

28 November 2022

**Mark Sanders, Chair of Governors**

**cc Yultan Mellor, Principal**

Dear Mark

### **Notice to Improve**

This letter and its schedules constitute an updated 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 DfE 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 updated NTI because Northern College is still in Intervention but has been moved into '**Supervised Status**'

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 issued, the DfE 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**

The DfE 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, DfE 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 DfE indicating that the additional conditions have been met.

## **Complaints**

If you consider that the DfE has acted unreasonably or not followed a proper procedure in issuing the additional conditions, you can make a complaint under the procedure for complaints about the DfE: [Complaints procedure - Department for Education - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

## **Publication**

DfE publishes all NTIs on gov.uk

## **Reviews**

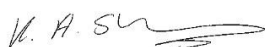
DfE will regularly review this NTI with you. It is likely that the NTI will be re-issued, at least annually to ensure the terms and conditions remain relevant. DfE reserves the right to reissue at any point should circumstances significantly change.

## **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), DfE

Cc via email to:

Yultan Mellor, Principal

Jos Parsons, Ofsted

Wendy Lowder, Executive Director, Adults and Communities Barnsley MBC

Adam Greenwood, South Yorkshire Mayoral Combined Authority

Michelle Burton, West Yorkshire 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 was originally issued because Northern College was 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. It is being updated because that uncertainty remains and is reflected by the college being placed into 'Supervised Status'.

### **Timescales**

The original conditions outlined within this schedule must continue to be addressed and the additional conditions must be adhered to.

In addition, where it is evident that sufficient improvement is not or cannot be achieved within the timescales specified or the additional conditions are not being complied with, the DfE 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 Territorial Team and the FE Commissioner

### **Original 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. **Completed**
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. **Completed**
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. **Completed**
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. **Completed**
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. **Completed**

### **Additional conditions**

6. College should keep DfE informed an advance of any planned changes to the senior leadership team structure or postholders
7. College should inform DfE in advance of any new financial commitments of £30,000 or more, either capital or revenue
8. College should inform DfE in advance of any significant change in ownership of property assets including any sub-letting agreements extending beyond one year

9. College should keep DfE informed at an early stage of any plans for structural change
10. A representative of the DfE Territorial Team to attend all board meetings as observer

This NTI may be further 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, including those from stocktake visits. It will be formally reviewed with you, at least annually, to ensure it remains appropriate and current.

If, in DfE's view, Northern College fails to take the necessary actions (in whole or part), or if evidence of progress is not appropriate or not available, the DfE will take further action.

The DfE will determine when Northern College has made sufficient progress for the NTI to be lifted. This will generally be when the DfE is satisfied that the conditions outlined in Schedule 1 have been achieved. When DfE lifts the NTI, this will be confirmed in writing.