



Department
for Education

FE Commissioner intervention summary report: John Ruskin College

October 2018

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FE Commissioner Intervention Summary report

John Ruskin College

Name and Address of College	John Ruskin College Selsdon Park Road South Croydon CR2 8JJ
Assessment undertaken by:	Andrew Tyley Josephine Nowacki
Chair of the College	Alec Stow
Principal / Chief Executive of the College	Mohammed Ramzan
Date of Assessment	3 October 2018

Background to FE Commissioner Intervention Assessment

John Ruskin College is a small sixth form college situated in Croydon towards the Kent and Surrey borders. It is not a typical sixth form college as it offers predominantly vocational programmes and apprenticeships. It has offered traineeships in the recent past, but currently has no learners on this programme. Around 84% of all students come from the Croydon area.

The college was prioritised for a diagnostic assessment visit that took place in March 2018. The factors that led to this prioritisation were:

- The college had been in early intervention by the Education and Skills Funding Agency (ESFA) following assessment of the college's financial plan which indicated a decline in financial health from 'outstanding' in 2015/16 to 'satisfactory' in 2017/18
- The October 2017 Ofsted inspection confirmed a decline in overall effectiveness from 'outstanding' in 2013 to 'requires improvement'
- 16-19 classroom-based student numbers had declined by 12% since 2016/17 with a further decline in 2017/18
- The college has been heavily reliant on apprenticeships funding with high levels of sub-contracting and was not successful in securing a non-levy allocation for new starts post-March 2018

At the March 2018 diagnostic assessment visit, the Commissioner team recommended that the college be referred for formal intervention as they assessed that structural change was required in order to retain sustainable provision at the college. They further recommend that a Further Education Commissioner Structure and Prospects Appraisal (SPA) be undertaken. This change of intervention status was accepted by the college and the FE Commissioner has now assessed the position of the college in line with the government's intervention policy.

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

1. The capacity and capability of John Ruskin College leadership and governance to implement financial recovery within an agreed timeframe (in this instance specifically in respect of a structural solution i.e. merger)
2. Any action that should be taken by the Minister and/or the Chief Executive of the ESFA to ensure the delivery of financial recovery and quality improvement (considering the suite of interventions set out in 'Rigour and Responsiveness in Skills') and

3. How progress should be monitored and reviewed, taking into account the Agency's regular monitoring arrangements.

Assessment and Methodology

Intervention policy in colleges and expansion of the Further Education Commissioner role (November 2017) sets out the process by which, in exceptional cases, a college may be escalated from a diagnostic assessment into formal FE Commissioner intervention. In such cases the outcomes of the diagnostic visit and the follow-on formal intervention visit will be combined into the FE Commissioner intervention assessment report. This report combines the findings of both the February diagnostic assessment visit and the October formal intervention visit.

The diagnostic assessment was undertaken by a Deputy FE Commissioner and an FE Adviser. The team received, in advance, extensive briefing information from the ESFA. In addition, they reviewed a wide range of college documentation, interviewed board members, managers, staff and students and were supported by updated information provided for the intervention visit.

Overview of the college

John Ruskin College is a small sixth form college situated in Croydon towards the Kent and Surrey borders. It is not a typical sixth form college as it offers predominantly vocational programmes and apprenticeships. It has offered traineeships in the recent past, but currently has no learners on this programme. Around 84% of all students come from the Croydon area.

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Leadership and Governance

Role, Composition and Operation of the Board

The board of governors comprises fifteen members including nine independent members (one vacancy); the principal; two staff governors; two student governors; and one parent governor (vacant).

The chair, has served on the board for over twelve years, taking up the position in 2012.

Governors are supported by a very experienced part-time clerk, who is a designated senior post-holder. The board's model of governance is based loosely on the Carver model – for example there is no finance committee. The board has a range of experience including both curriculum and finance. The financial capability of the board may be impacted by the recent resignation of the only qualified accountant member due to time pressures, but the board retains several experienced business professionals.

