



Department  
for Education

Dr Viv Wylie  
Chair of Corporation  
City of Wolverhampton College  
Paget Road  
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5 June 2014

Dear Dr Wylie

### **FE Commissioner Assessment of City of Wolverhampton College**

I am writing to let you know about the government's view of your College's position in light of the FE Commissioner's review, and set out my expectations for how the College will continue to deliver quality improvement and financial recovery.

As you are aware, in light of the Skills Funding Agency's assessment of the College's financial health as inadequate I asked the FE Commissioner to review the position of your College in line with the intervention policy set out in Rigour and Responsiveness in Skills (April 2013). The FE Commissioner completed his assessment on 16 May 2014.

I have now received the FE Commissioner's assessment – a summary of which is attached – which includes three core recommendations. I have accepted these recommendations. The summary, and my letter to you, will be published on [www.gov.uk](http://www.gov.uk) following receipt of your response to this letter.

The assessment recognised the action that you have taken in the last 18 months to deliver teaching quality and financial improvement. I am encouraged that the governing body is now challenging and scrutinising the leadership more robustly, and has identified that it needs more business and community governors with relevant expertise. Having a strong governing body, with the skills and experiences necessary to scrutinise, set strategic direction, and hold the Principal to account, is critical to a successful College. I welcome the impressive changes that the Principal has made to improve the quality of the provision on offer, and the changes that he, and before him the



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Interim Principal and Interim Finance Director, has made to improve the financial budgeting practices, financial monitoring and reporting which are key elements to returning the College to a more sustainable financial position.

Looking ahead, the College needs to continue to deliver, at pace, the final changes necessary to deliver improvement, specifically the plans to increase the business expertise amongst the governing body and develop further its links with managers and curriculum areas. The College should then look to consolidate the efforts made over the last 18 months, and stabilise so that it can focus on delivering high quality provision to its learners and employers. Can you please confirm in writing, within two weeks from the date of this letter, what action you will take to respond to the FE Commissioner's assessment.

My officials at the funding agencies will continue to monitor and review progress with implementing your quality improvement plan and financial recovery plan, and they will keep me updated. I have also asked the FE Commissioner to carry out a monitoring assessment in autumn to review your progress.

If you have any questions about the FE Commissioner's assessment or this letter my officials will be happy to meet with you to discuss. Please contact Hooshang Rahmani ([hooshang.rahmani@sfa.bis.gov.uk](mailto:hooshang.rahmani@sfa.bis.gov.uk)) in the first instance.

A handwritten signature in black ink, appearing to read 'Matthew Hancock', with a long, sweeping flourish extending to the right.

**MATTHEW HANCOCK**

**Further Education Commissioner**  
**Assessment Report: Summary and Recommendations**  
**City of Wolverhampton College**

**Background**

1. Following the notification by the Skills Funding Agency that the City of Wolverhampton College had been assessed as inadequate for financial health, the Minister for Skills and Enterprise decided that the FE Commissioner should assess the position of the college in line with the government's intervention policy set out in *Rigour and Responsiveness in Skills*.
2. The FE Commissioner conducted his assessment between 3<sup>rd</sup> May and 16<sup>th</sup> May 2014. He assessed: the capacity and capability of the College's leadership and governance to secure a sustained financial recovery within an acceptable timetable; any actions that should be taken to deliver sustained financial recovery within an agreed timetable (considering the range of interventions set out in *Rigour and Responsiveness in Skills*); and how and when progress should be monitored and reviewed taking into account the Agency's regular monitoring arrangements

**The Role, Composition and Activities of the Board**

3. The college currently has 17 Board members, two of whom are staff governors and two student governors. In the past it has been very "public sector" biased. However, the Board has accepted the need for change and has initiated a review that has recognised that more business and community governors with relevant expertise are required if the college is to move forward. The Chair will be stepping down in March next year and a Chair Designate from the private sector has been identified.
4. The Board is also developing a new link scheme with college managers and curriculum areas to ensure that board members are more aware of the "workings" of the college. They have realised that under the previous permanent Principal they had been too ready to accept the assurance that "the college is doing the best it can" and respond to a narrative on the college's performance rather than examine the evidence base for any such statement.
5. Similarly in the past they recognise that their approach to risk and risk management was not robust enough. Following an extensive review, risk management is now based on key performance indicators and the board is confident that problems are being quickly recognised and dealt with. From

an examination of the papers and minutes presented to it, it is clear that the Board now has the information it requires to challenge and support

6. The Clerk to the Corporation is experienced and well organised, providing a professional service to the Board. Supporting training materials are available on a share point site and board members are well informed with regard to the FE sector. There are regular skills audits aligned with the instruments and articles of governance but as yet no regular governor appraisal. This is recognised as an area for development.

### **The Senior Management Team**

7. Following the departure of the previous Principal, the college appointed an Interim Principal who began the process of recovery and started to tackle the significant levels of overstaffing that the college faced. The new permanent Principal has accelerated the pace of change. He has replaced many of the previous management team and is driving the college forward on the twin fronts of quality improvement and resource efficiency.
8. A detailed curriculum plan has been developed for the first time and new teaching coaches appointed to support an enhanced and more comprehensive teacher observation process. Centralised attendance monitoring and follow up has been introduced on each campus. Key performance indicators are reviewed for each school once a fortnight.
9. Staff utilisation has also been significantly improved, contact teaching hours increased and the numbers employed reduced from 1247 to 623 (484 FTEs). This has been achieved in a remarkably short period of time.
10. In the course of the assessment the Commissioner met with more than forty staff, including local trade union representatives, all of whom recognised the need for significant change and were supportive of the actions that had been taken. They also praised the transparent and open style with which the senior management team had addressed the issues.

