



Department
for Education

FE Commissioner Intervention Assessment Summary Report: Havant and South Downs College

May 2025

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Background

Name of College	Havant and South Downs College (HSDC)
UKPRN	10005979
Name of College Principal /CEO	Mike Gaston
Name of College Chair	Clive Dobbin
Type of provision	GFE
Date of visit	1 st May 2025
Type of visit	Intervention
Trigger for formal intervention	FNtl
Further Education (FE) Commissioner Team members	FE Commissioner Shelagh Legrave Deputy FE Commissioner Frances Wadsworth FE Adviser Anne Whitworth FE Adviser Kate Webb
Location	Waterlooville
Apprenticeship training provider	Yes
Latest Ofsted inspection grade	Good (May 2024)

Conclusion and executive summary

Havant and South Downs College (HSDC), formed through the merger of three colleges, has campuses in Havant, Waterlooville and Alton, Hampshire.

Quality of provision is judged to be Good. In its recent Ofsted inspection (May 2024) the college was graded Outstanding for its adult provision and Good in all other areas.

The college has, however, experienced a significant fall in 16–18-year-old learner numbers over a number of years, with consequent year on year reduction in income.

The college requested Further Education Commissioner (FEC) Curriculum Efficiency and Financial Sustainability Support (CEFSS) in Summer 2024 to reflect on the efficiency of curriculum delivery and seek ways to reduce the high staffing costs. Shortly before the commencement of the CEFSS work, it became clear that the financial pressure the college was facing was more significant than had been initially recognised.

In October 2024, governors were made aware of financial issues which had not been sighted previously in board papers, nor identified as a risk. Governors whom we met were concerned by the lack of financial controls and errors in reporting which had been revealed. Inaccuracies in financial reporting, poor financial controls, and a risky reliance on receipts from a future land sale to fund an ambitious property strategy, were aspects that had compounded the existing financial and cash flow pressures and inefficiencies.

A college FEC Health Check took place in February 2025 when the financial issues were brought to our attention. In April 2025, the college was issued a Financial Notice to Improve and placed in intervention. The Health Check review, along with consideration of the college's actions to progress recommendations made following the review, have helped to inform this intervention visit and report.

The path to financial recovery presents a major operational challenge for the college. The college has developed a financial sustainability plan, recognising the need for timely action. The financial sustainability plan needs to be implemented at pace to address inefficiencies, whilst at the same time ensuring that the quality of the learning experience is maintained. The chair has established a committee (the Recovery, Sustainability and Accountability Committee) with membership of key board members to progress this work.

There is an expressed concern from staff that communication is limited, mostly one way, leadership remote and closed, and that staff have not been kept informed of the issues that the college is facing.

Students whom we met during the Health Check visit in February 2025 were positive about their learning experiences.

Recommendations

Recommendation 1: Update the financial sustainability plan and cash flow forecasts to reflect the current position regarding the staff restructuring exercise, the property strategy and recently confirmed funding allocations. **Timescale: by July 2025.**

Recommendation 2: Update the property strategy to incorporate the preferred strategy for the Alton campus. **Timescale: by September 2025.**

Recommendation 3: Governors and senior leaders to review the format of the management accounts, in light of the good practice guide, and update appropriately. **Timescale: by July 2025.**

Recommendation 4: Finalise the contribution by campus, to provide clarity on the financial performance of each campus. **Timescale: by July 2025.**

Recommendation 5: Finalise the development of the KPI dashboard to include curriculum efficiency and enrolment information. **Timescale: by June 2025.**

Recommendation 6: Engage with a further Curriculum Efficiency and Financial Sustainability (CEFSS) review. **Timescale: by November 2025.**

Recommendation 7: Update the college's 2024 finance record to ensure it contains correct benchmarking data. **Timescale: by September 2025.**

Recommendation 8: Develop a staff engagement strategy to win back trust and ensure effective two-way dialogue. **Timescale: by June 2025.**

Recommendation 9: An FEC led SPA to be instigated and progressed to ascertain the best solution for the group's delivery of learning for its community. **Timescale: to commence June 2025.**

Recommendation 10: Create a single improvement plan which maps the priority actions the college needs to undertake, ascribing clear responsibility for each action, milestones and smart targets. **Timescale: by June 2025.**

Active support from a National Leader of Further Education (NLFE) and a National Leader of Governance (NLG) was put in place for the Chair and CEO following the Health Check in February 2025.