All governors that the FEC team met were focussed on the challenges facing the college in terms of both quality, finance and the wider further education landscape. The relationship between governors and senior leaders was one of healthy and robust challenge, coupled with an unswerving commitment to the best interests of the college and the local community, in particular those who face disadvantage.

There is a clear understanding by governors and the principal of the changes to the college's prospects since the completion of the South London Area Review. By the time of the diagnostic assessment, the board had already concluded that the standalone option recommended by the area review was not sustainable and that structural change was inevitable.

The actions taken by the board and the principal to engage external advice to review the college's long term financial sustainability were timely and reflect the board's determination to face its challenges head on. Following the recommendation for an FE Commissioner-led SPA, the board has actively engaged in the process and had identified East Surrey College as its preferred merger partner.

Governors appear highly confident that the proposed merger can be completed by February 2019 at the latest. They are optimistic about the prospects, as part of the merged college, to rebuild student numbers and expand the range of curriculum on offer.

Leadership and Senior Management team

The principal, has been in post since 2015, having been promoted from the position of vice principal. The principal leads a small senior leadership team of three, including the vice principal quality and curriculum and the interim director of finance.

In the aftermath of the October 2017 inspection, the college took swift action to review the senior leadership responsibility for quality. Early in 2018, the college appointed a new lead on quality improvement who has a strong track record of improvement both in their own department and across the college. Their post, has now been confirmed as permanent.

Since the diagnostic assessment and the outcome of the SPA, the chief operating officer has left the college. The college has moved quickly to appoint an interim finance director a qualified accountant with many years' professional experience in the FE sector who has committed to stay on in this interim role until the merger with East Surrey College is concluded.

Curriculum and Quality Improvement

Curriculum overview

The college has developed specialisms in English as an Additional Language (EAL), technical vocational programmes and apprenticeships. The college has discontinued its A level provision from September 2018; only legacy courses run currently. Study programmes for 16-18 year-olds are offered from entry level through to level 3 in a range of vocational areas that have been matched to local employer priorities. Students without English and/or mathematics qualifications study these subjects at an appropriate level.

The college had around 640 apprenticeships in 2017/18, following substantial growth in the number of apprentices over the previous two years almost entirely for non-levy paying employers. The majority of apprenticeships have in the past been delivered through sub-contracting arrangements. The impact of the apprenticeship reforms coupled with the college's failure to secure a non-levy allocation post-March 2018 has impacted heavily on apprenticeship numbers and income.

As part of the plans for merger, John Ruskin College is hoping to expand its curriculum provision to include vocational subjects that meet current and future local needs more closely - for example, digital and aerospace technology courses.

Ofsted inspections

The college was inspected by Ofsted in October 2017. Overall Effectiveness was judged as 'requires improvement', as were all other areas except Personal Development, Behaviour and Welfare which was judged as 'good'. In the previous inspection in 2013 the college was judged as 'outstanding'.

The Ofsted report identified that achievement rates across vocational subjects were variable, but overall were significantly below national averages. Too few students, especially those on Study Programmes, stayed to complete their courses, and not enough students passed their examinations. Inspectors found weaknesses in apprenticeship provision also. Student attendance was poor and the quality of teaching, as described in the Ofsted report, required improvement. Achievement, especially in high grades, in GCSE English and mathematics was low.

