



Department
for Education

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8 April 2025

Clive Dobbin
Chair of Governors
Havant and South Downs College
College Road, Waterlooville
Hampshire, PO7 8AA

Dear Clive

Financial Notice to Improve: Financial Health

The Department for Education is issuing this Financial Notice to Improve to Havant and South Downs College (HSDC) following the serious cashflow pressures facing the college and the confirmation of a post moderated Financial Health grade of 'Inadequate' for the year ending July 2024. This means that HSDC is now placed into formal intervention.

This is in accordance with our published policy ([College Oversight: Support and Intervention](#)), which states that:

- a) A post moderated grade of 'Inadequate' will always put a college in intervention.
- b) Where serious cash flow pressures are identified, we may decide to place a college in intervention.

This letter and its schedule constitute the Notice to Improve (NTI) in line with clauses within the [Accountability Agreement](#) between the Secretary of State for Education, acting through the Department for Education on behalf of the Crown, and HSDC.

Schedule 1 sets out the additional conditions of funding that HSDC is required to comply with in order that the Department can continue to fund. These conditions are in addition to the conditions of funding set out in the Funding Agreements.

DfE may consider this Ntl when determining any eligibility for growth funding and it may also affect your ability to be successful in tendering for other funds, and other competitive tendering processes for new provision.

In line with our published policy, we do not want colleges to remain in intervention for longer than is necessary and will assess when HSDC has made the necessary progress for this NTI to be lifted.

Referral to the FE Commissioner

In line with the requirements of DfE's published policy [College oversight: support and intervention](#), this Ntl refers HSDC to the FE Commissioner's team for an independent assessment of the college, and the capacity and capability of its leadership and management, and governing body to bring about the required changes and improvements.

Once the FE Commissioner's team have undertaken this assessment, we reserve the right to vary the terms of the Ntl to reflect any recommendations made. These recommendations would be included in an additional schedule to, or reissue of, this Ntl.

The FE Commissioner's team will visit the college on the 1st May 2025, and her office will contact you regarding the detailed arrangements. We hereby acknowledge that the college has already engaged with the FE Commissioner and her team, who have started a Curriculum Efficiency and Financial Sustainability Support process and carried out a full Health Check.

Monitoring

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

Compliance

If HSDC 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. 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 HSDC 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 the DfE](#).

Publication

DfE publishes all NtIs on GOV.UK, where the summary report of the FE Commissioner will be published as well.

You will also be required to publish the summary report on your website within 14 days of it being issued and to retain it on the college website until the Ntl is lifted.

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 the schedule below by writing to me within five working days of the date of this letter.

This Ntl is being copied to Ofsted, your local authority and the FE Commissioner.

Yours sincerely

Alan Krikorian

Deputy Director, London, South East and East Anglia Place Based Team
Department for Education

Cc:

Chief Executive Officer / Principal, HSDC

Ofsted

Director of Children's Services, Hampshire County Council

FE Commissioner

Schedule 1: Inadequate Financial Health

This schedule sets out the additional conditions of funding relating to intervention action.

Timescales

The additional conditions outlined within this schedule must be addressed during the period to be agreed between the Department for Education (DfE) and the college.

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's Place-based Team (PBT) and the FE Commissioner (FEC) team. The frequency of these meetings will be confirmed by the DfE.

Specific conditions

1. The college must continue to work with DfE's PBT and with the FEC and her advisers to undertake an independent assessment of the college's capability and capacity to make the required changes and improvements. This will include supplying all necessary information to the FEC or her Advisers by the agreed deadline/s so the assessment can be made. An intervention visit has been arranged for the 1 May 2025 and the college must cooperate fully with the FEC team during their visit.
2. The college governors and leadership team must then work with the FEC's team and the DfE PBT to develop a Single Improvement Plan (SIP). The SIP must set out the priorities and actions needed to improve the college's financial health and secure a financial health grade of at least 'Requires Improvement' as well as addressing all areas for improvement identified in the FEC's recommendations and this Ntl.

The college must share a draft SIP with DfE who will review and make an assessment of whether the proposed activities will secure the college's financial position.

The SIP should then be approved and finalised by the College Corporation Governing Body after DfE's PBT and FEC advisers' comments have been received by the college, by a date to be determined by DfE, following the FEC team's intervention visit. The FEC advisers will provide a SIP template to use.

The SIP will need to detail specific, measurable, achievable, realistic and timely (SMART) activities and milestones, which should cover but not be limited to:

- detailed financial planning tables, including supplementary narrative to explain assumptions in the planning
- the outcomes of exploration into further staff savings for 2025/26 and 2026/27, which should include a thorough review of curriculum areas
- student number projections and staff planning assumptions, and a detailed sensitivity analysis on these assumptions; for both in-year savings and, moving forward, with a mind to any future structural solutions
- actions to implement savings you have identified, manage expenditure and maintain or increase income, including specific measurable objectives for how you will ensure financial sustainability
- governance and governor ownership and monitoring of the actions within the plan
- the management of any risks to the delivery and quality of education provision

DfE PBT and the FEC team will monitor progress against the SIP to ensure that sufficient progress is being made and agreed milestones are being reached.

3. The college must continue to work with the FEC and her advisers to identify options for a structural solution.
4. The college must attend regular case conferences with DfE's PBT and FEC advisers. Attendees should include, as a minimum, the Accounting Officer (CEO/Principal) and the Chair or other governor to represent the governing body, i.e. Chairs of appropriate committees. The meetings will focus on the college's progression against the milestones in the plan, where the college will be expected to provide information to demonstrate proper oversight and timely implementation of the plan. The PBT will determine the regularity of and arrange these meetings.
5. The college will undertake a regular review of potential cash flow requirements, and the college is required to supply DfE with a monthly cash flow forecast for two years, reconciled to your bank, and a copy of monthly management accounts by the 20th of each month.
6. The 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 the DfE and the scope of the work to be agreed with the DfE.

This Ntl may be revised and updated after the date of issue to reflect progress and/or any change in circumstances, including following the FEC's intervention report and recommendations. The DfE will formally review this Ntl with you, at least annually, to ensure it remains appropriate and current.

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 DfE may take further action.

DfE will determine when the college has made sufficient progress for the Ntl to be lifted. The definition of 'sufficient progress' will be decided following the FEC's Intervention visit report and will be set out in an update to this Ntl. When such progress has been made and the college complies with the actions in the SIP within the agreed timescales, DfE will lift the Ntl and confirm this in writing.