



Department
for Education

Department for Education
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[Department for Education - GOV.UK](https://www.gov.uk)
(www.gov.uk)

Robert Lawson
Chair of the Corporation
Hull College
Wilberforce Drive
Hull
HU1 3DG

25 May 2023

Dear Rob

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 Hull 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 revising this NTI (first issued 11 November 2016 and updated on 8 June 2017, 5 February 2021, and 3 May 2022) following review to reflect updated policies and new processes and requirements for the submission and timing of financial data 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 (December 2022). [College oversight: support and Intervention](#)

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 will continue to closely monitor progress made towards meeting these 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 Hull College does not comply with the additional conditions within the specified period, 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.

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.

DfE acknowledges the progress the college has made in relation to the previous NTI which was issued on 3 May 2022 which includes:

- The college has worked to ensure that governance is effective and there is stability with permanent senior leadership at the college.
- An estates strategy for the college has been developed and agreed by the college's corporation.

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 the DfE](#).

Publication

DfE publishes all NTIs on gov.uk

Reviews

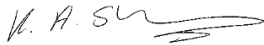
DfE will regularly review this NTI with you. It is likely that the NTI will be revised, at least annually to ensure the terms and conditions remain relevant. DfE reserves the right to revise at any point should circumstances significantly change.

Action required

Please acknowledge receipt of this letter and the schedule below by writing to me within five 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

Northern Territory Director

Regions and Providers Directorate

Cc:

Debra Gray, Principal Hull College

Jos Parsons, Ofsted

Shelagh Legrave, CBE FE Commissioner

Susan Lapworth, Office for Students

Matt Jukes, Kingston Upon Hull Local Authority

Schedule: Inadequate 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 DfE has 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, 5 February 2021, and 3 May 2022.

Timescales

In addition, where it is evident that sufficient improvement is not or cannot be achieved within the timescales specified, 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 Post 16 Skills Group Territorial Team (regularity to be confirmed by DfE) and the FE Commissioner.

Specific conditions

1. The college must continue to work with DfE, ESFA and the FE Commissioner and her advisers as appropriate to maintain progress with the college's improvement journey. If any further stocktake visits are required, the college must provide all necessary information and work with the FE Commissioner's team where any further recommendations arise.
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 continue to demonstrate that the forecast final financial health grade of good for 2021/22 and 2022/23 is secure and likely to be maintained from 2023/24 onwards.
3. 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.
4. The college should continue to reduce its level of sub-contracting in core programmes and increase direct delivery.
5. 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.
6. 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 Richard Stockton, Senior Manager Post 16 Skills Group Territorial Team.

7. 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. The CFFR should continue to demonstrate, in the DfE and ESFA's assessment, that sufficient progress is being made to deliver a viable curriculum offer and secure the college's long term financial position. The college must ensure that all other college plans align with the financial plan and any material changes should be discussed with the DfE and ESFA and all comments considered by the college. The college must continue actions to improve underlying financial performance and resilience as reflected in FEC benchmarks.
8. 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, or any subsequent variation. The college should respond to any DfE or ESFA queries following its review of such monitoring updates.
9. 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.
10. 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.
11. If, in DfE'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 ESFA will take further action.
12. 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.
13. 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.