



Education & Skills
Funding Agency

College oversight: support and intervention

Guidance for colleges

Updated July 2021

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Foreword

There has never been a more important time for further education in this country – as demonstrated by the recent ‘Skills for Jobs’ White Paper¹.

As we recover from the effects of the coronavirus pandemic, we need a high skills economy which is able to benefit from the opportunities afforded by our exit from the European Union. Across the country, people need to develop and update the skills needed to get good jobs and improve national productivity.

It is the further education sector which will anticipate and provide the technical skills needed. As the rate of technological change increases, further education will be crucial to building an agile and adaptable workforce and unlocking latent talent and creativity.

So we need our colleges to be fit for purpose to meet the challenges ahead. We recognise that colleges have made considerable progress over the last few years, with government support, in improving their strategic planning and their financial sustainability. This has led to an increase in the quality and consistency of education. However, the government’s ambition, as outlined in the ‘Skills for Jobs’ White Paper, is for all further education colleges to offer world class learning opportunities.

This document sets out how we will work with all colleges to identify, at an earlier stage, any financial and quality issues that might get in the way of them succeeding. It sets out the support and advice available to colleges when they need it, including from the FE Commissioner and Education and Skills Funding Agency (ESFA).

This revised guidance describes the beginning of a new approach in the way that government oversees the sector, provides active support and where necessary, intervenes decisively to address serious issues. Our new approach reflects feedback from the sector, together with the recommendations from Dame Mary Ney, the National Audit Office, and the Public Accounts Committee.

We would encourage all college leaders, governors and finance staff to read this document, to take advantage of the increased support now available and to act early if they see problems ahead. By working in partnership, we can ensure that college leaders are equipped to deliver the best possible experience for their students.

¹ [Skills for jobs: lifelong learning for opportunity and growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/white-papers/skills-for-jobs)

Who is this publication for?

This document is primarily aimed at governors, principals, finance directors and/or senior leadership teams of further education (FE) colleges, sixth form colleges and designated institutions in England.

This document may also be of interest to provider organisations such as the Association of Colleges (AoC), the Sixth Form Colleges Association (SFCA) as well as Mayoral Combined Authorities (MCAs), Local Enterprise Partnerships (LEPs), the Office for Students, local authorities and employers.

Terminology

Where this document refers to 'we' or 'the Department for Education' taking action, following processes or making a decision, this should be taken to mean ESFA, the FE Commissioner's team and potentially ministers working together, unless stated otherwise. Where particular teams are referred to specifically, the expectation is that those teams will be leading on that specific aspect of work.

Use of the term 'college' in this document should be taken to mean FE and sixth form colleges and designated institutions, unless stated otherwise.

Review date

We will keep this document under review and we expect to publish a further update in Spring 2022. This will consider passage of the Skills and Post-16 Education Bill and the outcomes of the funding and accountability consultation signalled in the 'Skills for Jobs' White Paper.

Context – rationale for change

In the April 2019 version of this guidance, we brought together (for the first time) in a single document our arrangements for the oversight of further education. We set out a strengthened approach to supporting and intervening in colleges, including:

- a preventative function to identify problems sooner
- extended triggers for early and formal intervention
- a strengthened role for the Further Education Commissioner to review provision in a local area
- use of independent business reviews to support effective decision making
- introduction of the statutory college insolvency regime

To help aid understanding of our processes, we referred to four stages: Prevention; Early Intervention; Formal Intervention and Restructure/Exit.

Currently our 'prevention activity' offers support to colleges to help with the identification and resolution of risks and issues before they become problems; however, access to other support tools and activities is dependent upon colleges 'triggering' early or formal intervention. (Colleges enter and exit early intervention or formal intervention when they meet published criteria such as being above/below set financial statistical thresholds.)

This revised version of the guidance takes account of a number of independent reports in this area. There are recommendations for improving intervention made by Dame Mary Ney², the National Audit Office (NAO)³, and the Public Accounts Committee (PAC)⁴. In summary, these recommendations are that we:

- move to a more supportive relationship between DfE officials, the FE Commissioner and colleges
- review the intervention processes and procedures that can lead to the large number of colleges staying in intervention for a significant time
- allow ESFA territorial teams to apply discretion, based on evidence and maintaining impartiality and fairness, as to when a college enters or exits intervention – moving away from the perceived mechanistic 'tick box' or 'visit and report' approach
- identify good practice, lessons learned and where government intervention/involvement has made a difference, sharing this with the sector

² [Report of the independent review of college financial oversight, 2020](#)

³ [Financial sustainability of colleges in England - National Audit Office \(NAO\) Report, 2020](#)

⁴ [Managing colleges' financial sustainability - Public Accounts Committee - House of Commons, 2021](#)

We tested these recommendations against our own analysis of cases and compared it with feedback from colleges in early intervention and college representative bodies. The views of the sector were that, while the model is generally working, there are areas for improvement:

- our current regime can be perceived as being ‘punitive’, keeping colleges in intervention for too long, and sometimes lacking sensitivity to individual college circumstance (by an over-reliance on automatic triggers to judge when colleges enter or exit intervention)
- we need to differentiate more clearly between support and intervention roles
- there is a tendency to underplay successes and college achievements, for example successful turnarounds, and we need to do more to share good practice to help colleges to improve (not just prevent failure)

Our changes, reflected in this updated document, signal a different approach that builds on the best parts of our current regime whilst introducing improvements and new elements. Our new approach is designed to be more joined-up, positive, supportive, and value adding.

This is the first step towards moving to a new relationship with colleges, as outlined in the Skills for Jobs White Paper. The funding and accountability consultation⁵, published on 15 July 2021, set out proposals for further change over the next few years. However, we are making these initial changes now, so colleges are best equipped to deal with the immediate challenges of recovering from the Coronavirus pandemic and implementing their education recovery plans.

⁵ [Reforms to further education \(FE\) funding and accountability - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/reforms-to-further-education-fe-funding-and-accountability)

Summary of changes

We are replacing all activity for colleges outside of intervention with a wide range of universal help and support from the FE Commissioner and ESFA. Known as Active Support, this replaces the previous categories of Early Intervention and Prevention.

We aim to make available, to most colleges, the types and level of support that has previously only been available to a small section of the college sector. We are piloting increasing access, for all colleges, to FE Commissioner-led Diagnostic Assessments, National Leaders of Further Education (NLFEs), and National Leaders of Governance (NLGs).

