

Mr Peter Tavernor Interim Chair of the Board City of Liverpool College Learning Exchange Roscoe Street Liverpool L1 9DW Robert Halfon MP Minister of State for Skills

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Dear Mr Tavernor,

I am writing following the Further Education Commissioner's February visit to City of Liverpool College as part of his ongoing intervention. You provided extensive comments on the content of the Commissioner's report which followed his visit on 30 November 2016 and I understand you (together with the Principal and Clerk) have had the opportunity to discuss these in full with the Commissioner. Some amendments to reflect your comments have been made to the report which I will shortly be putting in the public domain.

The College was re-referred for FE Commissioner Intervention because of failures of financial management. Last year the College's budget outturn was £8 million worse than planned, and it required £2 million exceptional funding from the SFA to continue operations. I understand that you accept that this represented a failure of financial controls, and that new systems have been put in place, as well as new senior financial staff. The £2 million loan has also been repaid. This is encouraging, but the College's finances remain vulnerable and it is too early to have full confidence in the College's financial stability.

In terms of quality in 2013 the College went from being Ofsted 'Outstanding' to 'Inadequate', prompting its first Commissioner intervention. It has subsequently had two 'Requires Improvement' inspections. Qualification achievement rates have since improved, and the College's higher education offer is successful. Of particular concern is the College's oversight of its majority owned independent training provider – First 4 Skills, where achievement rates have been below national minimum standards, and Ofsted have judged the provision 'Inadequate'. This has led to the SFA taking the decision to withdraw funding from First 4 Skills and to seek alternative providers to support the apprentices. The SFA is providing support to learners affected by this decision.

Both the FE Commissioner and Ofsted have found that leadership and management require improvement – a finding that has been consistent across multiple interventions and inspections conducted by different teams. Some progress has been made in improving governance structures and processes, but there remain significant further areas where action is required. The Board needs to take full responsibility for the College's failings, taking steps to fully understand them and to put in place credible actions to address them over the short and longer term; this is particularly important in relation to the serious financial issues the College has experienced. Linked to this is the need for the College governors to pay a full role, in accordance with their duties, in scrutinising and robustly challenging the activities of the College executive, supported by full and transparent management information. To fully address these issues, an open and transparent process to recruit a Permanent Chair needs to be progressed with urgency. As the College is in Administered Status this should take place under the observation of the Skills Funding Agency and Commissioner team.

This letter and the FE Commissioner's report sets out the critical steps the corporation now needs to take. I have asked the Commissioner to remain closely involved until such time as he judges the College to be on a firm footing in terms of quality, finance and leadership and governance. To this end, he will return to the College in April to enable him to review overall progress since the College was re-referred for intervention in April last year (including taking account of the impact of the position in respect of First 4 Skills post the Ofsted inspection). After that visit I will ask the Commissioner to provide me with advice on progress made and whether further action is necessary.

I would like to reiterate my support for the mission of City of Liverpool College and the essential role it plays in addressing the needs of learners in the city. I am committed to working closely with the College, Liverpool MPs, the City Council and the Combined Authority to secure improvement.

I am copying this letter to Louise Ellman MP, Steve Rotherham MP, Maria Eagle MP, Luciana Berger MP, Stephen Twigg MP and to Mayor Joe Anderson. It will be published on Gov.UK

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Rt Hon Robert Halfon MP

Minister of State for Apprenticeships and Skills