



Education & Skills  
Funding Agency

Education and Skills Funding Agency  
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[www.gov.uk/esfa](http://www.gov.uk/esfa)

19 February 2020

Ms Alison Munro  
Chair of the Corporation  
National College for Advanced Transport & Infrastructure  
2 Lister Street  
Birmingham  
B7 4AG

Dear Alison

### **Financial Health Notice to Improve**

This letter and its schedule updates and replaces the Notice to Improve (NTI) originally issued on the 6<sup>th</sup> December 2019, in line with clauses within the Funding Agreements between the Secretary of State for Education (DfE) acting through the Education and Skills Funding Agency (ESFA) on behalf of the Crown and the National College for Advanced Transport & Infrastructure.

It sets out additional conditions of funding that the National College for Advanced Transport & Infrastructure is required to comply with in order that ESFA can continue to fund. The conditions set out in the schedule(s) of this NTI are in addition to the conditions of funding set out in the Funding Agreements.

I am issuing this NTI because financial information provided by the National College of Advanced Transport & Infrastructure and assessed by ESFA, in line with our published Financial Planning Handbook for Colleges, indicate that the college is financially inadequate. The assessment raises serious concerns about the financial viability and long-term sustainability of the National College for Advanced Transport & Infrastructure and as a result the college is now in formal intervention.

Schedule 1 attached sets out the action required under this NTI.

### **Recommendations of the FE Commissioner**

This NTI aligns with the Department's published policy, *College Oversight: Support and Intervention* (April 2019). This NTI sets out the recommendations of the FE Commissioner following an independent assessment of the college's capability and capacity to make the required changes and improvements within a reasonable period of time.

Where a NTI has been issued, the ESFA may take it into account when determining any eligibility for growth funding and/or it may also affect your ability to be successful in tendering for other funds and other competitive tendering processes for new provision.

### **Monitoring**

The ESFA will closely monitor the college's progress towards meeting the additional

conditions through regular scheduled case conferences to work with the college and wider agencies to implement the recommendations and secure the best outcome for learners and employers to maintain access to high quality provision.

## **Compliance**

If the National College for Advanced Transport & Infrastructure does not comply with the additional conditions within the specified time period, ESFA will pursue one or more of a range of options outlined in, or incorporated into, the funding agreements.

In all cases, the removal of the additional conditions will occur only when the National College for Advanced Transport & Infrastructure receives a letter from ESFA indicating that the additional conditions have been met.

## **Complaints**

If you consider that ESFA has acted unreasonably or not followed a proper procedure in issuing the additional conditions, you can make a complaint under the procedure for [dealing with complaints about the ESFA](#).

## **Publication**

ESFA publishes all NTIs on gov.uk. This notice will be published on the 24<sup>th</sup> February 2020.

## **Reviews**

ESFA will regularly review this NTI with you. It is likely that the NTI will be re-issued, at least annually to ensure the terms and conditions remain relevant. ESFA reserves the right to reissue at any point should circumstances significantly change.

## **Action required**

Please acknowledge receipt of this letter and the schedule below by writing to me within 5 working days of the date of this letter. This NTI has also been sent to the acting Accounting Officer of the college and is being copied to Ofsted, the relevant local authorities, the West Midlands Combined Authority (WMCA) and the FE Commissioner.

Yours sincerely



Karen Riley  
Deputy Director  
FE Directorate Territorial Team – Midlands and East

Copy to: Martin Owen, Acting Chief Executive NCATI  
Jos Parson, Ofsted  
Clive Heaphy, Interim Chief Executive Birmingham City Council  
Damian Allen, Chief Executive Doncaster City Council  
Julie Nugent, Director of Skills & Productivity WMCA  
Richard Atkins, FE Commissioner

## **Schedule 1: Inadequate Financial Health**

### **National College for Advanced Transport and Infrastructure**

This schedule sets out the additional conditions required of the overall service. It has been issued because of the weak financial health position forecast in the National College for Advanced Transport & Infrastructure 2019/2021 financial plan, serious cash flow pressures requiring emergency support from the Department for Education and the FE Commissioner conclusion that the current business model operated by the college will not provide financial sustainability.

#### **Timescales**

The additional conditions outlined within this schedule must be addressed swiftly. Following any further FE Commissioner assessments or stocktakes, amendments may be issued to confirm any additional conditions that are required.

In addition, where it is evident that sufficient improvement is not or cannot be achieved within the timescales specified, the EFA reserves the right to take further action open to it at any point.

#### **Monitoring and Progress**

All conditions will be reviewed at monthly case conferences and monitoring meetings with the ESFA Territorial Team and the FE Commissioner.

#### **Specific Conditions**

The National College for Advanced Transport & Infrastructure is required to:

1. Attend regular case conference meetings with ESFA. Attendees should include, as a minimum, the Principal, Director of Finance and Chair or other appropriate Governor to represent your Corporation. The meetings will focus on the college's progression against the conditions set out in this schedule, where the college will be expected to provide information to demonstrate proper oversight and timely implementation of the FE Commissioners recommendations. The ESFA will arrange these meetings and your first point of contact will be Michael Nicol, [michael.nicol@education.gov.uk](mailto:michael.nicol@education.gov.uk)
2. Work with the FE Commissioner and his advisers to undertake a Structure and Prospects Appraisal (SPA) of the college, commencing in February 2020 with an aim to complete by the end of May 2020.
3. Urgently form a finance committee to have met by the end of March 2020 to provide frequent and more detailed scrutiny of the college finances.
4. Consult with the Department for Education regarding the costs resulting from the legal action against Ofsted by the end of February 2020.
5. Provide an updated robust forecast on learner numbers, which are properly evidenced, by the end of March 2020.
6. Agree improvements to ensure that management information is consistent and

robust for implementation in March 2020.

7. Review and revise its KPI dashboard by March 2020 to reflect accurate targets and actual numbers that incorporate a comprehensive set of measures.
8. Undertake further work as a matter of urgency to minimise the current cost base of the college, presenting reductions for board agreement in March 2020 to be implemented as soon as possible thereafter.
9. Significantly improve its curriculum plan by April 2020 for the 2020/21 academic year, directly linking it to staff resource allocation and including key efficiency measures.
10. Enhance the content and format of its management accounts, including cash flow, with a particular focus on key performance measures and the supporting commentary with key actions by the end of March 2020.
11. The college should continue to undertake a regular review of potential cash flow requirements and the college is required to supply ESFA with a weekly cash flow template and monthly management accounts in a format prescribed by ESFA.
12. As a consequence of being placed in Supervised College status, with immediate effect, to invite ESFA to attend governing body and any other appropriate meetings, where commitment to expenditure that is not directly for continued provision to learners, is being considered, until ESFA is satisfied that:
  - a. public money is being used for the purpose provided,
  - b. there is sufficient oversight and challenge of progress against the implementation of the FE Commissioners recommendations and
  - c. the college achieves an improved financial assessment.

In addition the college must supply in advance copies of agendas for the governing body and other appropriate meeting as described and receive papers.

13. Cooperate with FE Commissioner and his team to undertake a future stocktake visit to assess progress against his recommendations at a time to be determined by the FE Commissioner.