

**FURTHER EDUCATION
COMMISSIONER ASSESSMENT
SUMMARY**

Redcar and Cleveland College

MAY 2015

Assessment

Background

Redcar and Cleveland College is a General FE College based in the north east of the Redcar and Cleveland local authority. The college offers qualifications at various levels including Entry, GCSEs, Diplomas, NVQs and Higher Education, with the highest percentage of enrolments being at level 3. The college also has its own specialist Higher Education centre in partnership with Teesside University and has been included in the government's plans to establish a National College for the oil and gas sector.

There are ten general further education/sixth form colleges in the Tees Valley sub region and there are complex 'travel to learn' patterns between local authority areas. Recent discussions with senior management in neighbouring colleges indicates a number are planning to increase their 16 to 18 student numbers and when considered alongside the declining cohort this creates a very competitive environment.

The college was issued with a Financial Notice of Concern by the Skills Funding Agency on 30 March 2015. The college also requested and was granted an in year advance from the EFA and SFA to address a cash flow issue in April 2015.

In the light of these concerns, the Minister for Skills 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*'.

The FE Commissioner's report is intended to advise the Minister and the Chief Executive of the Funding Agencies on

- a) The capacity and capability of Redcar and Cleveland College's leadership and governance to deliver financial recovery within an agreed timeframe
- b) Any action that should be taken by the Minister and/or the Chief Executive of the funding agencies to ensure the delivery of financial recovery and quality improvement (considering the suite of interventions set out in '*Rigour and Responsiveness in Skills*') and
- c) How progress should be monitored and reviewed, taking into account the Agency's regular monitoring arrangements.

Assessment and Methodology

The FE Commissioner, supported by two FE Advisers carried out an assessment during the period 4th May – 8th May 2015. They received in advance extensive briefing information from the SFA and the EFA. A wide range of College documentation was reviewed and they interviewed Board members, managers, staff, students, representatives of the trade unions and key partners and stakeholders. They also toured the college.

The Role, Composition and Operation of the Board

Until recently the Board has been largely ineffective and was described by one member as a “tea and biscuits” operation. There have been some improvements recently and the new Chair has been active in attempting to drive the college forward. However, a number of her recent actions have clearly crossed the line between governance and management. Further change at Board level is needed. In particular the Board would benefit from some additional expertise in the area of further education and from business. It should also consider how its leadership might be improved.

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

The Senior Leadership Team

Following the departure of the previous Principal the college now has a largely interim senior leadership team in place. This team has made good progress in a number of areas and has noticeably improved communications throughout the college. The Staff feel that long standing issues are now being addressed and there is clearly much greater transparency and openness with regard to the true position. There remain, however, significant problems across the college. Key data, for example, is not consistent and there is yet to be a costed curriculum plan for the coming academic year. Both of these are matters of concern.

Above all however the external circumstances that the college faces present the greatest challenge. Falling demographics, increased competition and an oversupply of provision in the Tees Valley area as a whole will continue to make life increasingly difficult for whoever is in charge. The new team is performing well but this may not be enough to ensure that the college can stand alone in the future.

Quality of Provision

Redcar and Cleveland College was inspected by Ofsted on 3rd – 6th June 2014 and was awarded the following grades;

Overall effectiveness - Requires Improvement

Outcomes for learners - Requires Improvement

Quality of teaching, learning and assessment - Requires Improvement

Effectiveness of leadership and management - Requires Improvement

The college was previously inspected on 15th -18th January 2013 when overall effectiveness was also judged to be “Requires Improvement”.

The new Acting Principal has focused on constructing what are essentially new senior and middle management teams with a concentration on devolved accountability. This has already made a difference. Managers and staff report a new sense of direction and

purpose. Performance management has similarly been improved in line with the new structure and staff appraisal is now being embedded in the college cycle and linked to Continuing Professional Development. Managers reported that, in the past, the college did not adequately deal with poor performance but that this is now being addressed.

The college is developing a quality data dashboard with Key Performance Indicators and benchmarks and the rapid introduction of this will help the college to focus on the actions required to deliver the plan. Staff understand the college targets but it is vital that governors, in particular, have a simple headline tool which gives them a focused understanding of the college's immediate position against target on attendance, retention and other measures of success.

The college has had a 'root and branch' review of teaching, learning and assessment. It has introduced, among other initiatives, a new procedure for the observation of teaching and learning, 'Teaching Circles' to share good practice, improved data processes and targeted staff development.

The procedure for teaching and learning observations has been strengthened and formally linked to Capability Procedures and there is evidence to demonstrate that this has been effectively applied. However, the time gap between the award of a grade 4 and subsequent re-inspection is too long at up to 10 weeks including 2 weeks for the development of an action plan.

