



Department
for Business
Innovation & Skills

FURTHER EDUCATION COMMISSIONER

Annual Report 2014/2015

DECEMBER 2015

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Foreword



A strong, high quality further education sector is essential to improving productivity and driving economic growth. Since becoming Minister for Skills I have seen many examples of outstanding practice, some of which match the best in the world. For the minority of colleges where either quality or financial management is not good enough, it is essential that robust and swift action and monitoring is put in place to secure improvements for the learners and employers they serve.

Dr David Collins was appointed as FE Commissioner in November 2013 to assess the position of colleges found to be inadequate in terms of quality or financial management. I am delighted that two years on we can see the benefit of his work in institutions that have turned the corner, and are achieving stronger results. Nearly fifty percent of institutions in FE Commissioner-led Intervention (12 further education colleges and 4 local authority institutions) have now come out of Intervention, having secured sustained improvement, or with an alternative solution such as a merger in place to improve performance. This is testament both to the efforts of the staff and learners of those institutions, and to the effectiveness of the Commissioner process.

As this report makes clear, the Commissioner continues to have very busy and challenging role. The significant development this year is the programme of area based reviews of post 16 Education and Training. These are not part of the intervention process, and are governed by local steering groups, but Dr Collins and his team, have a critical role in providing the reviews' independent analysis, drawing on his outstanding expertise in the factors that contribute to high quality and efficient delivery. My expectation is that the reviews will support the whole sector in moving to a much stronger position. It is essential that every college considers the recommendations carefully, and makes the right strategic decisions for the long term. In this report Dr Collins sets out the importance of getting leadership and governance right – something relevant to all colleges, particularly at a time of major change. It is essential reading.

Next year is a huge opportunity for further education. The Spending Review has protected the sector, and provided a stable foundation. However, many colleges will still face financial difficulties unless they respond flexibly. They must fully seize the opportunities provided by the expansion of apprenticeships and access to Advance Learner loans across a wider range of provision. As I said at the AoC conference in November, only around one third of all funding for apprenticeships training will go to FE colleges in

2015/16. I would like colleges to re-assert themselves here and commit to growing this to two-thirds of what will be a much larger pot by 2020. The area review programme itself will enable greater specialisation, efficiency and sustainability. The role of the FE Commissioner is to ensure that this opportunity is grasped, both through facilitating the area reviews, and stepping in proactively to ensure the needs of learners are protected where colleges fail.

I want to thank David for his continued excellent work with the FE sector during the past year and for this helpful and informative report.

A handwritten signature in blue ink, appearing to read "Nick Boles".

NICK BOLES MP
Minister of State for Skills

The Role of the Commissioner

The role of the FE Commissioner was set out in “*Rigour and Responsiveness in Skills*” (April 2013). Through “*Intervention in Further Education: The strengthened intervention process*” (April 2014) the intervention process was described in detail. Both documents are available at www.gov.uk.

The trigger points for FE Commissioner intervention are: an inadequate Ofsted inspection; and/or failure to meet national minimum standards of performance; and/or an inadequate assessment for financial health or financial control as identified by the Skills Funding Agency. The FE Commissioner intervenes in FE colleges, designated institutions and local authority maintained FE institutions.

The Assessment Process

When a case goes to the FE Commissioner he assesses the capacity and capability of the current governance and leadership to deliver rapid improvement. This assessment takes place over a two week period.

The FE Commissioner considers the relevant available information and data on the college or other institution and takes account of the views of the staff and learners, local stakeholders, Ofsted, the Departments (DfE and BIS), and the Funding Agencies (Education Funding Agency and Skills Funding Agency).

He then recommends the action needed to secure improvement to the Minister and the Chief Executive of the Funding Agencies. The college or institution is then charged with developing an action plan for implementing the FE Commissioner’s recommendations. In determining his recommendations the FE Commissioner considers the suite of interventions set out in ‘*Rigour and Responsiveness in Skills*’ and any other actions that may be appropriate to secure improvement. In undertaking his assessments, the FE Commissioner is supported by FE Advisers, who have expertise in a range of areas including finance and quality.

This Annual Report summarises the work of the FE Commissioner and his team through interventions over the period from 1st August 2014 to 31st July 2015, with updates on the colleges assessed to 31st October 2015.

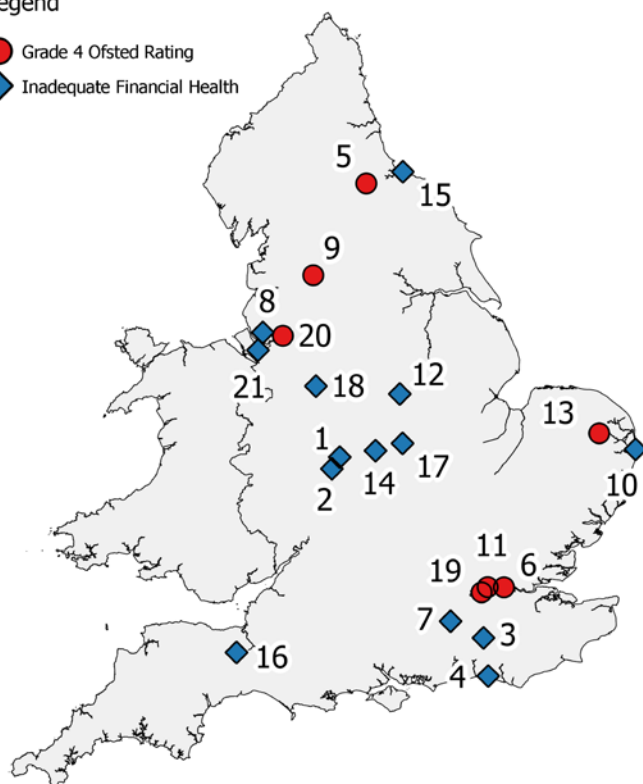
Scope and Extent of Activity

Over the period 1st August 2014 to 31st July 2015 twenty one cases were referred to the FE Commissioner. Of those, seven (33%) were triggered by an inadequate Ofsted inspection and fourteen (67%) because of financial concerns.

Organisations subject to an intervention between 1st August 2014 and 31st July 2015

Legend

- Grade 4 Ofsted Rating
- ◆ Inadequate Financial Health



FE Colleges and Institutions Assessed

- 1 Birmingham Metropolitan College
- 2 Bournville College
- 3 Central Sussex College
- 4 City College Brighton and Hove
- 5 Darlington College
- 6 Greenwich Community College
- 7 Guildford College
- 8 Knowsley Community College
- 9 Lancashire County Council Adult Learning
- 10 Lowestoft College
- 11 Marine Society College of the Sea
- 12 New College Nottingham
- 13 Norfolk County Council Adult Education Service
- 14 North Warks & Hinckley College
- 15 Redcar and Cleveland College
- 16 Somerset College Art & Technology
- 17 South Leicestershire College
- 18 Stoke on Trent College
- 19 Wandsworth Borough Council Lifelong Learning Service
- 20 Warrington Borough Council Adult & Community Learning
- 21 West Cheshire College

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Each of the organisations visited was subject to a two week intervention/ review and in four cases a more detailed Structure and Prospects Appraisal was carried out. In six of the cases the college was made subject to Administered College status. Reports on each of the cases reviewed are available at www.gov.uk.

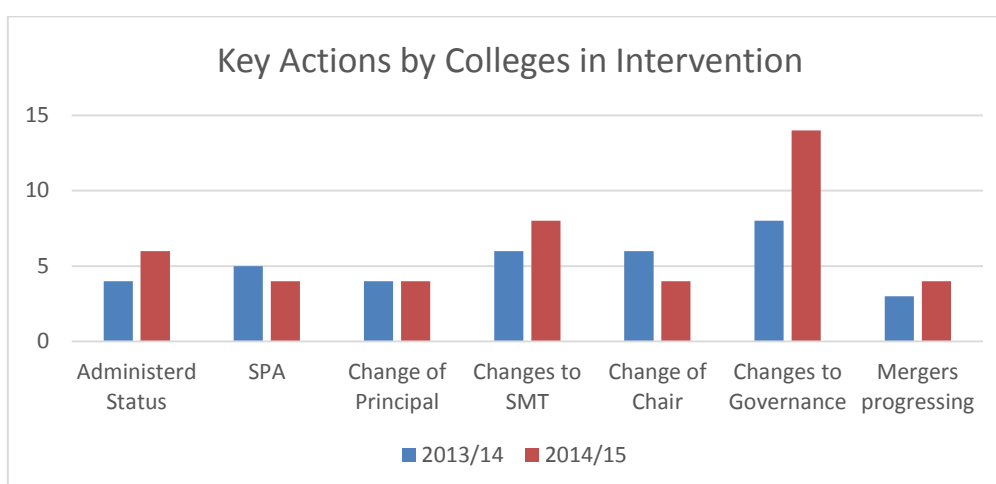
In addition advisers from the FE Commissioner's team attended regular "case conferences" on all the colleges under review and carried out formal Stocktake Assessments on those where there had been an intervention.