We are also planning to pilot new approaches to helping and supporting colleges, including, for example through the new Curriculum Efficiency and Financial Sustainability (CEFS) programme.

We are confirming the roll out of Annual Strategic Conversations with all colleges, following a successful pilot.

Our range of support for colleges is set out in **Chapter One**.

We are retaining intervention measures for the most serious cases – for colleges which do not improve, where issues remain and more serious action is required. Intervention will replace our previous category of Formal Intervention. We are retaining our existing intervention triggers, but plan to fully exercise discretion on when a college enters and exits intervention – taking full account of a college’s individual circumstances.

In future, colleges exiting intervention will be provided with an agreed package of support to secure sustained improvement – known as post-intervention monitoring and support. In addition, we will extend this support to those colleges that have taken part in any form of structural change.

Guidance on intervention is in **Chapter 2**.

Guidance on restructuring is in **Chapter 3**.

CHAPTER ONE – Sources of support available to colleges

Annual strategic conversations

The Mary Ney review² recommended that ESFA and the FE Commissioner develop a new relationship with colleges, and that this relationship would provide a stronger line of sight with all colleges. From summer term 2021, ESFA will arrange an annual strategic conversation with every college.

This will allow colleges to showcase achievements, and to raise concerns. A representative of the FE Commissioner's team will also join these conversations.

The conversations emphasise that support is not only available to colleges in intervention, but can focus on building success and outstanding practice. These conversations will take place in addition to any other support described in this document – and indeed may often signpost colleges to further support described below.

Active support

We are replacing all activity for colleges outside of intervention with a wide range of universal help and support from the FE Commissioner and ESFA. This active support replaces Early Intervention and Prevention and opens to most colleges the types and level of support that has previously only been available to a small section of the college sector.

The introduction of Annual Strategic Conversations provides a platform to reset ESFA's relationship with further education colleges, and to situate a new offer of support in a positive and empowering context. This change, as recommended within the Dame Mary Ney Report², is a significant shift in the work of both ESFA and the FE Commissioner (FEC) and will see colleges accessing a wide range of supporting activities. We will continue our move away from the 'visit and report' activity that was prevalent in the past and increase our strategic and supportive relationship with all colleges.

Nevertheless, as part of our core function, we will still need to ensure that there is an effective use of public funding, and the safeguarding of the learner is a priority. Therefore, we will continue to monitor and analyse the intelligence and data that we collect, and if necessary, intervene. This could, for example, require the college to provide additional information, be visited by the FEC or undertake a diagnostic assessment.

As part of active support, we will make available to colleges a range of prevention and support tools, which include, but are not limited to:

- i. FE Commissioner-led Diagnostic Assessments,
- ii. Local Provision Reviews

² [Report of the independent review of college financial oversight, 2020](#)

- iii. Support from National Leaders of Further Education (NLFEs) and National Leaders of Governance (NLGs),
- iv. College Collaboration Fund,
- v. Independent Business Reviews,
- vi. FE Commissioner-led structure and prospects appraisals
- vii. College Governor Financial Dashboards, and
- viii. FE Commissioner -produced sector benchmarks.

It is important that colleges engage, and we will encourage them to talk to us as early as possible as to what support and help they require. It is not about the department deciding what is best but reaching a common understanding and agreement of what will make the college better.

As part of active support, we will share good practice and lessons learned with the sector, with the agreement of the colleges involved. We will explore a variety of ways that we can disseminate this information, including the FE Commissioner annual report. We believe sharing good ideas and practices will help improve the sector.

New approaches to help colleges

We will pilot a new Curriculum Efficiency and Financial Sustainability programme. This builds on the success of the School Resource Management Adviser programme that has helped schools in reviewing their expenditure to realise savings that they have been able to put into educational delivery. We will adapt this to meet the needs of colleges and the provision they deliver.

For the pilot, we will utilise the FE Commissioner and ESFA territorial teams to identify colleges that could benefit from support with curriculum and financial planning. We will offer colleges support from specialists within the FE Commissioner team and peer to peer support, including from our NLFEs and NLGs. Support will be tailored to individual needs and planned in agreement with each college. Further information will follow.

We will evaluate the pilot in due course to determine whether to roll it out more widely.

Diagnostic assessments

Diagnostic assessments are an important part of active support. They are visits to a college by the FE Commissioner to scrutinise the college's financial and quality plans. The visit includes discussions with the senior leadership team, as well as other stakeholders at the college. For example, governors, staff, students, unions, and curriculum managers. The FE Commissioner's team, generally led by a FE Commissioner Deputy, take 2 days to complete their visit, although there is preparatory work that is completed prior to the visit, plus post-visit work to write up the findings of the visit and recommended outcomes. A verbal feedback meeting at the end of the visit will explain what the FE Commissioner's team have found and what outcome and recommendations they will be reporting. A written report on the visit, including confirming the outcome and any recommendations will be ordinarily shared with the college within 2 weeks.

There are 3 possible outcomes from a diagnostic assessment:

- **endorsement of the college's approach:** the college has robust plans in place to address the issues and senior management has the capacity to secure improvement. There may be minor recommendations in the report from the FE Commissioner that the college should consider
- **suggested actions to strengthen or supplement existing improvement plans:** while the college's leadership has the capacity to lead improvement in financial health and/or quality, the existing improvement plans need further strengthening to ensure that improvement is rapidly secured. The FE Commissioner will set out in the report a detailed range of recommendations for the college to consider. The FE Commissioner will revisit the college again, usually specified within the recommendations in the diagnostic assessment report, to review progress
- **recommendation for escalation to Intervention:** the FE Commissioner believes that stronger action is required quickly

Who can participate in a diagnostic assessment?

Any college, not in intervention, is eligible for a diagnostic assessment. They can either be chosen by ESFA and FE Commissioner or the college can request a diagnostic assessment.

Where the college is chosen by ESFA and FE Commissioner, this will be based on the evidence and intelligence we have and the risk of the college moving towards intervention. The FE Commissioner and ESFA will work together to determine which of the colleges should be prioritised, looking at a wide range of information and risk factors. This could include, for example:

- financial data, including statements, plans and cash flow forecasts
- Ofsted reports, including monitoring visits
- where a college has recently completed or is judged to be on track to complete a structural change

- where evidence, intelligence or data indicate a college may benefit from targeted support, for example, around the quality of governance or financial management
- sudden or unexpected changes to the leadership of the college
- requests by the college for advancement of funding to help with short-term cash flow issues

ESFA and the FE Commissioner will regularly review the information we have on each college and whether a diagnostic assessment would be useful, is the best method of support or whether better alternative approaches from them or elsewhere could be put in place.

