



Department
for Education

Department for Education
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www.gov.uk/contact-dfe

Email enquiry form:

www.education.gov.uk/contactus/dfe

Date: 26 September 2024

Gill Clipson MBE
Chair of the Corporation
WCG
Royal Leamington Spa College
Warwick New Road
Leamington Spa
CV32 5JE

Dear Gill Clipson

Intervention Financial Health Notice to Improve: Financial Health

This letter and its schedules constitute a Notice to Improve (Ntl) in line with clauses within the [Accountability agreement 2024 to 2025 \(colleges\) \(publishing.service.gov.uk\)](https://publishing.service.gov.uk) 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 in the attached schedule additional conditions of funding that Warwickshire College Group of Further and Higher Education (WCG) is required to comply with in order that ESFA can continue to fund. The conditions set out in the schedule(s) of this Ntl are in addition to the conditions of funding set out in the Funding Agreements.

Schedule 1 attached sets out the action required under this Ntl.

Referral to the FE Commissioner

This Ntl aligns with DfE's published policy, [College Oversight: Support and Intervention](#). It also brings WCG into scope for referral to the FE Commissioner for an independent assessment of the college's capability and capacity to make the required changes and improvements within a reasonable period of time.

Once the Further Education Commissioner (FEC) has undertaken this assessment, we reserve the right to vary the terms of the Ntl to reflect any recommendations made by her. These recommendations would be included in an additional Schedule to, or reissue of, this Ntl. The FEC's office will contact you regarding the arrangements for the assessment. DfE may consider this Ntl when determining any eligibility for growth funding and/or it may also affect your ability to be successful in tendering for other funds, the relicensing of the Institute of Technology, 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 and the local community.

Compliance

If WCG 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.

In all cases, the removal of the additional conditions will occur when WCG 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.

When the DfE places a college in intervention and issues a Ntl, the FEC will always undertake an assessment of leadership and management capacity and capability. The assessment will focus on the capacity and capability of the leadership and governance to bring about improvement and what support is needed. The summary report will be published on GOV.UK.

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

Reviews

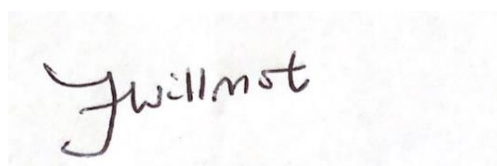
DfE will regularly review this Ntl with you. It is likely that the Ntl will be revised, at least annually to ensure the terms and conditions remain relevant. DfE reserves the right to revise at any point should circumstances significantly change.

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, Office for students and the FE Commissioner.

Yours sincerely



Fiona Willmot

Deputy Director, Place Based Team Central and South West, Department for Education

Cc: Sara-Jane Watkins, Chief Executive / Principal

Jos Parsons, Ofsted

Johnny Kyriacou, Director of Education, Warwickshire County Council

Office for Students regulation@officeforstudents.org.uk

FE Commissioner FEC.OPERATIONS@education.gov.uk

Schedule: Inadequate Financial Health

The DfE is issuing a Financial Notice to Improve because of Warwickshire College Group of Further and Higher Education's (WCG) Inadequate assessment of financial health by DfE, based on financial plans and accounts and serious cash flow pressures.

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

Timescales

The additional conditions outlined within this schedule must be addressed swiftly and in line with all agreed timetable and milestones.

Monitoring and Progress

All conditions will be reviewed at case conference and monitoring meetings with the Place-based Team (PBT) and the Further Education Commissioner (FEC). The frequency of these meetings will be confirmed by DfE.

Specific conditions

1. The college must continue to work with the DfE PBT and the FEC and her advisers; Frances Wadsworth, Esme Winch and Kate Webb 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 so the assessment can be made.
2. The college governors and leadership team must work with the FEC's team and the 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 grade from inadequate to at least requires improvement and address all areas for improvement identified in FEC recommendations and Ntl. The college must share a draft SIP with DfE who will review and assess 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 comments have been received by the college, by a date to be confirmed after the FEC assessment has been undertaken. DfE will provide a SIP template to use.

The SIP will need to detail specific, measurable, achievable, realistic (SMART) and timely activities and milestones, and 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 2024/25 and 2025/26, 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

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

3. The College must attend regular meetings with DfE. Attendees should include, as a minimum, the Chair, the Principal and Chief Finance Officer. 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.

DfE will arrange these meetings, and your first point of contact is Tracey Brown Senior Manager West Midlands and Warwickshire Team, Central and South West.

4. WCG should continue to undertake a regular review of potential cash flow requirements and the college is required to supply DfE with monthly management accounts comprising (as a minimum) of year to date and forecast outturn income and expenditure, balance sheet and 12 month rolling cash flow forecast.

5. 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.

6. 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. 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.

7. DfE will determine when the college has made sufficient progress for the Ntl to be lifted. This will be when the college's financial health grade has improved from inadequate to at least requires improvement as demonstrated by the achievement of a financial health grade of at least requires improvement. When the college complies with the actions within the timescales set out DfE will lift the Ntl and confirm this in writing.