In addition, the recently appointed chair of Audit Committee will be linked with another college's audit committee chair.

The FEC team will conduct an intervention assessment stocktake visit to review progress in November 2025.

Governance and leadership

Governance

Governors whom we met said that the board had not been appropriately sighted on, or informed of, the financial risks developing.

In 2023/24, the board had received reassuring feedback on governance from an Ofsted inspection and also from its External Board Review. The positive Ofsted (Good, May 2024) judged that 'well informed governors provide leaders with strong challenge, support and strategic direction'. The External Governance Review (July 2024) found that board structures, processes and other arrangements were currently effective and that clerking was efficient. Documents were noted to be clear and the engagement by board members positive. The external review also noted that, 'governance provides senior management with one of its lines of defence' and that 'the current approach should give assurance to stakeholders that the college is managing its assets prudently.'

However, board members now realise that there were fundamental issues and risks which they were not made aware of, and issues they did not challenge. Some board members we spoke to referred to the information shared regarding the college's deteriorating financial position as coming 'out of the blue' and, given the positive feedback previously regarding the robustness of governance, as a shock. They felt unanticipated financial issues and the associated risk of declining student numbers, with the consequent reducing income, and high staff costs, had not been highlighted previously in board papers as significant risks. Governors whom we met were concerned by the lack of financial controls and errors in reporting. Some said they were now questioning how they could regain trust in information they would be given as a board in the future.

Inaccuracies in financial reporting, poor financial controls, and a reliance on receipts from a future land sale (still to be confirmed) to fund an ambitious property strategy, exacerbated the existing financial and cash flow pressures and inefficiencies. The board understands that it needs to have clear and accurate reporting and data to inform its decisions, so the development of a KPI dashboard with enrolment and curriculum efficiency data will be an important priority. The board is also aware it must monitor the implementation of the estates strategy closely and conclude the South Downs land sale as a matter of importance.

There will inevitably be work the principal and executive need to lead and undertake to restore confidence and trust in leadership's financial oversight and the information being presented to the board and to the wider college. Board members will now understandably be thoughtful and seeking clearer information to be able to monitor performance and restore their confidence in leadership's oversight of finance and risks and have trust in the evidence they need for decision making.

In order to move at pace, the chair has established a Joint Finance and HR Committee, named the Recovery, Sustainability and Accountability (RSA) Committee to receive and oversee the developing financial sustainability plan. This also includes governors from the Curriculum and Quality Committee to ensure financial needs are balanced against quality of education considerations.

Those staff board members whom we met during the February Health Check had varying levels of awareness of the magnitude of savings that the college would need to make. The principal assured us that all staff board members were now fully aware of the position and being kept up to speed.

Leadership

The college has seen a number of changes at senior leadership level. The vice principal for organisation, development and people and the deputy principal finance and facilities left in 2024. A director of HR has been successfully recruited, but recruitment to fill the finance senior leadership vacancy is proving difficult. An interim deputy principal finance is currently in place. Reduction in the size of the senior team was part of the restructuring proposals to reduce staffing costs, and this was just concluding at the time of our visit. Firming up and strengthening the executive team's working is now a key priority to ensure strengthened leadership for the financial improvement journey ahead.

An external consultant was engaged to support development of the financial sustainability plan with the principal and senior team, and this plan has been shared with the board. We were informed that further engagement with the external consultant is planned to support the work ahead.

The financial sustainability plan includes restructuring to achieve significant staff savings, and we were informed this is being progressed at pace. There is a clear awareness from leaders that the college must achieve the required savings to assure its future sustainability, right sizing staffing costs, but that this has to be achieved without compromise to the quality of provision.