In 2014/2015, the FE Commissioner sent three letters to the sector outlining the lessons learned from the early interventions – one on quality improvement, one on organisational development, and one on models of collaboration. A further letter on the subject of the area review process was published in October 2015. Electronic copies of the letters are also available at www.gov.uk.

Actions Taken

Summary Reports

Each of the FE Commissioner’s assessments leads to a report to the Minister for Skills. A summary of each report is published at www.gov.uk. In the majority of cases the action recommended has led to changes in governance and leadership.



Although the percentages of cases leading to major changes have decreased since 2014/15, this is largely due to the relatively small number of cases referred in that year (11) as compared to the 21 subject to intervention in 2014/15. Actual numbers have risen in each category

Stocktake Assessments

In all cases subject to intervention stocktake assessments and monitoring visits take place at regular intervals. Where necessary, if insufficient progress has been made, the college can be placed in Administered College status. In 2014/15 City of Bristol College and Lewisham and Southwark College were escalated in this way. Similarly, where progress has been good, a stocktake assessment can lead to the college being “returned” to normal SFA monitoring as in the case of Weymouth College.



Structure and Prospects Appraisals

In four colleges subject to intervention the FE Commissioner has led a Structure and Prospects Appraisal. These looked at the future delivery model options for the college and took place over a period of up to three months. More information on the Structure and Prospects Appraisal process can be found at www.gov.uk.

In each of the cases a Steering Group, consisting of members of the college governing body, the Principal of the college, representatives of the funding agencies and chaired by either the FE Commissioner or a lead adviser, meets on three to five occasions.

The Steering Group considers the various possible options for the future of the college and in the case of a possible new partnerships, merger or dissolution receives presentations from each of the interested parties. At the end of the Appraisal a recommendation is made to the governing body of the college and to the Minister.

Following Ministerial agreement the college is responsible for implementing the recommendation. Redcar and Cleveland College, Lewisham and Southwark College, Greenwich College and West Cheshire College have each been subject to a Structure and Prospects Appraisal during the year.

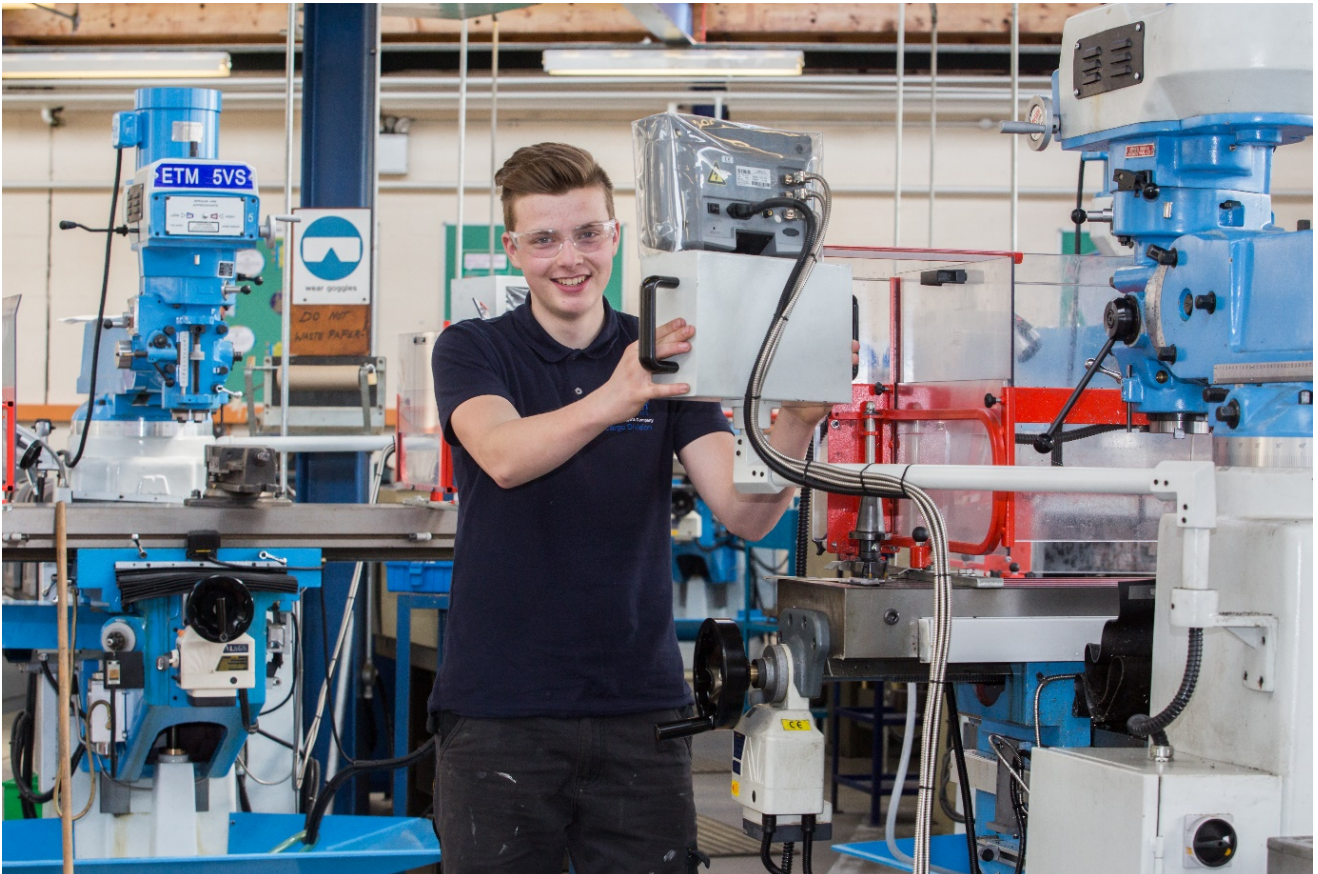
As a result of these appraisals, new partnership arrangements are being progressed in the case of Redcar and Cleveland College, Greenwich College and West Cheshire College.

Lewisham and Southwark College is currently continuing as an independent institution with a revised board membership, a new Principal and management team and a more relevant curriculum offer.

Administered College Status

Administered College status applies when it is considered that the existing leadership and management team are unable to lead the significant changes that are needed, while maintaining the quality of provision for learners. Additional guidance and support are provided by the FE Advisers to assist in the process and a Structure and Prospects Appraisal carried out to determine if there are better ways of meeting the needs of learners and employers in the area. This might involve college closure, merger or significant changes to the corporation and senior management team.

In 2014/15 six colleges were placed into Administered College status by the Minister following an FE Commissioner intervention; Bournville College; City of Bristol College; Central Sussex College; Weymouth College; Greenwich Community College and Lewisham & Southwark College. This has been followed by major changes to the college's operations, mergers or in the case of Weymouth College an accelerated recovery.



Colleges and other organisations coming out of FE Commissioner Intervention

In the case of twelve colleges and four local authorities formal interventions by the FE Commissioner were ended in the course of the year as the problems leading to the intervention were satisfactorily resolved.

| | | FEC Intervention commenced | FEC Intervention formally ended |
|----|-------------------------------|----------------------------|---------------------------------|
| 1 | City of Liverpool College | Nov-2013 | Oct-2014 |
| 2 | K College | Dec-2013 | Jan-2015 |
| 3 | Wolverhampton City of College | May-2014 | Jan-2015 |
| 4 | Bicton College | Mar-2014 | Feb-2015 |
| 5 | Stratford on Avon College | May-2014 | May-2015 |
| 6 | Norton Radstock College | Jun-2014 | May-2015 |
| 7 | Marine College of the Sea | Dec-2014 | May-2015 |
| 8 | Lancashire County Council | Jan-2015 | May-2015 |
| 9 | Warrington Borough Council | Feb-2015 | May-2015 |
| 10 | Wandsworth Borough Council | Feb-2015 | Jul-2015 |
| 11 | Guildford College | Aug-2014 | Aug-2015 |
| 12 | Barnfield College | Jan-2014 | Sep-2015 |
| 13 | Stoke on Trent College | Sep-2014 | Sep-2015 |
| 14 | New College Nottingham | Feb-2015 | Sep-2015 |
| 15 | Norfolk County Council | Mar-2015 | Sep-2015 |
| 16 | Weymouth College | Mar-2014 | Oct-2015 |

Lessons Learned

In all the colleges visited this year, whether because of an inadequate Ofsted report or inadequate financial health there were areas of good practice. As in 2014/15, however, there were major problems in all the colleges subject to intervention and many of the basic practices such as curriculum and financial planning were underdeveloped.

