

Barbara Spittle
Interim Chair of Governors
Brooklands College
Heath Rd
Weybridge
Surrey KT13 8TT
(By email)

Dear Barbara

Financial Health Notice to Improve (update no.3)

This letter and its schedules constitute a Notice to Improve (Ntl) in line with clauses within the Funding Agreements between Brooklands College and 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 Brooklands College is required to comply with so that DfE can continue to fund. The conditions set out in the schedule of this Ntl are in addition to the conditions of funding set out in the Funding Agreements.

Following a review, I am re-issuing this Ntl (issued 25 July 2019 and reissued 1 July 2020) to recognise conditions that have been met, to update certain existing conditions, and to confirm new conditions. Brooklands College remains classed as being in **intervention** for the following reasons:

- the Further Education Commissioner (FEC)'s Diagnostic Assessment in May 2019 recommended that 'the college is put into formal intervention and that a FEC-led Structure and Prospects Appraisal (SPA) should commence';
- The declining/weak financial health of the college; and
- the significant financial risk presented by the findings of the investigations into Brooklands College's sub-contracting arrangements.

In addition, the college remains in **Supervised College** status as confirmed by Lord Agnew's letter of 1 October 2019.

Schedule 1 attached sets out the conditions and actions required under this Ntl.

This Ntl aligns with the Department's published policy, *College Oversight: Support and Intervention* (December 2022). We reserve the right to vary the terms of the Ntl. DfE is updating this Ntl to take into account the progress to date and actions still required. The review has concluded it is appropriate to include additional conditions in this Notice.

Where an Ntl has been issued, 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.

We recognise that Brooklands College has engaged and worked with DfE, the ESFA and the FEC to address previous additional conditions of funding. The Local Provision Needs Analysis (LPNA) and Independent Business Review (IBR) have been completed and recommendations have been actioned. The SPA has been paused pending the outcome of the college's redevelopment project. This redevelopment and the modernisation of the college estate is intended to generate sufficient funds to repay existing DfE liabilities and to develop a sustainable college that meets the needs of the local community and wider economy.

Monitoring

DFE will monitor progress made towards meeting the additional conditions of funding through scheduled case conferences; and will work with you and wider agencies to secure the best outcome for learners, employers, and the local community.

Compliance

If Brooklands College does not comply with the additional conditions within the specified time, DfE will pursue one or more of a range of options outlined in, or incorporated into, the funding agreements. This may include the use of further education statutory intervention powers as set out in section 56A of the Further and Higher Education Act 1992.

The Notice (Ntl) will be lifted, and the additional conditions removed when Brooklands College receives a letter from DfE indicating that the additional conditions have been met.

Complaints

If you consider that DFE 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 DFE](#).

Publication

DFE publishes all NtIs on .gov.uk

Reviews

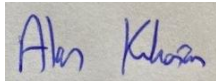
DfE will regularly review this Ntl with you. It is likely that the Ntl will be revised at least annually, to ensure the terms and conditions remain relevant. DfE reserves the right to revise the Ntl at any point should circumstances significantly change.

Action required.

Please acknowledge receipt of this letter and Schedule 1 below by writing to me within five working days of the date of this letter.

This Ntl is being copied to Ofsted and the FEC and, when published, to the college's local authority, the Office for Students and the GLA.

Yours sincerely

A rectangular box containing a handwritten signature in blue ink that reads "Alan Krikorian".

Alan Krikorian

Deputy Director, London and South-East Territorial Team

Post-16 Regions and FE Provider Oversight Directorate | Skills Group

Cc:

Christine Ricketts, Principal & CEO

Jos Parsons, Ofsted

Shelagh Legrave, FE Commissioner

OfS

GLA

Schedule 1: Intervention Brooklands College

This schedule sets out the additional conditions relating to the improvement of the overall services. They have been issued because DfE has assessed Brooklands College as requiring intervention associated with declining financial health, the significant financial risk associated with the investigations into subcontracting and the recommendations in the FEC Diagnostic Assessment monitoring report.

