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I am writing to inform you of the Government's view of the position of North Shropshire College following the Further Education (FE) Commissioner's recent review, and the next steps that will need to be taken to secure improvement.

As you know, following a request for exceptional financial support, the Skills Funding Agency assessed the college's financial health as 'inadequate'. In accordance with our published policy, I asked the FE Commissioner, Dr David Collins, to carry out an assessment of the college and this was conducted between 7 and 11 September 2015.

The FE Commissioner's key finding is that the college governors, the Principal and the other members of the senior management team are working hard to deal with some very difficult financial problems at a time when the funding environment has been and will continue to be very challenging. He notes that the college has recognised that in the circumstances it is not sustainable in its current form and is exploring options to ensure that the needs of learners and employers in the area can continue to be met.

The FE Commissioner's principle recommendations are thus that the board should continue to explore alternative options for its future and should actively participate in the Shropshire Area Review when it is announced.

The FE Commissioner also makes a number of detailed recommendations for action that the college should take over the coming months, including appointing a governor with expertise in financial management as soon as possible and strengthening the capability and capacity of the finance team. I have carefully considered the FE Commissioner's assessment, and accept all the recommendations he makes.

I welcome the college's acknowledgement of the severity of its financial challenges and the actions it has recently taken to develop and implement a recovery plan. There remains, however, much to be done and North Shropshire College faces a challenging future. I shall be looking to you, the other members of the board and the senior management to provide the appropriate leadership in these difficult times.

A summary of the Commissioner's assessment report and recommendations are provided with this letter. This summary and my letter to you will be published on www.gov.uk two weeks following the date on which this letter was sent.

If you have any questions about the FE Commissioner's assessment or this letter please contact Paul Lucken in the Skills Funding Agency Paul.lucken@sfa.bis.gov.uk in the first instance.

NICK BOLES MP