Once again the key weaknesses were at board and senior management team level, although there were also a number of cases where new boards and highly effective senior staff were struggling to deal with legacies of debt and other inherited problems. In those cases exceptional financial support has been provided by the agencies, pending a more detailed area review.



The Role of the Clerk

In the colleges visited this year there been a variety of clerking arrangements. Once again we found examples of colleges where clerking was particularly weak. In West Cheshire College, for example, we noted:

Clerking arrangements have been poor. Governor training has been minimal and there is no governor appraisal process in operation or detailed skills audits. Minutes of meetings are inadequate and suggest that there has been only limited debate and discussion of issues. (West Cheshire College).

Similarly in Redcar and Cleveland College we found that:

Clerking arrangements are relatively expensive for the service provided, do not represent value for money and the minutes of Board meetings contain little evidence of debate and challenge. Governor training and links to the operational side of the college are rudimentary (Redcar and Cleveland College).

In contrast in Bournville College we found that clerking arrangements were generally good but that there were potential conflicts of interest in the clerk having significant management responsibilities in addition to his clerking role. In summary we noted:

The Clerk to the Corporation is effective and the Board is well supported in carrying out its duties. However, the clerk is also a member of the senior management team with responsibilities for elements of the college's income delivery, which could potentially lead to conflicts of interest. There is no evidence that this has happened but the practice of 'dual' roles for a corporation clerk is generally not considered to be good practice (Bournville College).

Overall, however, on the evidence of the colleges in intervention, clerking remains an issue - with considerable variations in the colleges visited - providing on the one hand a highly active professional service and on the other an expensive method of forming agendas and taking minutes. I repeat my conclusion from last year that the sector would benefit from having a better definition of the role of the clerk and clearer expectations as to what is required from the clerking function.



Governance

In many of the colleges visited in 2014/15 weak governance contributed significantly to poor outcomes in both financial health and inadequate quality. Many boards failed to call the Principal and senior management team to account, neither setting clear performance targets nor questioning robustly why forecasts failed to be met. In New College Nottingham, for example we noted:

Overall the Board has not performed well over recent years and has failed to challenge the previous Principal in his plans to move beyond the college's core business without an appropriate cost benefit analyses of new proposals or adequate risk management. The result has been a significant and largely unnecessary budget deficit. Lessons have been learned and new improved arrangements are now in place, including the addition of new, well qualified governors, although further changes, including more frequent meetings will be necessary if an acceptable level of performance is to be achieved (New College Nottingham).

An absence of appropriate skills, poor attendance and limited support were at the root of difficulties at Darlington College, where good governance had been absent for some time. In the report we noted:

The Board of Darlington College has not been effective..... Despite being one of the larger Boards in the sector (21 members) there has been an absence of the range of skills needed to provide the leadership and oversight of a college of this size. Attendance at meetings has generally been poor, training rudimentary and appraisal of Board members non-existent. Curriculum links with the college to enable board members to understand the business of the college are only just being developed and currently lack focus. (Darlington College)

A "hands off" approach and a lack of challenge over a significant period of time were identified at North Warwickshire and Hinckley College where board members failed to live up to one of their key responsibilities in ensuring the efficient and effective use of resources. The summary report noted:

...the college has endured significant financial deficits for four years, which have not been addressed in either exploring new ways of increasing income or in reducing costs. The Board has thus failed in its duty to 'ensure the efficient and effective use of resources, the solvency of the institution and the safeguarding of assets'. It has been weak in both monitoring and challenge and undemanding with regard to action plans to put matters right. Major changes are required to its composition to improve its financial knowledge and improve its further education experience. (North Warwickshire and Hinckley College).

In some areas, however, long standing and ineffectual members have since been replaced and a new more focused board created. In these instances progress has been rapid; the idea of a 'tea and biscuits' board described by one governor in the north east has largely gone and in the colleges in difficulty a more professional approach to governance is emerging.

An inadequate Ofsted report or a financially driven intervention has also caused a number of boards who were previously relatively passive to act swiftly to deal with what they identified as the main causes of the college's problems. In the case of Greenwich Community College we noted, for example,

The inadequate Ofsted Report, however, has galvanised the board into action. Changing two key members of the senior College leadership i.e. the Principal and the Vice Principal Corporate Services, and filling these senior roles with experienced interim replacements.

The board has also recognised gaps in its own skill set and is now seeking qualified financial expertise, significant local employer input and members with experience of teaching and learning. (Greenwich Community College)

It is not only in the college sector, however, that appropriate levels of scrutiny and challenge have been missing. We also found instances where challenge was missing where local authorities have been responsible for provision. In Warrington Borough Council, for example, we found that:

There have been considerable changes in the leadership and staffing of the service over recent years and these have continued since the inspection in October 2014, with some key roles being filled on an interim or secondment basis, and others not being replaced. The Community Learning Service has not had a permanent Data Officer since November 2013. During this period, the service has lost focus and previously effective quality assurance procedures have been allowed to lapse. At the same time there has been no clear strategy for the Community Learning Service and accountability for performance has not been carried out. As a result, it is recognised that the service has become 'provider led' rather than planned on the basis of the needs of learners. Apart from unstructured quarterly partnership meetings there has been no strategic oversight of the provision and monitoring of provision has been officer led. (Warrington Borough Council).

Similar problems were apparent in Norfolk, where a combination of budget cuts and changes to the county council structure left the service under resourced and under supported.

There Structural changes in the operation of the County Council, as it moved from a cabinet to a committee system in 2014, meant that the Adult Education Service was left without any overall governance monitoring by elected members for a period of seven months between May and December 2014. A governance Steering Group has now been developed and has met three times since January 2015, led by the Vice Chair of the Children's Services Committee and supported by four other cross party councillors. (Norfolk Adult Education Service).

There have also been examples, however, where boards have recognised their problems well in advance of any intervention visit and have taken urgent and appropriate action. The board of Somerset College of Arts and Technology in particular were praised for the way in which they responded to difficult financial circumstances.

The FE Commissioner Intervention team commented:

Throughout 2013/14 the board and senior team carried out a business analysis of the college's future sustainability and analysed the findings with the assistance of an external consultant. As a result it took the decision to undertake a Strategic Review that would consider a longer term strategy to secure the future of education and training in Taunton and Somerset

Following consultation with external and internal stakeholders carried out by an independent company the board considered the findings and gave approval to seek out a merger partner through a competitive process. A prospectus detailing the college's position and criteria and assessment methodology was prepared and advertised. Received proposals were then analysed and considered against a detailed assessment plan.

The process has been thorough and well considered and has included internal consultation with staff, students and union representatives. Four potential partners were interviewed on 18th June and a preferred bidder chosen for further detailed consideration. It is intended to complete the process by the end of July with a merger date set in the new academic year. This Strategic Review reflects well on both the board and the senior team in recognizing the need for change and putting the needs of learners and employers in the area ahead of any self-interest. (Somerset College of Arts and Technology).

Leadership and Management

In several of the colleges visited new senior management teams were struggling to deal with the problems they had inherited. These have ranged from inappropriate buildings, unsustainable levels of debt, previous poor performance management and inadequate quality.

The senior management team has been completely revised following the appointment of a new Principal in 2013. The incoming Principal inherited a number of major problems including a debt representing more than 100% of turnover and unsatisfactory internal auditing arrangements that had failed to alert the corporation to the seriousness of the situation. As a result the internal auditors were changed and senior personnel replaced in a major restructuring that created a new senior team and reduced staffing numbers by more than 200 (Central Sussex).

In Knowsley a new team with skills from elsewhere in the sector were finding it difficult to adapt to the needs of a more challenging FE environment. We commented:

The senior leadership team has gained experience elsewhere in the sector and is well balanced, but none of its members have been in post for more than two years. Attempting to fix all of the problems that have been inherited at the same time has resulted in the pace of change in some key areas being too slow – notably in producing a detailed and costed curriculum plan for the coming year. (Knowsley Community College).

A similar situation was identified in Stoke on Trent College where the scale of the problems to be faced took longer than anticipated. We noted:

There is ... a disconnect between what is written in the Business Plan and the reality of what the present situation is and what is achievable. As a result management targets are either general and non-specific or unachievable within the timescales envisaged.

The college has some difficult times ahead if it is to balance its income and expenditure each year in line with the funding changes that it faces. Further cuts will be needed to staffing, particularly at managerial level and in administrative functions where business processes are significantly behind those found elsewhere in the sector. (Stoke on Trent College)

The issues uncovered at Darlington College suggest that more needs to be done with regard to the training and support for new management team members, especially where they are new to the sector or have had a narrow FE background before taking up a senior role. A turnaround situation requires a different set of skills from those found in a relatively stable environment and the FE sector has a number of specific characteristics (e.g. in the way in which it is funded) that can take time for those from outside the sector to assimilate.

