

Dear colleague

As we approach the end of the academic year, I would like to offer some reflections on the last 12 months and look forward to the next year.

Review of the 2014 to 2015 academic year

Sixth-form colleges continue to be successful and resilient overall. This is good news for young people. Ofsted's official statistics report the proportion of sixth-form colleges rated as good or outstanding overall stands at 83%. For 2015 to 2016 allocations, total student numbers and funding per student both grew slightly. The one college which was rated inadequate by Ofsted at the start of the year is now rated good. Only 3 colleges are currently rated inadequate overall and 2 of these are making significant progress pending re-inspection next year. Only 4 colleges are currently rated financially inadequate and 3 of these are making good progress towards recovery. In one college, however, formal intervention was not able to secure either college-led financial recovery or the necessary educational improvement. While a future for locally-needed provision has now been secured this is not an experience we want repeated elsewhere given the resultant costs and the impact on the college's community.

While each college is unique there are 2 factors frequently found amongst successful colleges and which colleges in formal intervention usually adopt quickly:

- strong external networks with colleges and schools who are developing new good practice in teaching and leadership
- governing bodies which have refreshed their membership and actively recruited people with the relevant skills and expertise to interrogate college educational and financial data and provide appropriate challenge to the senior management team

The future

The tough funding climate in the context of a demographic downturn and strong competition will continue to present challenges to many sixth-form colleges over the next few years. As well as continued scrutiny of costs, colleges may also need to look seriously at options for shared services, federations or mergers. Governing bodies and Principals will wish to explore structural changes which will sustain high quality education for their

communities and, where appropriate, adopt them before their institution experiences financial difficulties.

Structural change on a small scale or on a single institution-to-institution basis may be insufficient or sub-optimal in the longer term. I and my team have worked closely with the FE Commissioner, the Skills Funding Agency, 2 general FE colleges, 3 sixth-form colleges, 2 local authorities and the Local Enterprise Partnership in North and East Norfolk and North Suffolk to look at more radical area-wide options to address viability and improve standards for students. This has produced a positive outcome and the college governing bodies and Principals are now leading proposals for change. This approach offers a new approach to structural change which there is scope to replicate more widely.

Working together

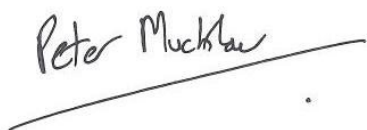
In the next year the Education Funding Agency will do more to support and where necessary challenge colleges which are not in formal intervention but where financial and educational data shows a risk of future failure unless action is taken. This will start with a closer dialogue with those colleges. Where necessary, we may then ask a college to consider taking action for example to strengthen its governing body, or initiate a cost review or a structural review. However, decisions on what action to take will remain clearly with the relevant governing body. More information is [available on GOV.UK](#). There is also a new and accompanying clause in your 2015 to 2016 funding agreements issued earlier this month.

We have also worked with the Sixth-Form Colleges Association to inform its guidance to members on structural change options and will continue to work with the Association of Colleges to inform its advice to its sixth-form college members.

There are currently some limited support funds available to help colleges determine how to reduce costs or achieve structural change. There are details at the Annex to this letter and applications are invited by 30 September 2015.

I am always interested to hear from you about what more we can do to support you in developing your strategies to plan and manage. Do let me know if you have ideas or suggestions for that. In the meantime thank you for your continued leadership of your college.

Yours sincerely

A handwritten signature in dark ink, reading "Peter Mucklow", with a long horizontal line extending to the right.

Peter Mucklow

National Director for Young People

Sixth-Form College Commissioner: support

The Education Funding Agency (EFA) has a small fund available to support sixth-form colleges that are intending to act to prevent intervention and support the longer term financial viability of the college.

Sixth-form colleges are invited to apply to the EFA for a contribution of up to £10,000 towards the following types of activities:

- internal cost-cutting reviews/improving financial control
- investigation of structural options to increase financial stability
- consideration of future strategic/organisational changes

However, should the bid cover collaborative activity between more than one sixth-form college, a higher amount may be considered.

Applications should be no longer than two sides of A4 and must include:

- description of the proposed activity – and the potential impact of **not** undertaking the activity
- what cost savings the activity will deliver – short, medium or long term
- what contribution the sixth-form college will make from its own funds
- confirmation that the sixth-form college will comply its own procurement regulations for the activity
- proposed timing of the activity (of which the EFA funded activity must be completed by 31 March 2016)
- confirmation of support from the Chair/s of Governors

Bids should be marked SIXTH-FORM COLLEGE COMMISSIONER: APPLICATION FOR SUPPORT and sent to Enquiries.EFA@education.gsi.gov.uk.

Bids must be received by **Wednesday 30 September 2015**

The EFA will consider all bids and confirm decisions, in writing, by **30 October 2015**.

Funding will be transferred by a funding agreement variation. This will require the sixth-form college to share a statement outlining the outcomes, plans (including dates) for any resultant implementation/change.

Should there be a high volume of bids received; the EFA may give priority to those bids that:

- address the position of colleges at higher risk
- offer best value for money
- will benefit more than one sixth-form college.

The EFA's decision is final and there will be no appeal process.