Where a college requests a diagnostic assessment, we will ask that they set out why they believe this would help and what support they are looking for. Previously, this was only available to a college where a new principal had taken up a post and, after feedback from the sector, we feel that this opportunity should now be available to any college. A college would request this by emailing FEC.OPERATIONS@education.gov.uk. A college could also contact the FE Commissioner to discuss whether a diagnostic assessment would be useful prior to making a formal request.

Further support and help

In a change to previous policy, we will continue to offer support to any college that has participated in a diagnostic assessment. This change is based on feedback from the sector. For example, where the outcome of a diagnostic assessment is that the college plans are endorsed by the FE Commissioner or that the college needs support between formal revisits by the FE Commissioner, we will now make available the opportunity for further support and help from the FE Commissioner's team. Colleges can request this from the FE Commissioner's team at any time during the diagnostic assessment process.

National leaders of further education

National leaders of further education (NLFE) provide strategic mentoring and peer to peer support to other colleges to improve. They are serving college leaders who have a strong track record of delivering improvement both at their own colleges and in working with others.

NLFEs have autonomy in determining how they deliver support and tailor their work to fit the needs of the college(s) they are supporting. This could include involving other members of the NLFE's college staff to provide support. An NLFE might, for example:

- work with the principal and leadership team to identify improvement needs, and potential sources of support
- provide strategic mentoring to the college leadership
- work alongside key members of the leadership team on the delivery of specific improvement programmes

Further information on NLFEs is available online⁶. Colleges seeking an improvement partnership should contact the Office of the FE Commissioner:

FEC.OPERATIONS@education.gov.uk.

National leaders of governance

National leaders of governance (NLG) provide strategic mentoring and support to governance boards at colleges that need to improve. NLGs are experienced college governors and clerks with a strong record of supporting college improvement.

The role of an NLG includes:

- diagnosing and reviewing governance improvement needs
- assisting the board of governors to draw up an improvement plan
- developing the capacity and expertise of the board of governors
- providing support and advice
- coaching and mentoring
- identifying additional and ongoing sources of support

Further information on NLGs is available online⁷. Colleges that have enquiries about NLGs should email the Office of the FE Commissioner

FEC.OPERATIONS@education.gov.uk.

⁶ [National Leaders of Further Education programme: current national leaders - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

⁷ [National Leaders of Governance for further education: current national leaders - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Funding to support quality improvement - college collaboration fund (CCF)

The college collaboration fund (CCF) is a national programme of competitive grant funding open to all statutory further education (FE) colleges such as, further education (FE) colleges, sixth form colleges and designated institutions in England.

The CCF supports groups of colleges to collaboratively address shared quality improvement challenges, produce new resources for use by other colleges and strengthen the improvement capacity within the FE sector.

The first round of the CCF awards were made in July 2020 and projects concluded at the end of March 2021. A second round of awards will be made to support delivery of new projects during the financial year 2021 to 2022. Activity in this second round will conclude at the end of March 2022.

Learning from the CCF programme is being disseminated and a summary of each individual project, including signposting to the resources they have produced, can be accessed at the CCF GOV.UK page⁸

⁸ [College collaboration fund \(CCF\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/college-collaboration-fund)

CHAPTER 2 - Intervention

Triggers and action

The intervention triggers/thresholds are detailed in Annex A. ESFA case managers will consider the context and circumstances of the case in exercising discretion where it is available to them. They will, however, be clear with the college, in writing, about the action they decide to take and the reasons for it. Where intervention actions do not resolve the position of the college it is likely to lead to a structural solution or a managed insolvency.

Notices to improve (Ntl)

ESFA will normally issue a college with a notice to improve (Ntl) where it meets the financial triggers for intervention (circumstances as specified in the financial table detailed in Annex A) and where ESFA judges that it should be put into intervention. Where an Ntl is issued, it will normally be published.

Where we judge it appropriate, after a merger we may allow a period of time for the merged college to stabilise before issuing and/or publishing a Ntl. This is set out in the financial planning handbook. For published NtIs, publication takes place after the Ntl has been received by the college and GOV.UK is updated (ordinarily on a monthly basis) to add or remove NtIs.

Compliance with the Ntl and arrangements for lifting will be specified in the Ntl. It will also set out clear requirements that the college is expected to meet within a timeline. These requirements form additional conditions of funding. NtIs will be reviewed, between the college and ESFA, on at least an annual basis to ensure they remain appropriate, and reflect achievements made at the college.

ESFA does not issue NtIs to colleges in respect of Ofsted overall 'Inadequate' assessments. Instead, implementing the published recommendations made by Ofsted and subsequently the FE Commissioner in their respective reports - from a requirement of the college funding agreement. ESFA will write to the college when an overall 'Inadequate' Ofsted report is published (this letter will not be published).

Post-intervention monitoring and support

We do not want colleges to remain in intervention for longer than is necessary and will exercise discretion in determining when a college has met the additional conditions of funding set out in a letter or Ntl . However, we do not want colleges to be 'left' without support at the end of that period. So, when a college exits intervention, we will agree a post-intervention monitoring and support plan – detailing relevant support activities. We will use our resources to put in place a range of activities and support measures, drawing on experts with the department and FE Commissioner, as well as external expert advisers.

In addition, we will also make this support available to those colleges that have undergone structural change, such as a merger.

Key intervention tools

Supervised college status

Supervised college status involves enhanced monitoring and review by the FE Commissioner and ESFA. It usually entails ESFA observers attending college board meetings and colleges consulting/informing the FE Commissioner and ESFA on decisions that affect the long-term future of the college. These would include, although are not limited to:

- the appointment of senior post holders
- significant financial commitments in excess of a specified threshold
- significant asset disposals and/or developments
- any plans for structural change

A college in intervention can be put into supervised college status where ESFA and the FE Commissioner consider it appropriate, including where the level of risk escalates, for example, where an additional intervention threshold is breached, where significant milestones are not achieved (such as at re-inspection) or where ESFA considers recovery to be too slow.