We noted:

The inexperience in further education of the majority of the senior team and its effect on the pace and timing of the necessary changes has been recognized. With an appropriate addition to the senior management team and mentoring support for those who have come from outside the sector, the college should be in a position to make rapid improvements in quality and financial performance without the need for further intervention. (Darlington College)

In other cases new teams have made a rapid difference. In the case of Lowestoft College for example:

During the autumn term 2014, the Interim Principal put in place a completely new Management team. She has set about addressing these issues with determination and flair and has worked tirelessly to gain the support of staff and stakeholders alike. It is clear that staff have welcomed the change of culture and there has been a very positive response from both within and outside the college to what has been achieved under the new regime over the last nine months. Despite the difficulties of a staff restructuring there is a positive mood within the college and a view that collectively the college can make the required improvements. (Lowestoft College).

Clearly there are problems that cannot be solved overnight but it is encouraging that twelve colleges no longer require formal attention from the FE Commissioner and the majority of the others in intervention are well on the way to recovery.

Quality Improvement

The majority of interventions in 2014/15 have been for financial reasons but seven have been the result of an inadequate inspection, three in colleges and four in local authorities. Reports have been particularly critical of poor student management leading to low attendance and retention well below the national average. There have also been instances of inadequate initial advice and guidance, compounded by students being poorly informed at school as to the routes open to them, leading to the wrong student being on the wrong course. Pace has also been an issue and in particular slowness in addressing performance management issues. In Lancashire Adult Learning we commented:

The speed at which inadequate teaching is eradicated is too slow and should be addressed. A grade 3 or 4 observation, for example, results in an “informal” action plan, followed by a monitoring period of three months. If there has been no improvement a ‘formal’ action plan is issued with monitoring over a further two month period whereupon the tutor is re-observed and, if a grade 2 is not achieved the review period is likely to be extended. This is overly protracted and could result in learners being inadequately taught for almost 6 months before the capability procedure is brought into play (Lancashire Adult Learning)

In local authorities there have also been examples of 'over cutting' particularly in the management of provision as they look to address their own financial challenges and a lack of an appropriate governance structure. All four authorities referred to the commissioner however have responded robustly to the intervention report and all four have been removed from the formal FE Commissioner-led intervention process

In those cases that have been referred because of an inadequate Ofsted inspection there have frequently been issues with quality improvement plans that have often lacked specific milestones or responsibilities being allocated to an appropriate individual, with the result that progress has been slower than necessary.

Whilst a 3 year Development Plan is in place, it is difficult to see the strategic links to employability and progression in practice. The plan is only updated annually and there appears to be no impact if actions have not been delivered. Both the Development plan and overall supervision have had too great a focus on participation and little focus on quality or impact. There is an urgent need to clarify the offer for the 15/16 curriculum and commissioning plan which flows from the overall Borough strategy before sub-contractors finalise their offer. The current aim of providing 'something for everyone...' may need to be adjusted to improve outcomes for key communities. The annual September 2014 Progress update records where targets or actions have been under achieved but there do not appear to be any implications for missed targets. (Wandsworth)

In some cases a basic understanding of what needs to be done to improve quality has also been absent, well illustrated by the situation at Greenwich College. The summary report on the college noted:

Processes and procedures are confusing and unknown by many, described by managers as 'tangled like a ball of wool'. When problems arise new procedures are often added to those in existence in an effort to provide a solution, but repeatedly this simply compounds confusion and fails to address the cause. Target setting and monitoring of progress is weak. (Greenwich College).

There were also instances where subcontracted provision presented a particular problem where it received less attention than necessary to ensure high levels of success. In the case of the Marine Society College of the Sea:

It is evident that the College has not monitored subcontracted provision effectively, and that the subcontractor NEC has not met the standards required in its provision. The College does not hold the NEC to account sufficiently well in order to ensure that the learner journey is well managed. (Marine Society College of the Sea).

In the course of the year, however, most of colleges with quality issues have according to Ofsted made 'reasonable progress' and where they have been re inspected have moved to 'requiring improvement' or better. The exception has been Lewisham and Southwark College which failed an Ofsted inspection for the second time in February of this year. Changes to the board and senior team since then, however, have produced significant improvements and favourable comments from the Ofsted monitoring team.



Financial Health

Reductions in funding and changes in the funding rules have challenged colleges but the majority have managed to adjust their programmes and resource base to meet the sector's new requirements. Where intervention has been necessary for reasons of inadequate financial health, it has usually been because the issues of small class sizes, excessive numbers of management and support staff and poor utilisation of teaching staff and estates have not been addressed. Where senior teams have got to grips with these issues, turnarounds have been dramatic.

There have been instances, however, where previous regimes have borrowed and built on the basis of projected growth without an analysis as to whether their predictions were realistic in the light of known demographic trends. This has led to under-utilised property and bank borrowings with high interest repayments that successor management teams have struggled to meet.

West Cheshire College is in a very difficult financial position largely due to mistakes that were made in the past with regard to the size, location and financing of its new builds. The new management team are working hard to resolve the twin issues of unsuitable accommodation and high levels of debt but more radical action will be needed to bring the situation under control within a reasonable timeframe, and before further financial support is needed, to ensure high quality educational provision for those living and working in the Chester area. (West Cheshire College).

A similar problem was apparent in New College Nottingham

Problems have also arisen because new projects, led by the Principal, have been undertaken that go beyond the main purpose of the college without the necessary scrutiny or cost-benefit analysis. Too often the risks in new ventures are underplayed and the envisaged benefits over optimistic.” (New College Nottingham).

In other cases some very basic tools have been missing. In the case of South Leicestershire College:

The college has not in the past produced regular reports on the financial contributions made by each curriculum area. These are common in most colleges and are regarded as a vital mechanism to assist in the control of financial performance. The new finance team are planning to introduce such reports in the next academic year. (South Leicestershire College).

In other places, ambitious growth strategies that have produced returns in the past have caused a false sense of security and allowed riskier projects to be undertaken without the appropriate scrutiny and challenge. The result has been a swift decline in the college’s fortunes. In the case of Bournville College the team noted:

The college has been successful over the past few years in improving its quality and diversifying its income streams. It has grown by more than 5% per year and predicts that it will be able to continue on this growth path into the foreseeable future. Not all projects, however, have delivered the returns forecasted and a failure to address inefficiencies in parts of the college’s operations has led to high levels of borrowing and serious cash flow issues. The present “hand to mouth” situation cannot be allowed to continue and there are opportunities to improve the position significantly if the college is prepared to bring its expenditure into line with sector norms. (Bournville College).



Others have seen growth as the solution to their problems, without tackling the more difficult issue of adjusting the cost base to reflect falls in demand. In the case of Redcar and Cleveland College growth seemed to be the only strategy for addressing its financial issues, which was clearly unrealistic in the light of the college's past record and local demographic trends. The summary report commented:

Overall, the Financial Recovery Plan is high risk, lacks detail on how the strategy will be delivered and requires significant work to identify the key sensitivities. There is as yet no 'plan B', should growth not materialise. (Redcar and Cleveland College).

The standard of auditing has also been disappointing in the colleges visited. Boards have frequently felt let down by receiving relatively clean bills of health from their auditors when in reality there were serious underlying problems. It seems that in some cases more attention has been paid to processes and process compliance rather than giving a view on the ongoing viability of the institution. In Birmingham Metropolitan College we noted:

Despite the obvious financial control issues with which the college has had to contend during 2014/15, it should be noted that neither the college's internal nor external auditors had raised issues of serious concern in their earlier reports (Birmingham Metropolitan College).

Generally however it is a combination of factors rather than one issue that causes a college to be in financial difficulty. This was clear in the assessment of Guildford College where several interrelated factors were at play in creating the college's inadequate financial health. We noted:

It is clear from the evidence collected during the assessment that the college's financial difficulties have a number of causes. In summary, these causes (which are partly inter-related) are:

- Unsustainably high costs;
- Instability in the senior management team;
- Ineffective governance;
- A dysfunctional finance team;
- Poor financial processes;
- Unreliable management information;
- Poor decision making in relation to capital schemes;
- Insufficiently influential and effective audit services.

There was evidence during the assessment that the college has taken steps to address each of these issues. (Guildford College)

Conclusions

It is perhaps unfortunate that the annual report of the FE Commissioner by its very nature concentrates on those colleges that are in difficulty and therefore does not give credit to the excellent work that is being carried out throughout the sector.

It should also be remembered that even in the colleges visited, there were areas of outstanding and innovative practice and many thousands of students receiving excellent, relevant education and training leading to jobs and successful careers. It is also encouraging that twelve colleges and the four local authorities have resolved the major issues that caused an intervention to take place and have recovered their position. The interventions undertaken in 2014/15, however, suggest that there are still a number of problems in colleges that could be considered to be 'basic' and highlighted in last year's report, which the majority of the sector has long since addressed.

