



Skills Funding
Agency

Skills Funding Agency: Approach to Intervention

November 2013

Of interest to colleges and training organisations

Background

The document [Rigour and Responsiveness in Skills](#), which the Department for Business, Innovation and Skills (BIS) and the Department for Education published jointly in April 2013, sets out the policy for intervention with colleges, private training organisations and other bodies that the Skills Funding Agency funds.

Review of Colleges and Training Organisations

The Agency regularly reviews the performance of all colleges and training organisations. This is to assess the risk of a college or training organisation failing to deliver training provision that makes efficient and effective use of public funds.

We consider a range of factors as part of this review process, including:

- quality of training provision
- delivery of training provision
- delivery model
- control of public funds
- significant change.

Intervention Triggers

The triggers for formal intervention are:

- notification to the college or training organisation of failure to meet Minimum Standards
- notification to the college or training organisation of failure to meet the Agency's criteria for financial health or control
- notification to the college or training organisation from Ofsted of an inadequate grade at inspection.

Contract for Services

Any training organisation holding a contract for services from the Agency can expect us to terminate their contract if they trigger formal intervention. Only in very exceptional circumstances will we consider permitting such a training organisation to attempt recovery and only where we consider that such action better serves the needs of learners.

Should we permit such a case, we will issue a Notice of Breach; setting out the conditions, the training organisation must meet to continue to receive public funds. Failure to meet the conditions in the Notice may lead to termination of the contract.

Colleges and Grant-in-aid Organisations

If intervention is triggered in a further education (FE) college, local authority maintained institution, or specialist designated institution, we will consider whether to refer the case to the FE Commissioner for review.

FE Commissioner's Recommendations

The FE Commissioner will advise the Minister of State for Skills and Enterprise and the Chief Executives of the funding agencies on the capacity and capability of the organisation's governance and leadership to deliver improvement. He will also advise on any funding conditions or restrictions that we should put in place.

The FE Commissioner will either recommend that:

- the organisation is allowed to attempt recovery by developing and implementing its own recovery plan, or
- the organisation is placed into 'Administered College / Administered Institution' status and that a Structure and Prospects Appraisal should be carried out by the Commissioner and his Advisers.

Where the Agency and the Minister accept the FE Commissioner's advice that the existing governance or leadership cannot deliver improvement, the Minister will place the organisation in 'Administered College / Administered Institution' status.

Whichever recommendation the FE Commissioner makes, or if the case is not referred to the FE Commissioner, we will issue a Notice of Concern in accordance with the terms of the [Financial Memorandum](#) or the grant-in-aid. The Notice of Concern will set out the matters, to be rectified, the timescale to remedy them, the conditions under which we would lift the Notice and any additional conditions of funding during the period of the Notice. Failure to comply with the terms of the Notice may lead to further intervention.

The Agency reserves the right to refer any FE college, Specialist Designated Institution or local authority maintained institution intervention case to the FE Commissioner for review and advice at any point in the process. This may include, but is not limited to, cases where the Agency has concerns about the pace of progress.

A college Structure and Prospects Appraisal might indicate that the college and its training provision are not needed. The Appraisal might indicate that some or all of the training provision should be put out to open tender. In such circumstances we will issue a Notice of Withdrawal of Funding, setting out the conditions of funding that will apply while the market testing process is applied.

Grant Funding Not in Scope for FE Commissioner's Referral

If intervention is triggered in a grant-funded body not in scope for referral to the FE Commissioner, we will issue a Notice of Concern in accordance with the terms of the Grant. The Notice of Concern will set out the matters, the timescale to remedy them, the conditions under which we would lift the Notice and any additional conditions of funding during the period of the Notice. Failure to comply with the terms of the Notice may lead to further intervention.

Cross-government Working

At all stages of the intervention process we will share information and, where necessary, work closely with BIS, the Education Funding Agency, the Higher Education Funding Council for England, and Ofsted.

Consequences of being under Notice

The Agency reserves the right to take Notices into account in determining how we fund and promote adult FE and skills training in England, including Traineeships and Apprenticeships.



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