Department for Education

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29 January 2026

Penny Wycherley
Chair of Governors
Havant and South Downs College
College Road, Waterlooville
Hampshire,
PO7 8AA

Dear Penny

Financial Notice to Improve: Financial Health

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 Havant and South Downs College (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. The revised schedule is below and the main change to the original schedule issued in April 2025 is that the college is now subject to enhanced supervision.

The Department for Education is issuing this revised 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.

In April 2025, HSDC was placed into intervention under the then published College Oversight: Support and Intervention policy, which stated that:
A post moderated grade of 'Inadequate' will always put a college in intervention.
Where serious cash flow pressures are identified, we may decide to place a college in intervention.

Although the oversight policy was updated in November 2025, the conditions triggering intervention remain the same, and the college therefore continues to be in intervention.

In addition, and due to the nature and implications of our concerns, the college is now also placed in Supervised College Status. The requirements of this status are included within the below schedule.

DfE may consider this NTI 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 processes for new provision.

Referral to the FE Commissioner
In line with the requirements of DfE's published policy, the original FNTI referred HSDC to the FE Commissioner's team for an independent assessment of the college. The team looked at the capacity and capability of its leadership and management, and its governing body to bring about the required changes and improvements.

We acknowledge that the college has engaged positively with the FE Commissioner and her team since then.

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.

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

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, and this revised NTI will also be published.

A summary report of the FE Commissioner findings and recommendations was also published, and the college is required to retain the summary report on its website until the NTI is lifted.

Reviews
DfE will continue to 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 the NTI at any point should circumstances significantly change.

This NTI is being copied to Ofsted and the FE Commissioner.

Yours sincerely

Deputy Director
Regional Performance - London, Southeast & East of England Division
Department for Education

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 Regional Team (RT) and the FE Commissioner (FEC) team. The frequency of these meetings will be confirmed by the DfE.

We acknowledge the progress achieved to date in meeting certain conditions and implementing some of the recommendations. However, continued and demonstrable improvement remains essential to ensure full compliance.

Specific conditions

1. As a supervised college the college will be subject to enhanced supervision. The FEC team will effect this oversight.

   This supervision includes, but is not limited to
   - attending board and strategy events, and other committee meetings as deemed appropriate, until DfE is satisfied that there is sufficient oversight and challenge.
   - receiving agendas and all board papers, both confidential and non-confidential.

   The FEC and her regional deputy lead, along with the DFE Regional Team, should be consulted upon, and prior approval should be sought for:
   - the appointment of any senior staff
   - the appointment of governors
   - significant financial transactions in excess of £75k (reported on a rolling 3-month forward look)
   - significant asset disposals or developments
   - any plans for structural change
   - any decision which would have material impact upon the college

2. The college must continue to work with DfE's Regional Team and with the FEC and her advisers. This will include supplying all necessary information to the FEC or her advisers by any agreed deadline/s, following the capability and capacity assessment which took place on 1 May 2025.

3. The college governors and leadership team must continue to engage with the FEC's team and the Regional Team on the agreed 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 NTI.

   The SIP sets out specific, measurable, achievable, realistic and timely (SMART) activities and milestones, which cover but are not 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 Regional Team and the FEC team will monitor progress against the SIP to ensure that sufficient progress is being made and agreed milestones are being reached.

4. The college must attend regular case conferences with DfE's Regional Team 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 Regional Team will determine the regularity of and arrange these meetings, and your first point of contact is Norma Landgraf, Senior Manager.

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 NTI may be revised and updated after the date of issue to reflect progress and/or any change in circumstances. The DfE will formally review this NTI 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 NTI to be lifted. When such progress has been made and the college complies with the actions in the SIP within the agreed timescales, DfE will lift the NTI and confirm this in writing.