Looking ahead

In July of this year the government announced the establishment of area reviews - partly as the result of the economic necessity of ensuring a sustainable college sector in an environment of reducing budgets but also because of the imperative of all colleges 'upping their game' to support the country's drive to increase productivity. After a period of intense competition between institutions, the new approach is to encourage collaboration and the creation of fewer and larger institutions that will be better placed to deliver high quality and relevant training in a more stringent environment, while creating stronger specialisation. For weaker colleges in particular this will be an opportunity to re-evaluate their position in their community and to consider whether there is a better way to meet the needs of learners and employers in their area. Where financial health is an issue, working closely with a partner or partners will create new opportunities to reduce costs and refocus on what the college does really well. For those with quality issues, learning from the best and perhaps concentrating more on what they do well will lead to a better student experience and improved outcomes.

The college sector is undoubtedly at a crossroads in its development. To maintain the best service for learners and employers, collaboration rather than competition will not only be desirable but is a necessity. It is almost a given that the next eighteen months will see more change than has happened over the last twenty years. The challenges in this transition are considerable but on the basis of what has been achieved in the colleges subject to intervention over the past year, there is little doubt that the sector as a whole will rise to meet them.



Annex A: Table of key changes resulting from the FE Commissioner interventions

| College | Key changes |
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| Birmingham Metropolitan College | Birmingham Metropolitan College is addressing its financial issues by disposing of surplus assets and collaborating more widely with other colleges in the area |
| Bournville College | The Principal and Chair have both left the college and interim arrangements are in place pending the outcome of the Birmingham Area Review |
| Central Sussex College | Central Sussex College has brought its income and expenditure account into surplus but still has significant capital issues to address |
| City College Brighton and Hove | The college has appointed a new Principal and are looking at new partnership arrangements in the area |
| Darlington College | The board of the Corporation has been strengthened, new performance management systems introduced and significant savings achieved |
| Greenwich College | A Structure and Prospects Appraisal has been completed and the college has agreed to merge with a neighbouring college. |
| Guildford College | Guildford College has made significant changes to its senior management team and is no longer in intervention |
| Knowsley College | The college has changed the composition of its board and delivered an operating surplus in 2014/15. Curriculum and financial plans re now closely linked |
| Lancashire County Council | The Lancashire County Council Adult Learning Service has addressed all the issues raised by the Commissioner and is no longer subject to intervention |
| Lowestoft College | Lowestoft College, Great Yarmouth College and Lowestoft Sixth Form College are working through the details of a merger/hard federation under a new shadow board. |

| College | Key changes |
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| Marine College of the Sea | The college has changed its subcontractor and is no longer in intervention |
| New College Nottingham | New College Nottingham and Central College Nottingham have agreed to merge from 1 st August 2016 |
| Norfolk County Council | Norfolk County Council has addressed all the issues raised by the Commissioner and is no longer subject to intervention |
| North Warwickshire and Hinckley College | South Leicestershire College and North Warwickshire and Hinckley College are moving from a hard federation to a full merger |
| Redcar and Cleveland College | Following a Structure and Prospects Appraisal the college has agreed to work towards a merger with a larger institution |
| Somerset College of Arts and Technology | Somerset College of Arts and Technology is pursuing a merger with Bridgwater College |
| South Leicestershire College | South Leicestershire College and North Warwickshire and Hinckley College are moving from a hard federation to a full merger |
| Stoke on Trent College | Stoke-on-Trent College has addressed all the issues raised by the Commissioner and is no longer subject to intervention |
| Wandsworth Borough Council | Wandsworth Borough Council has addressed all the issues raised by the Commissioner and is no longer subject to intervention |
| Warrington Borough Council | Warrington Borough Council has addressed all the issues raised by the Commissioner and is no longer subject to intervention |
| West Cheshire College | Following a Structure and Prospects Appraisal the college is working towards a merger with the University of Chester |

Annex B: Table of recommendations made

| Birmingham Metropolitan College Recommendations | |
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| <ol style="list-style-type: none"> 1. The existing team should be supported in the actions it is taking to address the significant quality and financial issues it has inherited 2. In addition the college would benefit from 3. Reinstating a finance sub-committee to ensure an appropriate level of scrutiny is applied at least until such time as the college's financial performance is good 4. Improving the layout of the PIAP to ensure that actions clearly relate to the areas that require improvement 5. Reviewing the data dashboard currently being developed to include trend data | <ol style="list-style-type: none"> 6. Reviewing the management of apprenticeships to ensure a clearer focus on performance 7. Developing a curriculum planning tool that enables off line modelling 8. Carrying out financial performance monitoring alongside the monitoring of quality performance at termly reviews |
| Bournville College Recommendations | |
| <ol style="list-style-type: none"> 1. The Board should add individuals with additional expertise to its membership. The selection process for such individuals should be open and transparent. 2. The Board should review its risk strategy and ensure that its cash flow issues are urgently addressed. 3. The SFA should attend Board meetings as observers until such time as the college's financial problems are resolved 4. The College should include a | <ol style="list-style-type: none"> 6. The Executive Director Finance should be a senior post holder 7. The SFA should require the college to present it with detailed cost-saving plans by a specified deadline which indicates the measures to be taken and the timescale for their implementation. The plans should demonstrate that no further SFA additional support will be necessary beyond the amounts currently agreed. 8. A detailed schedule of cost saving |

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| <p>contributions' analysis of all income streams in its monthly management accounts with a narrative to explain any variances from what has been planned. Benchmarking data should be included, where available.</p> <p>5. New projects should be subject to an appropriate cost benefit analysis before approval</p> | <p>activity and the amounts realised should be produced for each board meeting</p> <p>9. The FE Commissioner should conduct a monitoring visit at the end of November 2014 to determine the progress that has been made.</p> |
| Central Sussex College Recommendations | |
| <ol style="list-style-type: none"> 1. The new board and management team are performing well and should be supported in what is a major turnaround situation. However, the Board would benefit from the addition of a member with knowledge of quality improvement in further education. 2. The senior management team needs to be enhanced with an experienced senior member of staff who has overall college wide responsibility for quality improvement and curriculum development. 3. The Audit Committee requires strengthening and its membership increased with someone with relevant experience to enhance the level of debate and challenge. The Audit Committee should also introduce private meetings with Auditors as a matter of course to provide opportunities to discuss issues without members of staff being present. 4. Revised financial plans are needed for a worst case, most likely and best case scenario that take fully into account the likely results of known changes in local demographics and increases in NI and pension costs, as well as possible reductions in funding rates | <ol style="list-style-type: none"> 7. As part of the 2015/16 curriculum planning and budget setting process the college need to ensure that there is a direct linkage between the budget and the curriculum plan, combined with a zero based budgeting approach for all non-pay areas. 8. Discussions are needed with the SFA to find ways in which existing learners can be adequately supported with the resources necessary to complete their programmes successfully while the college's debt situation is being resolved. 9. The finance team should be enhanced with the appointment of a suitably qualified financial accountant. 10. The post inspection action plan needs to be re-written with an emphasis on the actions required to improve quality rather than on target setting and the recording and monitoring of progress. 11. A policy for managing student performance needs to be developed that distinguishes it from one that deals with student |

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| <ol style="list-style-type: none"> 5. Ways of reducing the college's level of debt to manageable levels should be explored as a matter of urgency, including consideration of the potential financial benefits of a sale and leaseback arrangement of the Haywards Heath site. 6. Opportunities for further reducing costs, particularly with regard to management and non-teaching time need further consideration with a view to reducing staffing costs as a percentage of turnover for college delivered provision to circa 60% as compared to the current figure of 65%. | <p>disciplinary matters.</p> <ol style="list-style-type: none"> 12. More emphasis is needed on developing work experience and employability skills for students and in identifying the destinations of students when they leave the college. 13. The personal tutor system and the role of the pastoral support tutors needs to be reviewed to ensure that it is the most cost effective way of supporting student progress. 14. A Stocktake assessment by the FE Commissioner should take place in the summer term. |
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City College Brighton and Hove Recommendations