Quality improvement

Since the diagnostic assessment in March, actions to tackle weaknesses in the quality of provision, have gathered momentum. Actions include:

- Establishment of quality improvement boards which meet termly. Membership of the board includes three governors, the assistant principal Learner Achievement and Experience and the principal.
- Monthly Quality Reviews (MQR) for all provision, led by senior leaders including the principal
- Increased frequency and focus of Progress Review Boards. These are now held half-termly and led by the principal. These boards review retention, in-year progress and attendance.
- Scrupulous tracking and monitoring of learners at risk of underachieving
- A targeted programme of continuous professional development (CPD) to improve teaching, learning and assessment
- Developing the skills of leaders and managers, especially in embedding student-led leadership
- Tighter processes for teachers' probationary periods
- Restructuring of key leadership roles, including allocating the leadership of GCSE English and mathematics to one curriculum manager instead of two (enabling the vice principal for quality and curriculum to take responsibility for the oversight of apprenticeship provision). Both revisions are intended to allow much sharper control and intervention of these aspects of the curriculum.
- Use of external quality reviews to provide impartial assessments on the quality of provision in vocational areas

In addition, the college has improved the way it uses data to identify students at risk of underachieving so that swift support can be provided. It has also introduced greater rigour into the tracking and monitoring of students' progress and using data more effectively to support assessment for learning strategies. Detailed feedback to students also forms an integral part of the college's approach to quality improvement.

Teaching, learning and assessment

The assistant principal has introduced rigorous monitoring and tracking systems that are well understood by all staff. Teachers are clear about their key performance indicators. The role of the curriculum managers has been revised and strengthened in terms of greater accountability. They have a very clear understanding of what is needed to tackle current weaknesses and are particularly keen in empowering teachers to share responsibility for this.

The revised system for improving the quality of teaching, learning and assessment is underpinned by substantial investment in a long-term programme of continuous professional development. This includes employing highly experienced consultants to support teachers.

The new observation system comprises both formal graded observations and developmental observations. To date, all teachers, including agency teachers, have been observed. College information shows that although there are measurable improvements in the quality of teaching, learning and assessment, there is still an amount of work to do to ensure that all students receive the highest quality classroom experience.

Specific actions for improving the quality of teaching, learning and assessment include:

- Implementation of an annual CPD calendar informed by the Standards for Teachers' Professional Development and the Education Foundation Trust professional standards
- Use of external teaching and learning experts, to provide challenge to existing teachers
- Introduction of teaching and learning coaches who work specifically on providing support and advice around the Common Inspection Framework (CIF)
- Frequent learning walks with feedback to staff on emerging issues
- Improved feedback on actions through teacher and learner voice

Student views

The students the FEC team met during the diagnostic assessment were articulate, confident and full of praise for the college, its leaders and teachers. Students demonstrated a strong sense of ambition and cited an extensive range of opportunities

for engagement and student voice with enthusiasm. They considered the college to be an important part of the local community and would strongly recommend it to friends and family.

Effectiveness of the college to manage and improve quality

The table below shows that overall achievement for 2017/18 at 85.4% is 11.1% percentage points above the headline figure for 2016/17. Improvements are noted in retention and pass rates for all ages. Many of the 2017/18 rates are at or slightly above the national averages for 2016/17.

Student outcomes for 2017/18 (validated data)

College Outcomes		2014/15	2015/16	2016/17	2017/18	Trend	National Average 2016	Difference
All Ages	Starts	1675	2331	1984	1725			
	Retention %	90.5	90.4	91	93.7	2.7	92.1	1.6
	Pass %	78.4	82.6	81.6	91.2	9.6	91.6	0.4
	Achievement %	70.9	74.7	74.3	85.4	11.1	84.4	1
16-18	Starts	1348	1859	1502	1117			
	Retention %	91.8	89.7	89.4	91.9	2.5	90.9	1
	Pass %	78.3	81.7	80.4	87.6	7.2	89.6	2
	Achievement %	71.9	73.3	71.9	80.5	8.6	81.5	1
19+	Starts	327	472	782	608			
	Retention %	85.3	93	96.1	97	0.9	93.7	3.3
	Pass %	78.5	86.1	85.1	97.3	12.2	93.8	3.5
	Achievement %	67	80.1	81.7	94.4	12.7	87.9	6.5

College data also show that outcomes for students with learning difficulties and/or disabilities (LDD), care leavers and children looked after, all improved at a similar rate to all other students.

