

## NOTICE OF CONCERN — FINANCIAL CONTROL

**A** notice of concern issued for financial control requires the provider to submit information to their funding body, to assure them that financial control arrangements are adequate.

City College Brighton and Hove was required to submit a number of documents to meet its notice of concern for financial control, issued on 1 June 2015.

These included an unqualified statement of corporate governance and internal control, annual report of the audit committee and report from auditors that confirmed all areas of concern had been addressed.

The college submitted these articles to the SFA on 22 December 2015.

Nick Juba, the chief executive officer of City College Brighton and Hove, said: "The SFA issued City College Brighton and Hove with a notice of concern for financial control following a review of the 2013/14 financial statements and the annual report of the audit committee.

"Since then, City College has met all of the requirements of the notice of concern, within the timescales set by the SFA, and fully expects to receive formal notification that the notice has been removed in March (2016)."

## NOTICE OF CONCERN — INSPECTION

**A**n SFA notice of concern and a visit from the FE commissioner are both automatically triggered if a provider receives an 'inadequate' grade at inspection from Ofsted.

City College Coventry received a notice of concern for inspection on 21 January this year, after Ofsted published a report grading the college as 'inadequate' on 31 December 2015, following an inspection from 23-27 November.

A spokesperson for the college confirmed that the notice would remain in place until the college has met the minimum improvement criteria. This involves receiving a satisfactory financial health rating from the SFA and reaching at least requires improvement at the next full Ofsted inspection, which is expected within 12-18 months.

The college also received a visit from the FE deputy commissioner and his team on 16-18 February.

The spokesperson added: "The college has a detailed Improvement Plan, one that blends actions from the Ofsted-informed post inspection action plan, feedback from the SFA and our underlying financial improvement plan.

"[The FE deputy commissioner's] findings will further refine our improvement plan and make sure that we are on the right track with our short and midterm direction."

## NOTICE OF CONCERN — FINANCIAL HEALTH

**T**he first trigger for a notice of concern is failure to meet the SFA's criteria for financial health.

The SFA collects information from colleges each year in order to give them an overall financial health rating. An inadequate rating means there is a significant risk the college will be unable to fulfil the terms of its contract because of weak finances.

Leeds College of Building (LCB) was issued a notice of concern for financial health on 2 December 2015, because spending on a new campus at Hunslet in South Leeds had used up most of the college's cash reserves.

However, it has a long term financial plan for improvement, and says less than one per cent more income on its budget this year will bring it up to a satisfactory grade.

Ian Billyard, principal at LCB, said: "Our corporation and executive team agreed some years ago to manage a number of deficit years to enable the purchase of the private training provider Achieve Through Learning and the building of our new Hunslet Campus.

"This strategy has been achieved and despite many years of Government cuts we have ambitious plans for a phase two development at Hunslet, supported by the Local Enterprise Partnership."

## NOTICE OF CONCERN — MINIMUM STANDARDS

**A** notice of concern can also be issued if a provider does not meet minimum standards in apprenticeships or education and training for adult learners.

The minimum standards require that providers meet a threshold for Qualification Achievement Rates in different types of provision, such as Basic Skills Maths and English.

Providers are expected to review their minimum standards assessments from the SFA every year and use them to improve achievement rates.

If they fail to meet minimum standards the SFA decides whether to intervene formally, taking into account factors such as circumstances beyond the provider's control and whether data is being used to set targets and guide progress.

A provider is not normally referred to the FE commissioner for failing minimum standards.

A notice of concern for minimum standards was issued Bromley London Borough Council on 31 March 2015.

A council spokesperson said: "The notice of concern applies to a small number of courses run by Bromley Adult Education College which did not reach the expected outcomes.

"An action plan was put in place and recent results indicate that an improvement has been made. We are waiting for confirmation of this and for the notice to be removed."