FE Commissioner intervention assessments

If a college meets the triggers for intervention, as set out in Annex A, the FE Commissioner will be deployed to the college to undertake an intervention assessment. The FE Commissioner's role during an intervention assessment is to assess the capacity and capability of the existing governance and leadership to deliver rapid and sustainable improvement where serious weaknesses and risk of failure have been identified.

The FE Commissioner will consider all relevant available information about the college and take account of the views of staff, stakeholders, learners, employers, local authorities and MCAs, as well as Ofsted, DfE and ESFA. When making recommendations the FE Commissioner will consider the full range of intervention actions available.

If a college is escalated into Intervention as a result of a diagnostic assessment, the FE Commissioner, together with ESFA, will consider what further assessment is required to supplement the original diagnostic and inform further FE Commissioner recommendations.

Recommendations are discussed with the college, after which the FE Commissioner will prepare a summary report setting out their findings, conclusions and recommendations. Colleges will be given the opportunity to fact check the report before it is finalised.

Where, in the FE Commissioner's opinion, the actions of individuals no longer at the college are criticised, and those individuals are identifiable from the report and have not previously had an opportunity to respond to the criticisms, they will be given the opportunity to comment and respond to the points made before the report is finalised and published. It will be a matter for the FE Commissioner to decide whether or not to amend the report in light of any comments received.

The minister responsible will consider the final recommendations and will write to the college with a summary report. The minister will task the college's chair with developing a robust action plan for how the college will implement the recommendations. The college is asked to write to the minister within 10 working days setting out how it will implement the recommendations. The minister's letter and the FE Commissioner's summary report will be published on GOV.UK.

Recommendations

Where there are concerns about the capability of the college to address the issues that lead to Intervention the FE Commissioner will consider recommendations such as:

- changes to governance and/or leadership
- conditions or restrictions on funding
- new or revisions to existing recovery plans, curriculum reviews and quality improvement plans
- further activity to determine the most appropriate way forward that is in the best interest of local learners and employers. This could include consideration of restructuring or exit
- placing the college into supervised college status

If the FE Commissioner or ESFA has concerns about non-compliance with charity law, DfE will consider whether to refer the case to the Charity Commission.

Monitoring and review

ESFA case managers retain overall responsibility for day to day case management. However, the FE Commissioner and ESFA will work together to ensure there are coherent monitoring arrangements in each case. These arrangements will depend on the individual case but could involve:

- periodic progress meetings between the FE Commissioner, ESFA, the college and other strategic partners to monitor progress against the action plan
- formal 'stocktake' assessments conducted by the FE Commissioner, which could lead to advice on any further action needed to secure continued improvement

FE Commissioner involvement after an intervention assessment

The FE Commissioner will retain a role in monitoring cases that have had an FE Commissioner intervention assessment until a college is removed from Intervention. FE Commissioner stocktakes will be scheduled according to the risk of the college. ESFA will continue to coordinate and monitor the implementation of recommendations, and compliance with additional conditions of funding, throughout the intervention process.

As outlined above, when a college exits Intervention, we will agree a post-intervention monitoring and support plan – detailing relevant support activities (see “Post-intervention Support and Monitoring”).

CHAPTER 3 - Restructuring

In some cases it may become clear that support and Intervention are not enough to deliver improvement and that a structural solution is required, which could involve looking at the structure of a college and the way in which FE provision is delivered in a local area.

Options available to the college

Before making a decision on structural options it is vital that there is a robust and independent assessment. This should be discussed with the college's ESFA case manager, who will be able to provide advice and guidance on how to approach the options assessment and provide access to FE Commissioner support where appropriate.

Where a college identifies the need for structural change there are a number of potential options for the college to pursue. It is essential that any structural change is driven by a sound costed curriculum plan and estates strategy that meets the needs of the area. The type of change will depend on individual circumstances, but in most cases the need for change will be driven by issues of viability and therefore the structural change will need to realise greater efficiency and cost reductions, which could be achieved through estates, curriculum, staffing and operations rationalisation. This could be achieved through a number of routes including:

- a restructure of the existing institution
- a merger with another institution
- disaggregation of the existing institution, which could result in a smaller core institution; or
- the complete dissolution of the board conducting that institution or closure of the institution

When to seek advice

Colleges should seek advice at the earliest opportunity and consult with their ESFA case manager on potential options. The earlier potential issues are identified, the more scope there is for structural change to deliver long term sustainability. The longer it takes to identify issues of underperformance and viability the fewer options there will be and the more likely it is that the college will lose control of determining its own future.

The issues colleges experience are varied and therefore the type of options and support required will also vary. Regardless of whether the issue is temporary or an underlying concern about long term viability, it is important that the issues are identified and there is a robust assessment of options before agreeing on the approach.

Colleges should also ensure suitable professional advice is received on all major decisions. This could include financial due diligence, turnaround advice (including strategic or operational), business change support (such as HR or systems), estates advice (including in

respect of ongoing maintenance, efficiency and suitability of existing space, development and sale potential and on large capital projects) and legal advice.

ESFA can support colleges to identify potential providers for advice, as well as advise on scope and lessons learned by other colleges in similar positions.

Independent business reviews (IBRs)

IBRs are intended to establish clarity on a college's position and to provide a robust and independent assessment of the options for its future. They are a tool for colleges and their lenders and funders to help make informed decisions, including whether structural change is necessary.

There are different ways for an IBR to be commissioned. Sometimes colleges will commission their own IBRs, and we would encourage them to consider doing so as early as possible if they have concerns. Lenders, as now, may commission an IBR where they have concerns about future viability, and where there may be a risk that the college will become insolvent, though an IBR does not necessarily lead to insolvency. In the same way, where DfE has concerns about future viability, we may commission an IBR, which we may choose to fund.

In cases of serious financial failure, where a college is unable to continue to finance its operations, we would expect an IBR to be commissioned, except where the circumstances mean that another approach would be more appropriate. DfE would consider commissioning and funding the IBR if required.