Leadership must ensure that reporting to the board is accurate, and more finely tuned and focussed to what is significant, so that the board can identify and navigate emerging risks and have information that allows for sound deliberation, challenge and decision making. An accurate KPI dashboard, which includes curriculum efficiency and enrolment information, and revising the format of the management accounts in light of best practice guides, are needed.

Lack of effective two-way communication with leaders and the low visibility of the senior team were issues which those staff whom we met said predated the current issues but remained as concerns, despite some recent improvement. Communication and best ways of engaging with a worried workforce and other stakeholders as the college

determines its way ahead will be important for the principal and board to reflect carefully upon, both now and for the future.

The board is clear that it needs to monitor the implementation of the estates strategy closely and conclude the land sale as a matter of importance. Given recent changes, governors and the principal might consider how best to provide focused college senior leadership oversight and to work with the governor committee and property consultant going forward.

Curriculum and quality improvement

Curriculum and provision overview

The college has campuses in Waterlooville (South Downs), Havant and Alton. The South Downs Campus offers a range of vocational courses including T levels, the Havant campus provides a range of A levels, and the Alton campus offers A levels and vocational courses. Most of the college's provision is study programmes for young people. The college also provides education for young people with special education needs (SEND), a small apprenticeship provision and adult education.

The college had experienced a significant drop in 16-18-year-old learners in 2023/24 and learner numbers have reduced further in 2024/25. The curriculum offer is currently undergoing significant review as part of the college's broader financial recovery strategy and efforts to address high staff costs and curriculum inefficiencies. The process is being informed by a close examination of contribution levels and operational efficiencies. Proposals being developed include potential course closures and consolidation. At the time of the intervention visit no changes had been finalised and proposals were still subject to consultation.

Curriculum planning and development

Prior to the Financial Notice to Improve, the college board and principal had proactively requested a Health Check in late Autumn 2024 due to concerns regarding financial performance. A FEC led desk top review of curriculum efficiency had identified that the college was under performing against a range of efficiency metrics such as staff utilisation, pay to income ratio and group size. Study programme resourcing hours were also identified as being high in some areas.

During the Health Check visit in February 2025, managers reported that curriculum and budget planning for 2024/25 had been largely top down, with limited input from curriculum managers to influence resourcing decisions. Due to the significant financial pressures, planning for 2025/26 has been shaped by the need to address inefficiencies and currently therefore lacks a comprehensive narrative detailing curriculum intent beyond cost-saving measures.

At the time of the intervention visit, consultation on changes was still live. However, there was evidence during the intervention visit that curriculum managers were now more involved in planning and budget discussions.

Key performance measures such as departmental contribution analysis and in year staff utilisation, which had been routinely monitored in past years, were not routinely available or monitored during the previous Health Check. However, there had been swift action taken by college managers since that visit in February 2025 to address and improve inefficiencies and systems such as a new timetable and producing a fully costed curriculum plan. At the time of the intervention visit this plan was not fully finalised and therefore was not reviewed in detail.

Managers were reflective about the recent curriculum and budget planning processes. They reported that they felt the current scrutiny and review were healthy and should become part of normal business going forward.

Quality: self-assessment judgement and effectiveness in managing and improving quality

As evidenced by the recent Ofsted inspection, the college provides a good quality of education to its students. Curriculum was considered to be well matched to local needs and quality processes are strong, with robust self-assessment and clear actions to improve. Governors, managers and teachers who we spoke to during the intervention visit gave confidence that the day-to-day business of teaching, learning and assessment was being effectively managed, and the in-year indicative measures are broadly positive.

At the time of the visit, the college was forecasting improvements in apprenticeship achievement and significant improvements in achievement of young people on study programmes as well as predicted improvements in value added. The in-year retention rate for the latter was showing improvements but to achieve this target the college will need to secure much better pass rates.

Staff and student views

Staff were concerned about the lack of effective communication within the college. They said that they still want to understand and have 'an explanation' as to why current financial issues have arisen.