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| <ol style="list-style-type: none"> 1. The college should be allowed to pursue a 'college-led' recovery. 2. The college needs to source a high-quality Interim Principal and CEO as a matter of urgency. 3. Working with the new Interim Principal and CEO, the college needs to address the question of the senior level support needed to help deliver financial health. One option currently under consideration by the college is to contract a part-time 'Transformation Director' to work with and support the Interim Principal and CEO. We are doubtful whether such a role can be successful on the two day per week basis currently under consideration, and the Interim Principal and CEO needs to consider carefully the resources required to secure the college's financial viability. 4. The college needs to replace the three interims currently in place in the | <ol style="list-style-type: none"> 7. the curriculum it needs to deliver to meet that market position 8. the estate it needs to use to deliver that curriculum 9. the staff and non-staff resources required 10. In the meantime, the college should continue with the cost reduction programme planned for 2014/15, including the scheduled staff restructuring. 11. The operation of the Board (i.e. the effectiveness of membership, the effectiveness of the Carver model and the operational culture) should be reviewed in four month's time. A variety of resources are available to conduct a review of Board effectiveness, and the Board should select the method it considers suits it best. 12. The finance team should be reorganised to allow for the |
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| <p>Executive team because having an Executive team comprising almost entirely of interims has a destabilising effect on the college. It also makes explaining difficult decisions to staff more challenging when they feel that the leaders relaying the bad news will be 'here today and gone tomorrow'.</p> <ol style="list-style-type: none"> 5. The college needs to press on with its fundamental review of strategy as a matter of urgency. The review should cover: 6. the college's market position (including LEP and City Council priorities), in the context of available funding streams. We would encourage the college to be prudent in relation to its ambitions for full cost and commercial contract provision | <p>appointment of a designated qualified management accountant</p> <ol style="list-style-type: none"> 13. Given the current level of uncertainty at the college, a stocktake assessment by one or more FE Advisers should take place initially on a monthly basis, with the first such stocktake taking place around the end of March. We would expect, over time, this level of monitoring to reduce to three and then six monthly as the college returns to financial health |
| <p>Darlington College Recommendations</p> | |
| <ol style="list-style-type: none"> 1. The Board should conduct a full review of its current performance and implement the changes necessary to its skills base and day to day operations to ensure it can adequately support and challenge the senior management team. 2. At senior team level, an additional director appointment should be made to widen the range of expertise amongst members and ensure that quality improvement is given a higher priority. 3. The college should take steps to ensure the availability of appropriate leadership of the finance and registry functions before the current Director of Finance and Funding leaves in June. The new post of Director of Finance should be designated a senior post holder. 4. The college should strengthen and formalise the "student voice" and the | <ol style="list-style-type: none"> 6. The new finance system should be fully implemented to ensure that management accounts are produced in a timely manner. This should be subject to an early independent review by the internal audit service. 7. The financial forecasts for 2015/16 and 2016/17 should be updated with the current information and assumptions regarding funding and performance, to inform the targets for the recovery plan. The forecasts should assume no growth in 16-18 learner numbers beyond those achieved in 2014/15. 8. The existing documents relating to cost reduction activity should be consolidated into a single recovery plan, with clear objectives and performance |

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| <p>constitution and operation of its Student Council. It should also ensure that student attendance and punctuality are more rigorously reinforced and that there are consistent tracking measures in place to monitor student performance.</p> <p>5. The college should address the performance management of staff and in particular the lesson observation policy with a tighter focus on the timing of the re-observations of Grade 3 and 4 lesson observation outcomes.</p> | <p>measures relating to, for example, the size and shape of the college, the level of surplus to be achieved and the spend on pay as a percentage of income.</p> <p>9. The college should ensure that it has a communications strategy which informs internal and external stakeholders about progress against the Post Inspection Action Plan.</p> |
| <p>Greenwich College Recommendations</p> | <p>In merger discussions with a preferred partner</p> |
| <p>1. The college should be placed in Administered College status</p> <p>2. A Structure and Prospects Appraisal should be carried out as soon as possible to determine the best way of providing high quality education and training for the learners and employers of the area</p> <p>3. Weaknesses at Board level should be addressed with the appointment of new members with relevant up-to-date commercial and business experience and a knowledge of quality improvement in further education</p> <p>4. Arrangements for Board training should be reviewed and a comprehensive programme of updating implemented</p> <p>5. A set of relevant Key Performance Indicators, benchmarking the college against sector norms, needs to be established and presented to each Board meeting for review and discussion</p> | <p>6. A new Post Inspection Action plan should be drawn up that identifies the actions needed to address the weaknesses identified in the Ofsted Report, with milestones and clearly allocated responsibilities for implementation</p> <p>7. A financial recovery plan is needed to address the issues of overstaffing and inefficient resource utilisation</p> <p>8. Existing processes for quality assurance, the provision of relevant management information and human resource management should be reviewed and improved in line with sector best practices</p> |

| Guildford College Recommendations | |
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| <ol style="list-style-type: none"> 1. On balance, the college's leadership and governance does have the capacity and capability to secure a sustained financial recovery within an acceptable timescale. The risks set out above, the size of the challenge and the resources available make this conclusion finely balanced, but, in my opinion, there is no advantage in changing individuals, or placing the college into Administered College status at this stage. 2. There are a number of actions that should be taken to deliver financial recovery, i.e.: the SFA needs to consider the extent to which it is able to be supportive in terms of the capital grant restructuring. The availability of capital resources is a matter for the Agency, but the FE Adviser conducting this assessment supports in principle the college's requests for flexibility and support, as it would be critical to the college's recovery; 3. The college needs to work its contingency plans to generate capital cash up into workable alternatives as a matter of urgency; 4. The college needs to re-visit its Financial Recovery Plan (FRP), with a view to increasing the forecast surplus in future years to provide contingency against unforeseen events; | <ol style="list-style-type: none"> 5. Given that a great deal of the work to deliver recovery will fall upon the new VPFR, the College should consider providing him with external mentoring support. Given that the individual is high quality and has experience of recovery elsewhere, this offer should be 'light touch' and not be interpreted as an indication of any weakness on his part; 6. The college's Clerk retires in a couple of months. It would be helpful if the new appointment has experience of advising governors in a financial recovery situation. 7. A robust monitoring process is required. Given that events are likely to move quickly in terms of the key cash risks (e.g. a bank decision about loans and the planning appeal results) and in terms of understanding the success or otherwise of 2014/15 enrolments, it is recommended that monitoring of the college's position takes place on a monthly basis until these issues are resolved. |
| Knowsley College Recommendations | |
| <ol style="list-style-type: none"> 1. Governance arrangements need to be reviewed and changes to the Board made to ensure that there is an appropriate mix of skills amongst members to challenge and support the senior team. This should include an addition of a member with further | <ol style="list-style-type: none"> 6. The EFA contract and the provision of HE include a significant amount of subcontracting. The college should review each of these arrangements individually to assess the level of risk and make |

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| <p>education experience and succession planning for the current chair</p> <ol style="list-style-type: none"> 2. A detailed curriculum plan for 2015/16, linked to the college's financial recovery plan should have been completed by now and needs to be finalised as soon as possible. Significant reductions in staffing will be necessary to bring the college in line with sector norms. 3. The college should plan for a balanced budget for 2015/16 as a worst case scenario - and ideally for a surplus 4. The college should begin to explore partnership arrangements with neighbouring organisations to ensure that the provision in the area is of high quality and delivered efficiently. If enrolments in September fall below plan, the college should conduct its own Structure and Prospects Appraisal. 5. Good progress is being made in improving the quality of apprenticeships and in building internal capacity for direct delivery. However, we would not support any expansion of provision until success rates for 2014/15 are secure. Future expansion of adult apprenticeships should be aligned to the college's strategy and should be predominantly aimed at the sub-regional market. | <p>appropriate provision within its three year financial forecast.</p> <ol style="list-style-type: none"> 7. In the light of current numbers and the levels of sub contracted activity the college needs to review its estate strategy to ensure that in the medium term it has the most efficient configuration of estates to meet the future delivery needs of the college 8. Staff salaries and conditions of service need to be brought into line with what is offered elsewhere in the sector 9. An FE adviser should continue to monitor and review progress on a regular basis through attendance at monthly case conferences, with the FE Commissioner undertaking a review of the college in mid-October to determine in the light of the progress made whether further action will be necessary. |
| <p>Lancashire Adult Learning Recommendations</p> | <p>No longer subject to FE Commissioner Intervention</p> |
| <ol style="list-style-type: none"> 1. The Lancashire Adult Learning Service should restrict its activities to Adult and Community Learning. 2. The SFA should consider more appropriate ways of delivering the skills programmes currently being offered through the Lancashire Adult Learning Service by using colleges and providers with greater experience | <ol style="list-style-type: none"> 5. New arrangements for quality assurance should be introduced as a matter of urgency that prioritise the improvement of teaching and learning and the production of an appropriate self-assessment report and quality improvement plan. 6. The Post Inspection Action Plan should be revised by aligning it |