Other circumstances in which we would expect an IBR to be commissioned include where:

- the college identifies risk to its financial viability or sustainability;
- a lender requests or requires a college to undertake an IBR. This is at the discretion of the lender but may be required in the case of a covenant breach
- a college is unable to continue to finance its day to day operations
- a college creditor has made an application through the courts for a college to be put into administration (which would trigger the 14 day decision period⁹)
- a college is identified by ESFA forecast model as likely to be financially inadequate in the next academic year
- ESFA intervention team or specialist restructuring team commission an IBR inline with the terms of the college funding agreement
- the FE Commissioner recommends an IBR following a diagnostic assessment, intervention visit or an FE Commissioner local provision review

⁹ [Further Education Bodies: Insolvency Guidance \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

Where colleges fund the costs of an IBR themselves, they should discuss and agree the scope of the IBR with ESFA (intervention case manager and specialist restructuring team) and must ensure that any IBR provider has a duty of care to DfE. If a college identifies the need for an IBR but is unable to meet the costs, they should contact ESFA about potential support to meet those costs.

Using an IBR to provide an independent assessment of the college position and their options has significant benefits for college governing bodies and leadership teams, as well as for DfE and lenders: it provides an objective assessment of options which can be used as a common basis for decision making. The earlier an IBR is done, the more options are likely to be available to the college to resolve any issues identified.

The scope of an IBR is determined on a case by case basis by those commissioning the review. Typically, IBRs require an agreed baseline of information (financial, sector and commercial) to facilitate effective decision making.

IBRs are usually conducted by an accountant specialising in financial reviews and restructuring who may be a licensed insolvency practitioner (IP). The IP or accountant will spend time in the college, assessing the financial and strategic future of the college and addressing the matters set out in the IBR engagement contract. This will typically involve discussions with wider stakeholders, potentially including Local Enterprise Partnerships (LEPs), MCAs, local authorities, the Regional Schools Commissioner, higher education institutions and neighbouring colleges that could be considered for merger or might otherwise be affected by changes, such as receiving transferred students in the event of an insolvent college closing.

The length of time to complete an IBR will depend on the scope and complexity of the individual case and the quality of the information available in the college. Generally, it is expected that a full IBR will take between one and three months. Where a college is well managed and has high quality management information about its performance (for example, contribution analysis by curriculum area, funding type and site) it will be much easier to pull together the information needed for an IBR.

IBR reports are private documents which will not be published as they are commercially sensitive and are undertaken confidentially.

Post IBR decisions

An IBR would usually contain an assessment of options and recommendations. In considering and implementing the recommendations of an IBR the college are expected to take into account value for money. The college or other stakeholders may also have identified options through other routes, including any support or intervention activity that may have already been undertaken with the particular college including from the FE Commissioner. The decision as to which option(s) to pursue sits with the governing body of the college (unless the college is insolvent, in which case these decisions would be taken by the administrator) and is likely to require the support of any funders and creditors to deliver.

Structure and prospects appraisal (SPA)

A SPA is a structured way of assessing options to change a college's structure and/or provision in a clear, objective and evidence-based way. There are broadly two scenarios that would give rise to the need to undertake a SPA:

A college is considering or pursuing a structural change

Colleges are independent and it is the responsibility of their corporations to consider the case for structural change. The 'Skills for Jobs' White Paper¹ will also lead to the introduction of a duty on colleges to keep their provision and structure under review. If colleges are considering structural change or a review concludes that this is needed, undertaking a SPA is strongly encouraged. This will help to ensure a college takes an objective and evidence-based approach that will enable the institution to best meet the needs of learners and employers in the local area.

Colleges considering a structural change can undertake their own SPA but are also able to request an FE Commissioner led SPA. As former highly experienced FE leaders who understand the way colleges operate, the FE Commissioner team can help colleges assess their restructuring options. If necessary, the team can also provide valuable support to help the college find appropriate partners. Through an FE Commissioner led SPA, colleges can expect:

- a set of FE Commissioner backed, objective and impartial recommendations for the future structure and provision in the organisation, based on thorough analysis of available information
- advice, support and leadership to run a productive SPA process, including running a fair and transparent process to find a partner, if a merger option is decided upon
- expert support to assess potential options, including mergers

Further information about how FE Commissioner led SPAs work is available online¹⁰. Colleges that would like to request a SPA should contact:

FEC.OPERATIONS@education.gov.uk.

A structural change has emerged as a potential solution (as part of the intervention process)

There are several interventions that a college may be subject to that could potentially identify a structural change as a solution to the challenges and issues a college faces. If such a solution is to be pursued, colleges will continue to be subject to an FE Commissioner led SPA. A summary report will be published on GOV.UK at the end of FE Commissioner led SPAs.

¹ [Skills for jobs: lifelong learning for opportunity and growth - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth)

¹⁰ <https://www.gov.uk/government/publications/fe-commissioner-led-structure-and-prospects-appraisals-spa>

FE Commissioner local provision reviews

Whilst SPAs are focussed on a single institution and finding the best solution for the continuity of its provision, FE Commissioner local provision reviews can assess options for changing the provision or structure of multiple institutions. We will review the scope and use of local provision reviews in the light of proposals set out in the 'Skills for Jobs' White Paper - to enable intervention where there is a failure to meet local needs (and in light of the proposed changes to the statutory intervention powers under the Skills and Post-16 Education Bill).

FE Commissioner local provision reviews:

- consider the overall provision for learners in the area
- can include multiple relevant institutions
- can consider whether government needs to create new capacity
- are developed in response to gaps in provision or potential insolvency

FE Commissioner local provision reviews are a flexible intervention that can make recommendations on the best way of achieving long term sustainable provision, looking at neighbouring provision to examine structural solutions for securing long term provision. The need to conduct an FE Commissioner local provision review will be determined by DfE. The need for such a review may arise from a number of challenges that affect a college and/or FE provision in a local area, such as:

- weakness or failure of existing providers (including risk of insolvency)
- increased competition
- declining learner recruitment
- inadequate quality
- significant financial challenges
- changes in local demographics and/or local skills needs

DfE will determine the scope and approach of each review on a case by case basis – with input from any prospective administrator – and then write to local MPs, stakeholders and the colleges concerned setting out the terms of reference, which is likely to include details such as:

- broad objectives of the review
- particular areas of a college's structure, delivery model and curriculum offer and/or FE provision in the local area that will be focussed on during the review
- start date and approximate date of completion of the review
- outcomes/potential solutions that will be explored
- relationship of the review to any other support or intervention activity; being undertaken in the case/area in question

The terms of reference will be published.