Unions expressed significant concerns regarding communication with, and trust in leadership. They felt that previous financial issues are repeating, which they feel mirror those experienced by the college a few years ago. There was a question posed by the unions as to whether lessons had been learned by the leadership and board.

Students were consulted during the earlier Health Check visit. They said that teaching was good, described the community feel of the college and commented that relationships between teachers and learners were strong and supportive.

Finance and audit

Financial performance 2023/24

In June 2024, a paper was presented to the HSDC board, which was forecasting a surplus and positive earnings before interest, tax, depreciation and amortisation (EBITDA) for 2023/24.

However, in October 2024 the deputy principal finance reported a significant deterioration in the outturn for 2023/24, with both the EBITDA and overall position now being a deficit, due to the late identification of expenditure. This updated position came as something of a shock to governors, who had trusted previous financial reports.

The management accounts which were presented to the board in June 2024 were not comprehensive and therefore it was difficult for the board to establish the accuracy of the year end forecasts. While some changes to the management accounts have been made in recent months, further improvements should be made to enable more effective scrutiny and challenge to take place at board meetings.

Financial performance 2024/25

The budget for 2024/25, approved by the board in July 2024, was for an operating deficit. This budget was approved before the outturn for 2023/24 was known, and this outturn has had a significant adverse impact on 2024/25. The college has put in place a plan to make in-year savings for 2024/25.

Financial plan 2025/26

The college has prepared a financial sustainability plan, which in the main will make savings from 2025/26. The plan has primarily focused on curriculum efficiency and was informed by a curriculum efficiency desk top review undertaken by the FEC in November 2024 and the work of an experienced FE consultant.

Long term sustainability

The long-term sustainability of the college is in the control of the board and senior leaders, but it is recognised the path to financial recovery presents a major operational challenge.

The measures within the financial sustainability plan need to be concluded at pace to address inefficiencies in the curriculum and other areas and significantly reduce staff

costs, whilst at the same time maintain quality. Also, the land sale and associated receipt needs to be agreed as a priority.

The college does not currently report financial contribution by campus and although the recovery plan addresses some inefficiencies, it is unclear if each individual campus is financially viable. The college has recently begun work on this and needs to conclude it soon.

It will be important for the board and senior leaders to monitor progress in implementing the recovery plan rigorously.

Estates and capital plans

The college operates from three main sites. The largest, South Downs campus, is in Waterlooville and is about 2 miles away from the smaller Havant campus. The Alton campus is further away; 25 miles due north of the other 2 campuses.

The South Downs campus comprises multiple buildings, with the main building dating from 1974, and others having been added since then. There are fewer buildings at the Havant campus, some of which date back to the late 1950s and early 1960s. At Alton, the main building was constructed in 2 phases in 1978 and 1984, and other buildings were added subsequently.

The board is clear that it needs to monitor the implementation of the estates strategy closely and conclude the South Downs land sale as a matter of importance.

Appendix A – Interviewees

Chair

CEO

Interim CFO

Senior Curriculum Manager

Governance Professional

Chairs of Board Committees –

Audit, Finance and Estates, Previous Chair of Curriculum, Quality and Learning Committee

CIO

Meeting with middle curriculum managers

Meeting with staff- from all campuses

Meeting with HR Director

Appendix B – Documents reviewed

BOARD DOCUMENTS
Last 3 months minutes and papers from board and committee meetings
GOVERNANCE AND LEADERSHIP
Updated whole college risk register
Last whole college KPI report to governors
Corporation (and committee structure) membership with CVs and latest skills audit
Organisational chart- latest version
Senior Leadership Team membership with CVs
CURRICULUM AND QUALITY
Completed pre-visit Provider Quality Performance Table
Updated College Self-Assessment Report or position statement
College Quality improvement plan and progress against it
Staff and student surveys and allied action plans
Curriculum planning strategy document or similar
FINANCE AND ESTATES:
Completed pre-visit financial information request template
Costed curriculum plan, including contribution analysis by department/curriculum area
The most recent management accounts, including cashflow forecast
Details of recent or planned staff restructuring events
Estates Strategy progress report
Updated CFFR



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