 and 2017/18 financial records).

This schedule replaces that issued on 11 November 2016 and updated 8 June 2017 and 5 February 2021.

Timescales

The additional conditions outlined within this schedule must be addressed in a timely fashion. In addition, where it is evident that sufficient improvement is not or cannot be achieved within the timescales specified, the DfE and 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 DfE Post 16 Skills Group Territorial Team (regularity to be confirmed by DfE) and the FE Commissioner

Specific conditions

1. The college must work with the DfE, ESFA and FEC and Advisors who will undertake a series of visits that will assess the college's capacity, capability, and progress towards making the required changes and improvements, as outlined in the Fresh Start Plan. This will include supplying all necessary information to the FE Commissioner, or her advisers, as required. The college must continue to work with the FE Commissioner's team in implementing any further recommendations.
2. Whilst progress has been made to implement the changes outlined in the college's Fresh Start Plan of January 2018, resulting in a financial health rating of "good" for 2020/21, the college needs to demonstrate that the forecast final financial health grade of good for 2021/22 is secure and likely to be maintained from 2022/23 onwards.
3. The college will continue the improvements already made in ensuring that governance is effective and that overall, there is stability with permanent senior leadership in place. Governors and senior leaders will have the skills, capability and capacity required to take important strategic decisions to secure long term sustainability and improve the quality of provision to good or outstanding.
4. The college's financial forecasting returns (CFFR) should continue to demonstrate, in the DfE and ESFA's assessment, that the proposed activity will deliver a viable curriculum offer and secure the college's long term financial position. The plan must include a detailed narrative that effectively explains all planning assumptions and a sensitivity analysis which addresses risk. The college must continue actions to improve underlying financial performance and resilience as reflected in FEC benchmarks, demonstrating progress towards the benchmark for pay costs as a percentage of income (65% or less).

Any material changes to the agreed plan should be discussed with the DfE and ESFA and all comments considered by the college.

The college must ensure that all other college plans align with the financial plan, including, but not limited to, its estate strategy; costed curriculum plan (including HE strategy) and quality improvement plan.

The DfE, 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.

5. The college will continue work to implement its Estate Strategy to confirm options and strategies to address significant over-capacity and shortcomings in both the functional suitability and condition of the current estate. The college will monitor and report to the DfE and ESFA on progress against the plan at regular case conferences including timely progress with the implementation of plans for the disposals of the closed Goole Campus and of residual land holdings in Harrogate.
6. The college will continue to develop its curriculum plan and quality improvement plan, to meet the varied needs of its learners and stakeholders, whilst working towards achieving Ofsted Good. The college will ensure that there is a good quality, informed curriculum offer available to learners to minimise any material further decline in 16 to 19 student numbers and to encourage growth.

The college should continue to reduce its level of sub-contracting in core programmes and increase direct delivery.

7. The college will request permission from the DfE and ESFA before entering into any new sub-contracting arrangements relating to 16 to 19, AEB, and apprenticeship provision.
8. The college must attend regular meetings with the DfE and ESFA. Attendees should include, as a minimum, the CEO, Director of Finance and Chair or other appropriate Governor to represent the college's Corporation. The meetings will focus on the college's progress against the Fresh Start plan and subsequent FEC recommendations, where the college will be expected to provide information to demonstrate proper oversight and timely implementation of the plan. DfE will arrange these meetings and your first point of contact is Maggie Hoyland, Senior Manager Post 16 Skills Group Territorial Team.
9. The college should continue to submit in-year updates of the College Financial Forecasting Return (CFFR). The frequency of returns will be confirmed by DfE and ESFA contacts. The college should also continue to ensure its cash position is kept under review and supply DfE and ESFA with monthly management accounts (inclusive of narrative update reports and a 24-month rolling cash-flow) for review by 25th of each month.
10. The college is also required to continue to return requested Restructure Facility monitoring updates and comply with the requirements set out in its funding agreement. The college should respond to any DfE or ESFA queries following its review of such monitoring updates.
11. The DfE may continue to attend governing body meetings in an observer status until it is satisfied that there is sufficient oversight and challenge of the financial and quality position.

12. This NTI may be revised and updated after the date of issue to reflect progress and/or any change in circumstances following the FE Commissioner's stocktake visits and any subsequent recommendations. It will be formally reviewed with the college, at least annually, to ensure it remains appropriate and current.
13. If, in the DfE and ESFA's view, the college fails to take the necessary actions (in whole or part) within agreed timescales, or if evidence of progress is not appropriate or not available, the DfE and ESFA will take further action.
14. The DfE and ESFA will determine when the college has made sufficient progress for the NTI to be lifted and a post-intervention monitoring and support plan, detailing relevant support activities will be agreed. This will be when the college can demonstrate a sustained and resilient operating position brought about by stable and effective governance and permanent leadership.
15. When the college fully meets the conditions set out, the DfE and ESFA will lift the NTI, agree a post-intervention monitoring and support plan and confirm this in writing.