Although each FE Commissioner local provision review will be bespoke, to address the circumstances of the case, it is likely to involve the FE Commissioner examining options for delivering quality provision in that area. The review will draw on the analysis of current situation and likely future sustainability of the colleges in the area and is highly likely to be accompanied by an IBR. It will also look at evidence beyond the colleges involved, which could include:

- information covering local demography, employment patterns, LEP priorities, local authority priorities and the nature of the current local education market
- engagement with stakeholders such as LEPs, local authorities or MCAs, the Regional Schools Commissioner, schools, local MPs and learners

This review will result in a report that:

- identifies and educationally appraises what the alternative solutions are for FE provision in the area. Potential solutions could include:
 - disaggregation: in which part of the college becomes a separate entity;
 - merger;
 - estate rationalisation: which could include making better use of and/or selling off under-utilised facilities;
 - solvent or insolvent closure of a college: with transfer of some or all assets, liabilities and provision to another organisation.
- provides an outline financial assessment of the options
- includes a recommendation on which option the FE Commissioner views as being best, taking into account feasibility, impact on quality of provision, cost and the needs of local learners and the local education market. In coming to a recommendation, the FE Commissioner will consider questions such as:
 - How will the area's educational needs be met?
 - How will the area's economic and business skills needs be met?
 - How will the quality of provision for current and future learners be sustained and improved?

Emergency funding

We may decide to provide emergency funding where a college is otherwise likely to run out of money. The maximum time that this funding would be provided would be the period it takes to make a decision on the future of the college, and the funding provided would be the minimum to keep the college solvent during that period. However, this decision would be on a case by case basis. As an alternative, the Secretary of State may immediately, or at any later time, apply for an education administration, if it is judged that this is the most cost-effective way of minimising the disruption to existing learners .

If the department is providing emergency funding, the processes to review the options for that college and local provision will be subject to a highly compressed timeline, with much more limited input from the college leadership as to the option to be taken forward.

The process of an options review would be determined case by case depending on what intervention actions have already occurred. Where the department provides emergency

funding the options review will normally include external, independent financial advice.

A request for emergency funding to continue the running of the college does not automatically result in a college being put into Intervention (and the issuing of a notice to improve). However, if emergency funding is provided the college will be put into Intervention (and a notice to improve will be issued).

Funding to support long-term changes

We may provide funding to support the restructuring of a college or changes to a college's provision or operations, either inside or outside an education administration. We will consider on a case by case basis what action and investment minimises the disruption to existing learners, secures the provision the area needs and provides best value for the taxpayer. This funding is provided in exceptional circumstances and at the Department's discretion.

Secretary of State statutory intervention powers

The Secretary of State continues to have powers under sections 56A¹¹ and 56E¹² of the Further and Higher Education Act 1992. This means that the Secretary of State has the power, providing certain criteria have been met, to:

- remove all or any of the members of the governing body
- appoint new members if there are vacancies (however arising); and
- give directions to the college related to the exercise of its powers and performance of its duties

If, following a FE Commissioner intervention assessment, the FE Commissioner or ESFA has concerns over a college's response, for example, if the college fails to respond appropriately to the FE Commissioner's recommendations, they may advise ministers on the appropriateness of using the Secretary of State's intervention powers.

If Secretary of State were minded to use the powers, this would be formally communicated to the governing body, allowing the governing body an appropriate period to make any representations before powers are exercised.

As part of the Skills and Post-16 Education Bill, the government has proposed changes to the existing statutory intervention powers. These changes, if approved by Parliament, are likely to come into force in 2022.

¹¹ <https://www.legislation.gov.uk/ukpga/1992/13/section/56A>

¹² <https://www.legislation.gov.uk/ukpga/1992/13/section/56E>

Insolvency

The FE insolvency regime

The FE insolvency regime has been introduced through the Technical and Further Education Act 2017 (TFEA 2017)¹³, the Further Education Bodies (Insolvency) Regulations 2019¹⁴ and the Education Administration Rules 2018¹⁵. The relevant legislation came into force on 31 January 2019.

Existing insolvency law already applies to companies conducting designated institutions. The new legislation applies aspects of insolvency law to FE and sixth form college corporations, and introduces a new special administration regime (called education administration) for both companies conducting designated institutions and FE and sixth form college corporations (together defined in the TFEA 2017 as 'further education bodies').

DfE has published specific guidance that provides more information on the new insolvency regime for FE bodies, which is aimed particularly at governors⁹. Although instances of insolvency may be rare, college corporations and executives should familiarise themselves with this guidance and seek appropriate advice as necessary.

Insolvency procedures

The FE insolvency regime applies the following existing insolvency procedures to FE and sixth form colleges that are conducted by statutory corporations in England and Wales, as set out in section 6 of the TFEA 2017:

- voluntary arrangements (including a Company Voluntary Arrangement (CVA))
- administration
- creditors' voluntary winding up
- winding up by the court
- fixed charge receivership

The conduct of these existing procedures is governed by the provisions of the Insolvency Act 1986 (IA 1986) as applied by TFEA 2017 and modified by the Further Education Bodies (Insolvency) Regulations 2019 to apply effectively to FE college or sixth form college corporations. Therefore, they operate broadly in the same way as they do for

¹³ <https://www.legislation.gov.uk/ukpga/2017/19/contents>

¹⁴ <http://www.legislation.gov.uk/uksi/2019/138/contents/made>

¹⁵ <https://www.legislation.gov.uk/uksi/2018/1135/contents/made>

⁹ [Further Education Bodies: Insolvency Guidance \(publishing.service.gov.uk\)](#)

companies, although there are differences, recognising that college corporations do not have directors, contributories or shareholders. Provisions in existing insolvency law that require actions or decisions by company members, directors, contributories or shareholders, are either not applied or have been modified to apply appropriately to the equivalent members of an FE or sixth form college corporation.

These insolvency procedures already apply to companies that conduct institutions designated under the Further and Higher Education Act 1992 ('designated institutions') and to private companies that deliver FE.

The FE insolvency regime also introduces a new insolvency procedure called education administration, which is a special administration regime that applies to FE and sixth form college corporations and also to companies that conduct designated institutions. Education administration does not apply to private providers that deliver FE, or academies or other school sixth forms.

Section 39 of the TFEA 2017 also amends the Company Directors Disqualification Act 1986 (CDDA 1986) to apply the Act to FE bodies that are conducted by statutory corporations meaning that in some circumstances governors can be disqualified (both as governors and as company directors) if their conduct in managing the college prior to the insolvency has been unfit. This can apply to any type of governor found responsible for wrongdoing and can also apply to other individuals including those who acted as a governor although not formally appointed as one. This could include members of the executive management team of an FE body. Further information about disqualification is provided in the published insolvency guidance document aimed at governors.