In 2013/14 success rates fell significantly. With the inclusion of English and mathematics the decrease was more than 10% against the previous year and against provider group and national averages. Overall projected rates for retention, achievement and success for this year are 91%, 84% and 78% respectively. These represent an overall projected success rate improvement of 8.6% against 2013/14 but, whilst this is evidence of the improvements made by the college, success rates are still likely to be below the provider group and national average. The Post Inspection Action Plan which has now been subsumed within the Quality Improvement Plan describes actions to be taken to improve provision, but is occasionally too descriptive. Success indicators sometimes omit the targets which the college has undoubtedly set.

The curriculum offer is unusual and could be described as 'an inverted pyramid' with significantly more 16 – 18 learners at Level 3 than at either L2 or L1/ Entry. This inhibits the college's ability to manage progression efficiently, but more importantly does not reflect the learning community that the college serves.

Nevertheless, students are happy with the college. They describe it as friendly and caring. They understand their review processes and their ability to monitor their progress through 'Blackboard' alongside regular reviews with Learner Progress Tutors. The Student Council meets once a month but there is not a clear understanding of where their recommendations go and what actions are subsequently taken by the college.

Employer stakeholders are also keen for the college to succeed. They reported a generally positive current relationship with the college, although one employer commented

that, in the past and due to poor communications, they had reached the point of 'giving up' on the college. Relationships had now improved and they spoke positively about the work of the college's link member of staff. There was some concern expressed, however, that the college did not set sufficiently challenging targets for apprentices and that this compared unfavourably with other colleges locally which were seen to be more pro-active.

The Present Financial Position – Overview

In the last two years the College's financial health has declined with the College recording deficits in both 2012/13 and 2013/14) and forecasted for 2014/2015. The decline in the College's financial position is due in part to a significant decline in learner numbers over the last few years and with that accompanying income levels.

As a result of the down turn in income, the College has undertaken staffing restructures to endeavour to bring costs into line with the shrinking income levels. However a deficit budget position remains.

Forward look

The College finalised a Strategic Recovery Plan in April 2015 which sets out proposals to deliver an improving financial position over the next 5 years. The plan is predicated on a strategy around growing income, both funding body and commercial income, supported by an improved Ofsted grade in autumn 2015. This strategy is high risk, based as it is in the context of falling learner numbers and income over the past 5 years and a falling 16-18 demographic of 17% to 2019. The plan lacks a well-argued case and an evidence base to demonstrate that the anticipated growth is realistic and achievable.

The College is also projecting a growth in full cost income and income related to the Oil and Gas Academy. Our review of the concept of the Oil and Gas Academy and the work undertaken to identify the business case indicates that given time this has the potential to bring new income streams to the College. However, the concept is in its early stages and the original plan of attracting international students from North and West Africa is proving to be challenging given the current political climate in these areas. As a result, the plans have been revisited, aspirations reduced and will be more focused on UK students in the short term. However, the market is unproven and thus the projected growth in income is high risk.

The Financial Recovery Plan assumes that current levels of sub contracted delivery, both EFA and SFA, will continue and grow to assist in the delivery of the financial recovery. As a result of this strategy 20% of funding body activity in 2016/17 will be delivered by sub-contractors which is once again a high risk strategy for the College. Processes are in place to ensure contract compliance and to monitor the quality of delivery. However, the impact on the College of a sub-contractor failure could be significant.

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.

Conclusions

Operationally, the College has improved the quantity and quality of management reporting in the last 9 months and as a result is working towards devolving accountability and increasing the understanding of managers and directors. Financial information is more robust and there is clarity in the reporting which senior staff and Governors can understand.

However, the College faces a number of very difficult financial challenges over the next few years. The College is pursuing a growth strategy to achieve financial stability which is very risky given recent past performance, demographic decline and the lack of tangible contracts to support commercial growth.

Unless there is a dramatic rise in numbers in September, it is unlikely that the college will be able to survive as an independent institution.

Recommendations from Further Education Commissioner

- 1) 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 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 the SFA and EFA observer status at meetings of its Board and provide both agencies with what financial and other information they may require on a monthly basis.
- 3) 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”.
- 4) 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 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.
- 5) Clerking arrangements should be reviewed to ensure an improved level of service at a more economic cost.
- 6) 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.
- 7) 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.

8) 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.

9) 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.

10) The competent lesson observation strategy needs to be strengthened with a faster improvement process for grade 4 provision.

11) The Quality Improvement Plan (QUIP) needs to be reviewed periodically against the Ofsted recommendations to ensure that all those areas that have been highlighted are covered.

12) More attention needs to be given to recruiting and retaining level 1 and 2 students, which are underrepresented in the college's present cohort.

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