



Education & Skills
Funding Agency

Education and Skills Funding Agency
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Sheffield
South Yorkshire
S1 2FJ

www.education.gov.uk/efa-enquiry-form

22 February 2018

Mrs Cath Orange
Chair of Governors
Bradford College
Great Horton Road
Bradford
West Yorkshire BD7 1AY

Dear Cath

Financial Control Notice to Improve

This letter and its schedules constitute a Notice to Improve (NTI) in line with clauses within the Financial Memorandum and Funding Agreement between the Secretary of State for Education (DfE) acting through the Education and Skills Funding Agency (ESFA) on behalf of the Crown.

It sets out additional conditions of funding that Bradford College is required to comply with in order that ESFA can continue to fund. The conditions set out in the schedule of this NTI are in addition to the conditions of funding set out in the Financial Memorandum and Funding Agreement.

I am issuing this NTI in line with the published policy because Bradford College has been rated inadequate by the ESFA for financial control.

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

The conditions of funding specified within this Notice are in addition to those specified in your existing Notice to Improve (dated 30 October 2017) for Financial Health.

Referral to the FE Commissioner

This NTI aligns with the expectations of *Rigour and Responsiveness in Skills* (April 2013). In accordance with this policy, and because of the NTI already issued for financial health, Bradford College has already been referred to the FE Commissioner for an independent assessment of the college's capability and capacity to make the required changes and improvements. This review is already underway and once the FE Commissioner has undertaken this assessment, we reserve the right to vary the terms of the NTI to reflect recommendations made. These recommendations would be included in an additional Schedule to this NTI.

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

Monitoring

ESFA will closely monitor progress made towards meeting the additional conditions through the scheduled case conferences and will work with you and wider agencies to secure the best outcome for learners, employers, the local community.

Compliance

If Bradford College 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 financial memorandum and funding agreement.

In all cases, the removal of the additional obligations will occur when Bradford College receives a letter from ESFA indicating that the additional obligations have been met.

Complaints

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

<https://www.gov.uk/government/organisations/education-and-skills-fundingagency/about/complaints-procedure>

Publication

From 1 August 2017, ESFA publishes all NTIs on .gov.uk

Action required

Please acknowledge receipt of this letter and the schedule below by writing to me within 10 working days of the date of this letter.

This NTI is copied to Ofsted and the FE Commissioner.

Yours sincerely



Paul Williamson

Director, Northern England

Cc:

Chris Jones, Interim Chief Executive Bradford College

David Harwood, Principal Bradford College

Jos Parsons, Ofsted

Richard Atkins, FE Commissioner

Schedule 1: Inadequate Financial Control

This schedule sets out the additional obligations relating to the improvement of the overall services. It has been issued because Bradford College has been rated inadequate by the ESFA for financial control.

Timescales

The additional obligations outlined within this schedule must be addressed swiftly. The FE Commissioner's assessment is already underway and an additional schedule will be issued to confirm any further obligations that are required and to confirm all relevant timescales. In addition, where it is evident that sufficient improvement is not or cannot be achieved within the timescales specified, the ESFA reserves the right to take further action open to it at any point.

Monitoring and Progress

You are required to prepare a comprehensive response, in the form of an action plan to address the identified underperformance. This will be reviewed at case conference and monitoring meetings with the ESFA Intervention Team and the FE Commissioner (regularity to be confirmed by ESFA).

Further obligations

1. The college must continue to work with the ESFA and the FE Commissioner and his advisers (names to be confirmed) to undertake an independent assessment of the college's capability and capacity to make the required changes and improvements. This includes supplying all necessary information to the FE Commissioner or his Advisers so the assessment can be made.
2. As part of the recovery plan, the college must focus on what has previously gone wrong and why, with regard to financial controls within the organisation and what actions have been taken, or are being taken, to address any identified short-comings. The plan should include measures and milestones that will enable the college and ESFA to assess progress being made.
3. The college must ensure that the framework of risk management, governance and internal control is enforced with immediate effect.
4. The college must provide assurances from their internal auditors that there are adequate control processes to manage the achievement of its objectives; and that the college has effective arrangements for governance risk management and internal controls.
5. The college must provide assurance for the academic year 2017/18 as detailed below. This should be submitted by 31 December 2018.
 - a. an unqualified Statement of Corporate Governance and Internal Control;
 - b. an unqualified Annual Report of the Audit Committee to the Corporation confirming all areas of significant concern have now been addressed and no further ones identified; and

- c. an unqualified Audit report from the college financial statement auditors including their management letter confirming all areas of significant concern have now been addressed and no further ones identified.
6. The college must review and update the existing risk management strategy and risk register with key financial control risks. Ensure all the key risks are identified, and prioritised, together with mitigating actions.
7. The college must attend regular meetings with ESFA. Attendees should include, as a minimum, the Chief Executive, Director of Finance & Corporate Services and the Chair or other appropriate Governor to represent your Corporation. The meetings will focus on the college's progression against the milestones in the plan, where the college will be expected to provide information to demonstrate proper oversight and timely implementation of the plan and if appropriate, including updates on the progression of a structural solution.
8. This NTI may be revised and updated subsequent to the date of issue to further clarify timescales, reflect progress and/or any change in circumstances, following the FE Commissioner's intervention and recommendations.
9. If, in the ESFA's view, the college fails to take the necessary actions (in whole or part) within the timescales to be agreed, or if evidence of progress is not appropriate or not available, the ESFA will take further action.
10. The ESFA will determine when the college has made sufficient progress for the NTI to be lifted. This will be when the college demonstrates that it has satisfied all the additional conditions of funding, The ESFA will lift the NTI and confirm this in writing.