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| <p>and success in the delivery of this provision.</p> <ol style="list-style-type: none"> 3. Governance arrangements for the Adult Learning Service should be introduced that involve both council and non-council representatives to determine the strategy for the service going forward and to provide suitable monitoring and challenge of the executive. 4. The Council should ensure that there is sufficient management time and an appropriate structure to deliver a high quality Adult and Community Service. | <p>more closely with the weaknesses identified by Ofsted and with clear responsibilities, actions, milestones and monitoring arrangements.</p> <ol style="list-style-type: none"> 7. The FE Commissioner should undertake a monitoring visit at the end of the summer term to review progress. |
| Lowestoft College Recommendations | |
| <ol style="list-style-type: none"> 1. Key strategic decisions made by the Corporation need to be considered in a more collective manner, and based on sound evidence and intelligence. 2. Corporation members need to be more aware of the overview strategic nature of their role and avoid getting involved in more operational management decisions 3. A clear succession plan needs to be put in place regarding the appointment of the next Chair when the current Chair's one year term is completed. 4. The Interim Principal is dealing with a number of complex financial, quality and staffing issues, and given her short experience in some aspects of these roles, professional mentoring and advice should be a key part of the Board's support for the Principal in undertaking her Chief Executive role over the next year. 5. The Corporation needs to reintroduce a Finance and Capital committee and also a Quality and Curriculum and Standards committee in order to ensure that the Corporation meets its | <ol style="list-style-type: none"> 10. The new senior management team does not include a qualified accountant. The newly appointed interim Head of Financial Operations should attend future SLT meetings and governor meetings. 11. Improvements need to be made to financial management and reporting. The planned changes to the format, content and timeliness of the management accounts should be implemented. The curriculum planning should be directly linked to the budget plan to ensure a realistic financial plan is put into place. 12. The Governing body should consider recruiting a new governor who has a strong accountancy background. 13. The Interim Principal should establish a strategic lead for Quality at SMT level by realigning the duties of the two Curriculum and Quality Directors 14. The 'live data dashboard' of KPIs needs to be developed to make it |

fiduciary accountabilities more effectively

6. Given the current precarious financial situation of the college and its reliance on Funding Agency support, the strategic decision to buy the Lound campus should be reviewed and a full strategic and operational evaluation of its current and future use made in order to determine whether this campus is needed and if so, what is its best value use. This should be part of a more general review of the college's estate, bearing in mind other provision in the area.
7. The short-term cash flow issues need to be urgently resolved through discussions with both the bank and the SFA. The college should consider carefully the amount of cash support being requested to ensure there are sufficient funds to meet operational requirements.
8. The college need to urgently complete a coherent recovery plan that links curriculum plans with resource and financial plans, sensitivity analysis and contingency plans. It should include a written commentary that brings all elements of the plan together. The Plan should also include a detailed action plan.
9. Given the urgency of the actions required for resolving cash issues and completing the recovery plan, the college should appoint an experienced interim senior manager with experience of recovery planning to support the existing management team. This appointment should be made as quickly as possible and should be for a period of 3-6 months

easier to identify areas in need of improvement, and the format of the QIP needs to be updated to show progress 'at a glance'

15. A Professional Development programme focused on e-learning needs to be developed. This programme to include the introduction of a recognised Virtual Learning Environment.
16. Links need to be established with Good or Outstanding Colleges and staff, managers and Governors mandated to visit and understand what 'Good' and 'Outstanding' look like.
17. The college should work closely with other neighbouring institutions with a view to rationalising provision and providing better value for public money
18. An FE adviser should continue to monitor and review progress on a regular basis, with a stock take assessment by the FE Commissioner in September 2015.

| Marine College of the Sea Recommendations | No longer subject to FEC Intervention |
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| <ol style="list-style-type: none"> 1. The college needs urgently to put in place new and effective monitoring arrangements for working in partnership with its subcontractor, the National Extension College, to improve learner performance, progression and completion of courses to achieve qualifications. Targets should be set, and if not met, the college should consider a change in provider. 2. The college needs to recognize the split between the subcontractor's responsibility for academic tutoring and the college's responsibility for pastoral support and monitoring progress, and put in place more effective systems for ensuring learners are supported to progress. 3. The college should review its curriculum provision and consider packaging programmes more appropriately to meet learners' levels of ability and needs, so that there is a better chance of learners succeeding at one level before proceeding to the next. | <ol style="list-style-type: none"> 4. The Leadership team should develop closer links with the FE sector by working with a college that understands their situation and can advise them on how to manage learners and their progress better to raise standards of course completion and achievement. 5. It is understood that Ofsted will continue to work in support of the college over the coming months to ensure the Action plan targets are realized. Whilst the Skills Funding Agency grant for learning support and resources is not significant, the college should be aware that this funding may be reviewed by the Agency. 6. A review of progress by the FE Commissioner should be scheduled for July 2015. |
| New College Nottingham Recommendations | No longer subject to FE Commissioner Intervention |
| <ol style="list-style-type: none"> 1. The Corporation must ensure that the membership, structure and roles of the Board and its committees result in improvements for learners and better financial performance. More frequent meetings, greater visibility of board members around the college and regular scrutiny of key performance measures against national benchmarks are all | <ol style="list-style-type: none"> 6. The efficiency measures identified in the recovery plan need to be delivered in full and staff contracts brought into line with sector norms at the earliest opportunity. 7. Every effort should be made by all those involved to ensure that the Basford Hall campus rebuild opens on time and on budget. |

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| <p>necessary to ensure that there is much improved monitoring and challenge.</p> <ol style="list-style-type: none"> 2. The Chair of Audit should be a governor. 3. The senior team needs to strengthen its skills set so that it can effectively review the outcomes from the college's quality systems and ensure that rapid intervention can take place where variances become evident. Immediate improvements are required to the recording of minutes, actions taken and the updating of plans to demonstrate that progress is being made. 4. The current data systems are failing to provide accurate and timely information to improve the learner experience and outcomes. Senior managers should prioritise their improvement as a matter of urgency. 5. The college should undertake a full review of its estate to assess its present and future accommodation needs. | <ol style="list-style-type: none"> 8. A city wide needs led review of vocational education should be undertaken by the Further Education Commissioner to consider opportunities for improving value for money and delivering better outcomes for learners and employers in the area. 9. The Further Education Commissioner will continue to monitor progress and will carry out a Stocktake Assessment to monitor the capacity and capability of governance and leadership arrangements following the outcomes of the review. |
| <p>Norfolk County Council Recommendations</p> | <p>No longer subject to FE Commissioner Intervention</p> |
| <ol style="list-style-type: none"> 1. On the basis that Norfolk County Council wishes to continue its commitment to delivering an adult education service it should, through its Steering Group of elected members, take a more strategic view in setting the mission and deciding the key objectives of the service in order to concentrate resources more effectively on its core provision and market. Significant investment will be required to improve organizational culture, introduce new information systems and raise the quality of teaching learning in order to strengthen the offer to learners. 2. Governance and oversight from a | <ol style="list-style-type: none"> 5. There are insufficient 16-18 year old learners to provide the best quality and best value experience for these learners within the resources available. It is recommended that the Council work with the EFA and other local partners to see if there are alternative ways of ensuring that their needs may be better met. 6. There are plans to overhaul the approach to teaching and learning observations, with a dedicated resource of a number of new specialist observers. This should be introduced as soon as possible as a significant and essential step |

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| <p>Council perspective has been extremely limited in the past, and whilst a new Steering Group of elected representatives has recently been established, it now has to develop more effective means of monitoring the quality of the provision, and providing strategic leadership.</p> <ol style="list-style-type: none"> 3. Leadership and management has been inadequate, and there is an immediate need to appoint a dedicated Head of Service to inspire staff and deliver the changes required within a clear timescale. There is also a need for one of the current Assistant Head posts to focus entirely on Quality Improvement, and for a new Assistant Head post to lead on data management. 4. The current Management Information System is not fit for purpose and does not provide adequate timely intelligence reports for managers or Steering Group members. An investment needs to be made to ensure that key performance measures are available to monitor student progress. Learner attendance, retention, achievement and, progression should be regularly monitored and challenged. | <p>towards improving the quality of learning.</p> <ol style="list-style-type: none"> 7. The arrangements for the performance management of the service need urgent improvement. A particular emphasis needs to be on improving the quality of teaching, learning and assessment. 8. An FE adviser should continue to monitor and review progress on a regular basis, with a stock take assessment by the FE Commissioner in September 2015. |
| North Warwickshire and Hinckley College Recommendations | |
| <ol style="list-style-type: none"> 1. South Leicestershire College and North Warwickshire and Hinckley College should develop its federation model into a full merger, with one board, one senior management team (already in existence) and fully integrated systems and procedures. 2. The composition of the new Board should take account of the skills of members from both colleges and ensure that it has adequate | <ol style="list-style-type: none"> 5. Curriculum Plans should include costs associated with each programme and its contribution to overheads 6. The Chief Operating Officer and Group Director of Finance & Risk, both of whom have a private sector background, should network with peer groups in the FE Sector to develop their knowledge of current |