Special administration regimes are based on the existing insolvency procedure of administration, but with modifications to secure continuity of an essential service if a supplier fails. There are already several of these regimes in operation to protect continuity of supply in cases of insolvency in other sectors, including social housing, postal services and energy. Each special administration regime has a special objective that is appropriate to the supplied service that is to be protected.

The special objective of education administration (detailed in section 16 of the TFEA 2017) is to:

- avoid or minimise disruption to the studies of the existing students of the FE body as a whole and
- ensure that it becomes unnecessary for the body to remain in education administration for that purpose

An education administration commences as a result of a court order on an application by the Secretary of State. The court may make an education administration order only if it is satisfied that the FE body is unable to pay its debts or is likely to become unable to pay its debts, for example, is insolvent or likely to become so.

The education administrator (an IP appointed for the purpose of an education administration) may achieve the special objective through means including:

- rescuing the FE body as a going concern
- transferring some or all of its undertaking to another body
- keeping it going until existing students have completed their studies
- making arrangements for existing students to complete their studies at another institution

An existing student is defined in the TFEA 2017 as a student who is already in attendance on a course at the college in question, or who has accepted a place on a course at the college, when the education administration order is made.

The TFEA 2017 also sets out that the education administrator must, in pursuing the objective of the education administration, take into account the needs of existing students who have special educational needs.

The role of the education administrator

The general functions of the education administrator are detailed in section 24 of the TFEA 2017¹⁶. Primarily their function is to achieve the special objective of an education administration and to protect provision for existing learners as a whole and seek the best outcome for creditors as a whole. Often, the IBR will have generated a delivery plan, which the education administrator will aim to put in to effect if it is appropriate to the education administration in question.

The education administrator is a licensed IP with expertise in dealing with insolvency proceedings in a variety of sectors. They are appointed by and answerable to the court. They may not have direct experience of the FE sector, but will consult sector experts if they need advice. They would not be obliged to consult any one specific person, other than employee representatives if redundancies are expected. However, they are likely to liaise with the FE Commissioner and others who have already been involved in discussions with the board and senior staff at an insolvent college. Decisions concerning timings and subject of consultations will be at the discretion of the education administrator.

Reducing the risk of insolvency

As mentioned throughout this document, our aim is to lower the risk of a college entering insolvency through early identification of issues and taking appropriate action early to enable a turnaround where possible. As soon as signs of financial difficulty emerge, either as an immediate issue or anticipated risk, the college should liaise with their bank and ESFA as appropriate. This will assist in identifying appropriate support and intervention available from ESFA and FE Commissioner team now that restructuring facility and exceptional financial support are no longer available.

¹⁶ <http://www.legislation.gov.uk/ukpga/2017/19/contents/enacted>

Governors have duties as charity trustees to ensure good financial management of college corporations. Those duties are all the more important in the event that a college corporation encounters financial difficulty that could result in insolvency. There is a detailed list of governors' duties in the 'Further education corporations and sixth form college corporations: governance guide'¹⁷.

Colleges should not rely solely on ESFA or other review ratings to give an indication of solvency, which may either not fully reflect the college's true financial position or may not be up to date.

¹⁷ <https://www.gov.uk/guidance/fe-governance>

Annex A: Intervention triggers and tools

Table 1: Intervention (financial)

Intervention criteria/trigger	Notice to Improve (Ntl)
1. 'Inadequate' assessment of financial health assessed by ESFA on financial plans or accounts.	A post moderated grade of 'Inadequate' will always put a college in intervention and we will always issue a Ntl.
<p>2. Cash related concerns:</p> <p>a) Any requests for new emergency funding at any time</p> <p>b) Serious cash flow pressures identified at any time</p> <p>c) Debt recovery including slippage on re-profiling, government loan repayments and potentially a breach of bank covenant where the bank takes action</p>	<p>a) Where there is a request for emergency funding to continue the running of the college we reserve the right/have discretion to place the college into intervention or not (and if we do we will always issue a Ntl)</p> <p>b) Where serious cash flow pressures are identified we reserve the right/have discretion to place the college in intervention or not (and if we do we will always issue a Ntl)</p> <p>c) Where debt recovery is an issue we reserve the right/ have the discretion to place the college in intervention or not (and if we do we will always issue a Ntl)</p>
3. One or more qualified audit opinion on a funding audit, qualified accounts, a modified regularity report.	A qualified audit for a substantive matter will normally put a college in intervention. Where a college is placed in Intervention we will always issue a Ntl .
<p>4. Upheld investigations related to college financial management and governance and/or funding audits and/or significant fraud or fraud practice.</p> <p>This will include, but is not limited to, related party transactions and evidence of action taken by an accounting officer and/or</p>	<p>Funding agreements will stipulate that the final recommendations of completed investigations (whether published or not) will become additional conditions of funding and failure to comply will lead to a breach.</p> <p>Funding agreements will stipulate that if we reasonably believe in the course of the investigation (at any point) that we have sufficient evidence of non-compliance that</p>

Intervention criteria/trigger	Notice to Improve (Ntl)
governors outside of the college, departmental controls/policies	<p>we will take immediate action including terminating contract/withholding funds.</p> <p>Where investigations are complete and upheld we reserve the right to place a college in intervention. If a college investigation report is published (currently 16 to 18) and the college is placed in Intervention then we will always issue a Ntl.</p>
<p>5. Evidence of financial practice/action taken by an accounting officer and/or governors that is not in the best interests of:</p> <ul style="list-style-type: none"> • value for money, the protection of public funds • the effective delivery of service for learners • does not meet the public benefit test 	<p>Where we rely on this trigger we will always place a college in intervention and issue a Ntl.</p> <p>A public benefit test is where the organisation has ceased existing for its charitable objectives or a purpose which is beneficial to the community, for example, the relief of poverty or to promote education.</p>
<p>6. Subcontracting where in ESFA's assessment there has been a significant/material non-compliance with subcontracting rules.</p>	<p>We reserve the right/have the discretion to place the lead provider in intervention and if we do, we will always issue a Ntl.</p>
<p>7. Failure to submit financial accounts within 30 days of the published deadline or 30 days of any agreed deadline beyond the published date.</p>	<p>We have the discretion to set a new deadline for the submission of accounts beyond the published date. Where an agreed extension is not met we will always place the college in intervention and issue a Ntl.</p>
<p>8. Escalation by the FE Commissioner from a diagnostic assessment.</p>	<p>If the assessment is reasonable, related to financial/quality issues and agreed by DfE's Case Management Group we will always place the college in intervention and issue a Ntl.</p>
<p>9. Escalation by ESFA if a college fails to demonstrate sufficient progress in resolving issues.</p>	<p>Where a college fails to demonstrate sufficient progress in resolving the issue and demonstrating progress, we may escalate the college to intervention and we may issue a Ntl. Where a Ntl is issued it will always be published.</p>

In exceptional cases, under a recent merger we may allow a period of time for a merger to stabilise before issuing and/or publishing a Notice. This is set out in the Financial Planning Handbook¹⁸.