### **The Quality of Provision**

11. The college was inspected in April 2013 and was graded 3 (requires improvement) for overall effectiveness, outcomes for learners, the quality of teaching, learning and assessment and the effectiveness of leadership and management.
12. Areas for development included improving learner success rates on advanced courses, raising the proportion of good or better teaching, improving student feedback on their work and developing the ability of managers to analyse and evaluate data. It was also felt that teachers' expectations of their learners should be higher.
13. The inspectors did, however, comment positively about the changes that were taking place within the organisation noting amongst the college's strengths "Strong leadership that has re-focused and clarified the central

strategic direction towards equipping learners in and around Wolverhampton with the skills and knowledge to succeed” and “A strong and responsive management structure in which managers work with a clear purpose including towards financial sustainability, communicate transparently with staff and fully accept their accountability for learners’ success”.

14. Since then the Deputy Principal has addressed the issues needing attention as evidenced by progress on the college’s post inspection action plan. The college is confident that its grades will improve when it is re-inspected in the autumn term.

### **The Financial Position**

15. Prior to 2012 when the College appointed an Interim Principal to begin recovery planning, the College had very weak financial management practices. It had developed a reputation for inadequate forecasting. Financial control was weak and it had continuously reported operating deficits. In interviews during the intervention with a range of personnel who had seen both old and new regimes, there was recognition of how significant the changes have been. Under the previous regime there was a lack of transparency, planning and control. Under the new regime, especially since the appointment of the new permanent Principal in 2013 there have been wide-ranging improvements on all fronts.
16. Performance management now features prominently. This takes place on a regular basis. Targets are clearly set and communicated and Information on actual performance is both delivered on a timely basis and rigorously scrutinised and challenged.
17. The new Principal has introduced budgeting practices that accord with best practice in the sector. The College’s Finance Department has four staff who have been designated as Budget Control Officers, in addition to their other routine duties. Each of these has been allocated a number of budget holders to support. The Budget Control Officers work with their budget holders during a strictly controlled two week period in the preparation of their budget and then liaise closely with them throughout the year to interpret, assist and advise. As a result, the budget that is prepared is more robust, communication has improved and there is now a much closer working relationship generally between budget holders and finance personnel.
18. The College has purchased sector-standard curriculum planning software which is the basis of the decision-making about which courses to run and the expected income and financial contributions from those courses. The senior management scrutinise curriculum performance on a weekly basis and each Head of School is questioned by the Executive Management Team on alternate weeks throughout the year about their actual performance compared with targets. During these meetings, necessary corrective actions are agreed. Any changes in anticipated performance, e.g. income generation, that are discovered in these meetings are

immediately fed back to the Finance Department who amend financial forecasts to reflect those changes. As a result, financial forecasts now always reflect the most up to date position.

## **Views of Stakeholders**

19. In the course of the assessment stakeholders selected by the SFA were interviewed by the Commissioner. These included local employers with apprentices studying at the college and representatives of the City of Wolverhampton Council, the Black Country Consortium (LEP) and the Department of Work and Pensions. All spoke very positively with regard to their relationships with the college.
20. The employers who were interviewed confirmed in particular that they were getting an excellent service from the college (and in one case had transferred apprentices from a neighbouring institution) and were especially complimentary about the way in which the college was prepared to modify and adapt its programmes to meet their needs.
21. The local authority felt that under the new management, the college had “repositioned itself as part of the fabric of the city” while the Black Country Consortium (LEP) commented on the “outward focus” that the college now has. The representative of the Department of Work and Pensions highlighted a number of very successful joint initiatives that the college had become involved in to promote skills and support individuals to get back into work. Overall there was a feeling that the college was in a very different place as compared to where it was two years ago.

## **Conclusions**

22. The College Board has recognised its previous shortcomings and is taking action to address them in a methodical way, with a review of its membership and of its relationships with the operational side of the college.
23. In a very short time, the new Principal has built a very strong, high-performing Executive Team. This consists of former colleagues from his previous College and appointments from other successful colleges such as the Vice Principal Finance and Resources, who starts in July 2014. In the short-term he has also utilised the skills of experienced, respected finance professionals in the role of Interim Vice Principal Finance and Resources.
24. The Executive Management Team, especially the Principal and Deputy Principal are keenly focussed on financial matters and in particular financial viability. All new initiatives are challenged on viability and good business-sense grounds and are halted if they do not pass. The rigour of this approach is bringing significant benefits.
25. The finance team has been reorganised to place the emphasis on budgetary control and the Finance Manager who has experienced old and

new regimes, has commented upon how much more supported her team is now by the new Executive Team in exercising financial control. The supportive nature of the senior management is recognised throughout the institution.

26. The links between operational and financial performance are continually stressed by the Executive Team and the regularity of performance management meetings leaves no-one in any doubt that these links must be effective. While still experiencing considerable financial challenges in the paying off of debt, the college is now achieving an operational surplus whilst making significant progress in the area of quality improvement.

### **Recommendations**

- 1. The Board should continue with its plans to increase the business expertise amongst its membership and develop further its links programme with the managers and curriculum areas of the college**
- 2. The existing management team should be supported in continuing the process of transformation and recovery through the current monitoring and review processes delivered by the funding agencies.**
- 3. The Commissioner should carry out a monitoring assessment in autumn 2014 to review the qualitative and financial outturns for 2013/14 and the enrolment position for 2014/15 and to decide if any further action is necessary.**