Timescales

The additional conditions outlined within this schedule must be addressed swiftly, and within the timescales agreed with DfE.

In the event that DfE considers sufficient improvement is not, or cannot be, achieved within the timescales specified, 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 DfE Territorial Team and when appropriate the FE Commissioner (FEC), with regularity to be confirmed by DfE.

Additional Conditions of Funding

1. The college must acknowledge this Ntl and schedule, in writing, within five working days of this revised notice being issued.
2. The college must review the existing improvement plan to ensure it addresses the issues identified and that the plan provides DfE with sufficient confidence to enable funding to continue. DfE (and the FEC where appropriate) will monitor progress against the plan to ensure that sufficient progress is being made and that agreed milestones are being met.
3. DfE recognises that the original proposal to complete a Structure and Prospects Appraisal (SPA) has been paused by mutual agreement. When it is agreed to be appropriate, the college must continue to work with the FEC to complete the SPA to identify options for a structural solution.
4. The college must comply with the DfE 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.
5. The college must continue to suspend all new starts through sub-contracting provision until DfE confirms it is assured that the points in paragraph 4 above have been addressed. DfE notes that the college strategy is for direct delivery.
6. The college must continue to undertake regular reviews and analysis of cash flow requirements and forecast, including providing the standard DfE 12-month rolling

monthly cashflow template and a rolling 13-week short-term cash flow forecast with an opening position reconciled to their bank account(s).

7. As the college continues to be in Intervention, DfE reserves the right to attend any and all Governing Body meetings, including committees, as an observer to assure itself there is sufficient oversight and challenge. The college must continue to provide DfE with the schedule of meetings, papers and minutes for all Corporation meetings.
8. The college must provide DfE and its agents (LocatEd) details and papers of all meetings relating to the governance, development and delivery of capital projects, and in doing so, demonstrate that Governors directly receive professional expert advice and guidance to support decision making; and that they maintain compliance with the responsibilities of an exempt charity, with the Governors' roles as Charitable Trustees.
9. The Governing Body must demonstrate, to the satisfaction of DfE, that it has the requisite capacity and capability within its management team and professional advisors to deliver this significant capital development project.
10. The college must continue to work closely with DfE, LocatED, and other parties as necessary, to secure planning approval, develop the estate and progress the strategy towards asset disposals. Engagement with LocatED must include notification to, and attendance at, all meetings relevant to the development project, including planning meetings. The college must ensure that DfE and LocatED are apprised, in a timely manner, of all material information and changes that have the potential to impact the progress of the project.
11. The college must use its best endeavours to agree and sign the repayment agreement with DfE, along with related security and bank documentation, by 28 February 2023.
12. The college must set out the timescales, process, and criteria for the appointment of a new Corporation Chair. The FEC's team can provide support for the recruitment process.
13. The college must consider the offer of support that a National Leader of Governance could offer the existing and new Chair, and agree the scale and scope with the FEC.
14. The college must prioritise the repayment of DfE funding related to non-compliant sub-contracting (as identified in the PMO investigation reports), alongside other statutory college duties.
15. DfE reserves the right to request that the college procures and pays for an external independent review of its financial, management and governance control

environment, with a duty of care to DfE and the scope of the work to be agreed with DfE.

16. DfE will determine when the college has made sufficient progress for the Ntl to be lifted, after consideration of the college's compliance with specified actions. DfE will formally write to notify you of the lifting of the Ntl.
17. The college must attend regular monitoring meetings with DfE. Attendees should include, as a minimum, the CEO/Principal and Director of Finance (CFO) and where appropriate, the Chair or other governor to represent the Corporation. The meetings will focus on the requirements of the additional conditions of funding, and the college's progression against the milestones in the improvement plan. The college will be expected to provide evidence to demonstrate proper oversight and timely implementation of the plan. DfE will determine the regularity of these meetings.