



Education & Skills
Funding Agency

Education and Skills Funding Agency
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[ESFA-enquiry-form](#)

28 February 2024

To independent training providers in receipt of direct funding from DfE or ESFA.

Dear colleague

I am writing to tell you that today we have published a [financial handbook for independent training providers \(ITPs\)](#).

When I joined the Education and Skills Funding Agency as chief executive in 2022, I very quickly saw the essential role which ITPs perform in the skills landscape, a role critical for supporting learners to achieve their career goals and for enabling employers to grow. I also recognised that ESFA and DfE had an important part to play in supporting ITPs to make the best use of the resources available for delivering the training needs in their chosen sector. The interdependency between successful skills delivery and strong financial management and governance is clear, and evident in the many first-class providers which we have.

Stable, well governed providers are important for enabling learning and learners to be successful. We are committed to providing certainty about what good governance and financial management looks like, and I know it is important to you to have clarity about processes and structures for delivery. The financial handbook will provide that certainty to assist you with achieving great outcomes for learners.

You will see that the handbook describes a mix of requirements, best practice and discretionary elements, tiered dependent upon your level of funding from DfE and ESFA. This recognises the diversity of the sector where a single approach would not work.

The handbook covers many aspects of financial management and governance that will already be familiar to you as well-run businesses. There are also sections containing requirements which might be new to you and involve updating your policies or processes to support good financial management - for example by enhancing your systems of internal review and audit, or by having more timely financial information to act upon. I recognise that you may find it helpful to have time to adjust to some of these changes, which is why the handbook will come into effect on 1 August 2024, and why certain parts will be implemented over a longer 2 to 3 year timescale. I hope

that this publication timetable provides you with certainty in your planning.

I also want to thank those of you who have engaged with us to support the development of the handbook. Around 40 ITPs attended workshops that helped us put an initial framework together, over 220 ITPs completed a detailed survey which allowed us to understand existing good practice in the sector and where gaps exist, and latterly several ITPs have reviewed drafts of the full handbook enabling refinement ahead of publication. Your partnership working with us, along with representative input from AELP, has been enormously beneficial and I would like that to continue. So, we want to hear from you about how we might further improve the handbook in future editions, and you can do that through our [feedback form](#).

Ultimately my intention is that the handbook becomes a valuable resource for ITPs, and the feedback you provide will support this.

In the meantime, you can [learn more about the handbook in our webinar](#).

With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Withey', with a stylized flourish at the end.

David Withey
Chief Executive
Education and Skills Funding Agency