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| <p>curriculum, business and financial expertise to challenge and support the senior management team</p> <ol style="list-style-type: none"> 3. A KPI data dashboard should be available to Board members which clearly shows current figures against targets and the previous year's performance 4. Both colleges should revisit their financial forecasts for 2015/16 and 2016/17 as a matter of urgency to reduce staff costs significantly and thereby make improvements to their forecast Operating Surplus/Deficit positions. | <p>best practice</p> <ol style="list-style-type: none"> 7. Curriculum delivery models should be reviewed to reduce direct delivery hours, and make more use of on line learning and self-directed study 8. The college should seek to clarify the financial arrangements with other project participants in the MIRA development as a matter of urgency. |
| <p>Redcar and Cleveland College Recommendations</p> | |
| <ol style="list-style-type: none"> 1. The college should be placed in "Administered College Status" and a Structure and Prospects Appraisal carried out by the FE Commissioner to consider whether there are better arrangements available to meet the needs of learners and employers in a more efficient and effective way. 2. The college should not progress certain recommendations of Ofsted in its latest Support and Challenge arrangements until; the structure and appraisal has been completed i.e. "confirm and secure senior leadership arrangements immediately ready for September 2015" and "confirm over-all strategic direction including collaboration or merger with other institutions ready for September 2015" 3. The Board needs to be refreshed to ensure that it has an appropriate mix of skills to support and challenge the executive in an appropriate way. In particular it should review the contributions of existing long standing members and increase its level of | <ol style="list-style-type: none"> 7. The college needs to develop further the embryonic contribution analysis by faculty and department to develop an understanding of the variances between areas and the actions necessary to address them. 8. More attention needs to be given to data reconciliation across the college to ensure that everyone has the same information. The emerging quality data dashboard needs to be completed as soon as possible to enable board members to consider the degree to which improvements are being made and to challenge where appropriate. 9. The competent lesson observation strategy needs to be strengthened with a faster improvement process for grade 4 provision. 10. The Quality Improvement Plan (QUIP) needs to be reviewed periodically against the Ofsted recommendations to ensure that all those areas that have been |

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| <p>expertise in the areas of further education and local business. Consideration should also be given to inviting the Chief Executive of the local authority to join the Board and, in line with its Administered College status, observers from the SFA and EFA should attend board meetings</p> <p>4. Clerking arrangements should be reviewed to ensure an improved level of service at a more economic cost.</p> <p>5. The financial recovery plan should be reviewed and “best case” and “worst case” scenarios considered alongside the present iteration. The plan needs more articulation as to how the growth is to be delivered and what actions need to be taken to deliver that growth</p> <p>6. The college needs urgently to complete a robust, realistic and costed curriculum plan. It then needs to reconcile the curriculum plan with the staffing establishment by department to ensure the mix and number of curriculum staff is right for the plan. A robust review process needs to be put in place so that in late September the actual recruitment and planned enrolments can be reconciled to the budget and, if necessary, appropriate swift action taken.</p> | <p>highlighted are covered.</p> <p>11. More attention needs to be given to recruiting and retaining level 1 and 2 students, which are underrepresented in the college’s present cohort.</p> <p>12. The FE Commissioner should review the progress of the college in October 2015 to assess whether it remains viable or whether other options, such as Administered College status, should be adopted immediately. In the interim, the college should grant SFA observer status at meetings of its Board and provide the SFA with what financial and other information the Agency may require on a monthly basis.</p> |
| <p>Somerset College of Arts and Technology Recommendations</p> | |
| <p>1. The college board and senior management team should be supported in their merger proposals, with a view to the resolution of the college’s present difficulties within the next academic year.</p> | |

| South Leicestershire College Recommendations | |
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| <ol style="list-style-type: none"> 1. South Leicestershire College and North Warwickshire and Hinckley College should develop its federation model into a full merger, with one board, one senior management team (already in existence) and fully integrated systems and procedures. 2. The composition of the new Board should take account of the skills of members from both colleges and ensure that it has adequate curriculum, business and financial expertise to challenge and support the senior management team. 3. A KPI data dashboard should be available to board members which clearly shows current figures against targets and the previous year's performance. 4. Both colleges should revisit their financial forecasts for 2015/16 and 2016/17 as a matter of urgency to reduce staff costs significantly and thereby make improvements to their forecast Operating Surplus/Deficit positions. | <ol style="list-style-type: none"> 5. Curriculum Plans should include costs associated with each programme and its contribution to overheads. 6. The Chief Operating Officer and Group Director of Finance & Risk, both of whom have a private sector background, should network with peer groups in the FE Sector to develop their knowledge of current best practice. 7. Curriculum delivery models should be reviewed to reduce direct delivery hours, and make more use of on line learning and self-directed study. |
| Stoke on Trent College Recommendations | No longer subject to FE Commissioner Intervention |
| <ol style="list-style-type: none"> 1. The existing leadership and management team have the necessary skills and experience to deal with the college's current financial issues. The Board does, however, need to consider succession planning issues. 2. A major reshaping of the management team and the responsibilities of its members will be necessary both to reduce costs and ensure that planning and operational outturns are reconciled. 3. The Group Director of Finance should be a senior post holder. | <ol style="list-style-type: none"> 6. A contribution analysis that identifies the amount that each curriculum area makes to covering the college's overheads needs to be carried out and action taken to address the areas that are contributing least. 7. A business process review should take place as a matter of urgency to enable costly labour intensive systems to be replaced by technological solutions. 8. Discussions with Stoke Sixth Form College should continue |

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| <ol style="list-style-type: none"> 4. The college needs to develop a comprehensive recovery plan by the end of February at the latest that will return the college to profitability within a 12 month period, based on the recommendations of their recent KPMG report. This will need to include action to address the issue of small class sizes. 5. One member of the executive team should have clear responsibility for curriculum planning and for linking the curriculum plan to operational reality. | <p>with a view to increased cooperation/sharing of services to the mutual benefit of both institutions. Given the demographic downturn in 16-18 year olds, it may be appropriate to broaden these discussions to other institutions in the area.</p> <ol style="list-style-type: none"> 9. A FE adviser should continue to monitor and review progress on a regular basis, with a stocktake assessment by the FE Commissioner at the end of February/beginning of March. |
| <p>Wandsworth Borough Council Recommendations</p> | <p>No longer in FE commissioner Intervention</p> |
| <ol style="list-style-type: none"> 1. The linkage between the Local Authority priorities for skills and employment and the curriculum planning for adult community learning and apprenticeships needs to be significantly strengthened 2. The Local Authority needs to review the strategic decision to accelerate apprenticeship growth through sub-contractors operating outside of London 3. The arrangements for the performance management of the service, sub-contractors and service managers need urgent improvement. This could be achieved by developing and reporting on KPIs, beyond participation, including retention, success and progression across all areas of the service 4. The Post inspection Action Plan needs further development to increase the pace of improvement and to provide clear evidence of review, intervention and follow-up actions, with a priority emphasis on apprenticeship success rates | <ol style="list-style-type: none"> 5. There is an urgent need to clarify the roles and responsibilities within the Lifelong Learning team, including the Head of Service, which has been subject to significant change during the past year and is still not stable 6. In order to improve scrutiny, the Local Authority needs to identify an appropriate forum for the objective and independent monitoring and evaluation of the service provision, including timely implementation of the PIAP. 7. Working with the Skills Funding Agency, the FE Commissioner should follow up within 3 months to review progress. |

| Warrington Borough Council Recommendations | No longer in FE Commissioner Intervention |
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| <ol style="list-style-type: none"> 1. The Council should stop the delivery of apprenticeship training following completion of the current cohort of learners, working with the SFA to ensure a smooth transfer of the provision to alternative high quality providers. 2. The Council should stop the delivery of Adult and Community Learning, working with the SFA to ensure a smooth transfer of the provision to alternative, high quality providers by August 2015. 3. In the interim, the Council should strengthen its leadership and management of the provision in order to implement and monitor an effective Post Inspection Action Plan and drive improvement. | <ol style="list-style-type: none"> 4. The Council should lead a strategic review of Adult and Community Learning and develop a focussed strategic plan for taking the provision forward. 5. The FE Commissioner should undertake a monitoring visit at the end of the spring term to review progress. |
| West Cheshire College Recommendations | |
| <ol style="list-style-type: none"> 1. The college needs urgently to recruit new Governors with accountancy and FE experience to ensure the skills mix is right for the needs of the college. All appointments should be made through an open and competitive process. 2. The college should review its clerking arrangements and put in place appropriate clerking arrangements as soon as practicable. 3. The college's financial regulations should be updated by the end of October 2014 4. The Audit Committee should ensure that at all meetings there is the opportunity for a minuted private meeting of Audit Committee members with both external and internal auditors. | <ol style="list-style-type: none"> 5. The post of Director of Finance should be filled with a permanent appointment as a matter of urgency. The person appointed to the post should be a senior post holder. 6. The college should complete a viability review, working with the funding agencies, into consolidating its estates onto a single campus by the end of October 2014. Subject to the outcome of this review confirming that alternative provision at Ellesmere Port would not significantly disadvantage learners, the Handbridge site should be closed and mainstream provision moved to the Ellesmere Port site. |

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