

**Lynne Sedgmore CBE**

**157 Group**

**P O Box 58147**

**London**

**SW8 9AF**

Mr Keith Smith

Skills Funding Agency

10 Victoria Street

London

SW1H 0ET

Date: 28<sup>th</sup> October 2013

Dear Keith,

I am writing to you as Kim is still on sick leave. My members are extremely concerned about the ongoing problems with the FIS software and its effect on the 2013 / 14 academic year.

We welcome the changes to funding and systems that you are implementing and look forward to longer term benefits. However, the problems with immediate implementation are causing serious difficulties for my members and it is imperative that they be resolved without further delay. In general, communication has been poor. My members would like short, clear, concise information about how the problems will be resolved and request a new timeline and clear indication of when the software will be released.

In terms of immediate impact, my members report:

- Inability to accurately calculate income generated from adult enrolments
- Changes to adult funding methodology make estimates unreliable
- Inability to inform the Corporation Board of college performance against a significant income stream
- Inability to enter into sub-contracts due to lack of up to date data on financial performance
- Inability to calculate 'rollover' values of students - adult apprentices and workplace learning students which impacts on the number of starts required this year
- Inability to prepare accurate monthly management accounts for August and September (to date) but this will include October in next 17 days (first quarter)
- Impact on preparation of promotional materials for programmes commencing in 2014 to address any shortfalls

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Lord Victor Adebawale

- Potential inability to achieve the 2013/2014 ASB allocation and specific funding streams contained within (ie volume of apprenticeships)

You will appreciate that these are all very real and serious problems for the sector and I hope we can work together to an immediate resolution.

Yours sincerely

**Lynne Sedgmore CBE**

Executive Director

cc. Mathew Hancock MP - Minister for State for Health & Skills  
Mike Keohan - Director of Vocation Education, BIS  
Paul McQuire -  
Peter Lauener - Chief Executive, EFA

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