'Alps' value-added data shows that students on advanced-vocational courses make 'very good' progress compared to their starting points ('Alps' descriptor for grade 3 value added score).

Outcomes in GCSE English and mathematics, grades 9-1 increased to 93.1% which is a 16 percentage point increase on the previous year. High grades in English increased by 21 percentage points to 28.9%. In GCSE mathematics, the proportion of high grades decreased by 2 percentage points. Functional skills along with GCSE mathematics remain areas of focused intervention.

As with most other outcomes, apprenticeship provision has improved. Overall achievement for all apprentices is 78.5% (national average 69.1%, 2016/17).

Finance and Audit

Recent financial history and forecasts for coming years

College turnover has fallen dramatically between 2014/15 to 2018/19 (based on the latest forecast). This reflects the combined impact of falling 16-19 full-time student numbers and the rapid reduction in the number of apprenticeships since 2017.

Thanks to strong cash reserves and minimal loan liabilities, the college's financial health is judged by the ESFA as 'satisfactory'.

Underlying financial performance

The college has worked hard to reduce costs, helping to mitigate the loss of income. Whilst there is a degree of confidence that further declines in income can be avoided in 2019/20. There are, however, limited prospects for income growth as a standalone operation. Past reliance on substantial volumes of sub-contracted apprenticeships is no longer possible under the apprenticeship reforms.

The scale of decline in core 16-19 and apprenticeship income has contributed to increasing operating deficits which will steadily erode the college's cash reserves. The forecast operating deficit of 15% of turnover in 2018/19 is not sustainable.

Performance against funding allocations

The college's core 16-19 classroom-based student numbers have been declining since 2015/16. This has put pressure on the budget and reduced the college's critical mass of full-time students from 767 in 2015/16 to just 616 at November 2017 (from return R04 data) and 576 at the time of the October 2018 intervention visit. Lagged 16-19 classroom-based funding declined. Despite the prospect of further enrolments in the coming months, the college will have to work hard to hit the ESFA's 623 allocated student number target for 2018/19 and avoid further reductions in lagged funding in 2019/20.

As 16-19 provision has declined, the college has become increasingly dependent on apprenticeships, the majority of which are delivered by third parties under sub-contracts.

This apprenticeships provision has declined rapidly due to the college's failure to secure a non-levy allocation post-March 2018 and its high reliance to date on non-levy paying employers.

Cash flow / liquidity

As a small college, John Ruskin College has done well to maintain healthy cash balances and manage down external debt.

Despite the college's deteriorating operating performance, its cash reserves remain strong. The latest cash flow forecast shows healthy cash reserves throughout 2018/19.

Net current assets underline the college's excellent liquidity.

Staff costs

The college has taken proactive steps to reduce pay costs to mitigate the impact of declining income. Total staff costs are lower than budgeted but they are only 4% less than in 2016/17.

There appears to be a welcome element of flexibility in the 2018/19 staff budget, with only 80% of the budget accounted for by permanent staffing. This presents opportunities for further in-year savings without incurring staff restructuring costs.

Financial (budgetary) control, management and record keeping

The FEC team's initial assessment is that the key financial pressures facing the college are driven by learner volumes and the impact of the non-levy tender outcome.

It will, however, be more important than ever to maintain tight budgetary control in the run-up to merger and take corrective action as necessary to minimise the 2018/19 operating deficit and match any income shortfalls with compensating reductions in expenditure.

Effectiveness of the financial recovery plan

The college has recognised the impact of the rapid reduction of its two main income streams on its long-term financial sustainability. Early in 2018, the corporation commissioned an independent review of its prospects as a standalone college. This confirmed the need to consider future options for structural change whilst cash reserves were still positive and the college would be seen as an attractive partner.