Other actions we may take in response to a college falling within any financial intervention criterion

- the FE Commissioner will undertake an assessment of the capacity and capability of the college's leadership and management when it is placed in intervention and issued a Ntl
- commission an IBR/costed options appraisal
- FE Commissioner will undertake a local provision review
- commission a FE Commissioner-led SPA
- consider cash flow support
- consider any case for Emergency funding
- undertake a financial impact assessment of Register of Apprenticeship Training Providers removal on the basis of an Ofsted assessment of 'Inadequate' apprenticeship provision
- consider a referral to the Charity Commission
- put the college into Supervised College Status, including appointing an ESFA observer to the governing body
- consider grounds for investigation
- request specific/regular financial information, for example, cash flow templates, financial recovery plans

¹⁸ [College financial planning handbook and financial plan - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

Table 2: Intervention (quality)

Intervention criteria/trigger	Tools/actions we will take	Other actions we may take
Ofsted overall 'Inadequate'	The FE Commissioner will always be deployed to make an assessment of the capacity and capability of the leadership and management to bring about improvement. If recommendations are accepted the summary report will be published.	We will write to the college to let them know that compliance with Ofsted and FE Commissioner recommendations are conditions of continued funding and failure to comply may lead to a breach of those conditions.

Annex B - The role of Education and Skills Funding Agency

ESFA (acting on behalf of the Secretary of State for Education) allocates, and is accountable for, significant annual funding to providers of education and skills training for young people and adults. ESFA plays a part in the regulatory system through the exercise of its grant and contractual conditions.

ESFA will intervene when it has evidence of risk of failure or underperformance or non-compliance with funding requirements. It will intervene in proportion to the seriousness of the issues and the college's context and circumstances. This may include acting on the recommendations of the FE Commissioner.

ESFA FE directorate territorial teams

All providers have a lead contact in one of ESFA FE territorial teams. That team will take an active case management role, including leading annual conversations and agreeing active support requirements as well as acting if a college meets a trigger for intervention.

ESFA case manager will:

- act as the primary contact point and relationship manager for the college
- lead the annual strategic conversation with the college
- act as the co-ordinating point for all engagement with the college by ESFA and DfE (including funding teams, PMO teams and the FE Commissioner)
- work closely with the college to offer active support, where required
- assess the evidence and level of risk to determine how we will support and challenge the college to improve
- where intervention has been triggered, monitor progress and keep DfE, ESFA and FE Commissioner approach to the case under regular review
- escalate or de-escalate the level of intervention as and when appropriate, based on assessment of risk and compliance with additional conditions of funding or the terms of a Ntl

ESFA case manager will engage with other stakeholders where appropriate, including local authorities, LEPs and any banks providing services to the college.

Where appropriate, ESFA will work closely with other funding bodies for FE colleges, including the MCAs and the GLA where they have devolved or delegated responsibility for the Adult Education Budget, and the Office for Students.

ESFA case managers will seek to achieve outcomes that:

- are in the interests of learners
- protect public money
- achieve resolution of financial or quality concerns at pace

ESFA provider market oversight directorate

The purpose of the PMO directorate is to provide expert financial and funding support to ensure ESFA funding is spent effectively and for the purposes intended by

Parliament. This is achieved by:

- providing assurance on the use of funds
- by supporting financial intervention in providers and providing financial analysis to target resources towards risk to minimise the financial and disruptive cost of provider failure
- by feeding key lessons back into the agency's frameworks and processes to minimise future failures, support improvement and prevention and to strengthen the delivery of the college oversight objectives

In respect of college financial distress, PMO may become involved in particular high risk cases to provide specialist financial advice, initially through support to ESFA casemanager internally. Where we commission and meet the costs of an IBR, PMO will take the lead for DfE in commissioning an IBR and will provide a financial sustainability and value for money assessment in any cases where there is a call on public funds. PMO has an ongoing role in monitoring of colleges that have previously received Restructuring Facility Exceptional Financial Support and funding from the insolvency budget (including emergency funding).

Annex C - The role of the FE Commissioner

The FE Commissioner role was created in 2013 as an independent adviser to ministers. The FE Commissioner is a public appointment by the Secretary of State for Education and reports to the skills minister.

The FE Commissioner, working closely with colleagues in ESFA, supports improvement in our national network of further education and sixth form colleges, as well as working with local authorities, specialist designated institutions and other organisations, to deliver high quality outcomes for learners, and to meet local economic need. The FE Commissioner leads a team of around 18 deputy FE commissioners and FE advisers, made up mainly of former FE college principals or deputy principals and directors of finance.

Whilst the role of the FE Commissioner includes making recommendations for actions that colleges should take to improve, the responsibility for effectively carrying out those actions, and for holding leadership teams to account, remains with the college.

Annex D - Role of Ofsted

Ofsted is a non-ministerial government department responsible for inspecting and regulating services that:

- provide education and skills training
- care for children and young people

Ofsted inspects and reports on the quality of education and training in FE and sixth form colleges, including how well safeguarding and Prevent obligations are met. The education inspection framework (EIF implemented September 2019) sets out the principal areas of assessment:

- quality of education
- personal development
- behaviour and attitudes
- leadership and management

Ofsted uses a 4 point grading scale ranging from 'Outstanding' to 'Inadequate'. Inspections, which include interviews with governors, are carried out at varying intervals depending on a college's past performance (newly merged colleges are inspected within three years of the merger). Ofsted inspection reports are published.



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