The subsequent FE Commissioner-led SPA has resulted in the decision by John Ruskin College to merge with East Surrey College by February 2019. The combined scale and financial resilience of the merged college should address concerns about the sustainability of FE provision in South Croydon. Opportunities for income growth and efficiency savings have been identified as part of the merger plan and given both

colleges' strong balance sheets, the Transactions Unit have concluded that no Restructuring Funds should be necessary to support the merger.

Estates and Capital Plans

Estate and Buildings

The college operates from a single site in South Croydon, comprising 9,887 m² of accommodation on an extensive site of 10 acres. The campus is easily accessible by public transport, with most full-time students travelling from within a five-mile radius.

Property management and investment

The main college buildings date back to the 1950s but were subject to a major refurbishment in the 1990s. The college has continued to invest in improvements and enhancements, including the Sports and Science block (2005) and a Building Condition Improvement Fund (BCIF) funded programme of improvements to the Learning Resources Centre, along with secondary glazing and upgraded washrooms (2011). The college has further plans for a conversion to create a Higher Vocational Skills Centre, though as yet, funding or planning permission has not been secured.

Despite this level of investment, the college calculates that 43% of accommodation is still category C/D condition – with aspects of heating and ventilation likely to require replacement/upgrading in the near future. However, the general look and feel of the campus is one that is very well cared for and a pleasant learning environment, which the students told us they liked (though they say the gym is too small).

The college calculates space utilisation at 54%, but there is clearly significant surplus capacity on the campus (the college was apparently designed and built with capacity for 1,200 students). There are no immediate opportunities identified for mothballing or disposal. The college does not consider sale and/or redevelopment of the site as an appropriate response to the recent decline in its financial health.

Conclusions

The college is to be commended for its approach to tackling the weaknesses identified at their last Ofsted inspection. There is clear evidence that the actions they've taken are having a positive impact on the quality of provision and on student outcomes. However, leaders and managers at the college know that momentum must be stepped-up to ensure that all students achieve as well as they can and make the progress of which they are capable.

Despite the recent improvements in quality and substantial reductions in cost base, the college still faces significant financial challenges. Governors and senior leaders rightly recognise the need for structural change as a result of the significant decline in turnover, substantial operating losses and the gradual erosion of cash reserves.

The college has proactively engaged with the FE Commissioner-led SPA to identify a suitable merger partner (East Surrey College).

Recommendations

Pending the successful implementation of the proposed merger by February 2019, the college will be subject to Formal Intervention. This reflects the significant risks to the college's long-term sustainability were it to remain standalone.

1. Given the prospect of a substantial operating deficit in 2018/19, the college should maintain tight budgetary control in the run-up to merger and take corrective action as necessary to match any income shortfalls with compensating reductions in expenditure
2. Governors and senior leaders should continue the positive work already underway to prepare for the planned merger with East Surrey College by February 2019

Annex A - Information reviewed

ESFA College Briefing

Area Review recommendations

College strategic plan

Self - Assessment Report

Key Performance Indicators

Quality Improvement Plan

Ofsted Reports

Quality Achievement Rate data for the last three years

In-year data on attendance/retention

Enrolment information including current, actual student numbers

Governors' papers and minutes including confidential minutes (current year)

Latest management accounts and cash flow forecast

Two-year financial plan

Audited financial statement for the previous financial year

Risk register

Summary of external loans/overdrafts including covenant performance

Profiles of Corporation members and Clerk

Job descriptions and CVs of senior leadership team and appraisal documentation

Staffing information including turnover and survey results

Teaching Learning and Assessment Policy and Procedures

Performance management and appraisal policies

Internal audit reports (current year only)

External audit management letters (current year only)

ESFA funding allocation for 2017/18 and 2018/19

Annex B - Interviewees

Chair of Governors

Vice Chair

Lead Governor (Quality)

Clerk

Principal

Chief Operating Officer

Assistant Principal Learner Experience and Achievement

Heads of Faculty

Head of MIS/Data

Head of Estates

Group of Students

Additional Interviewees from Diagnostic Assessment February / March 2018

Interim Director of Finance



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