Further Education Commissioner assessment summary

Huntingdonshire Regional College

January 2017

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Assessment

Background

Huntingdonshire Regional College is a small general further education college with niche LLDD provision in the town of Huntingdon. The college recruits its learners mainly from within Cambridgeshire although Apprenticeship training through subcontractors takes place around the country. Most learners attend programmes at the main campus in Huntingdon with the remainder attending courses at a site within the Alconbury Enterprise Zone approximately 5 miles to the north-west of Huntingdon. The Enterprise Zone has been identified as the site for the building of a skills centre (iMet), which has been strongly supported, including financially, by the Local Enterprise Partnership. The college has taken the decision to include two other local colleges in a joint venture partnership to progress the initiative.

Intervention was triggered by the Ofsted inspection, 4th to 7th October 2016 when the college was judged to be Inadequate for Overall Effectiveness and Leadership and Management. Provision for learners with high needs was judged to be good and all other areas as Requires Improvement. As a result of the Ofsted inspection report, the College was referred to the FE Commissioner for assessment.

The intervention visit took place between 17th and 19th January 2017 and considered:

- The capacity and capability of the College's leadership and governance to secure a sustained quality improvement within an acceptable timetable;
- Any actions that should be taken to deliver a sustained quality improvement within an agreed timetable (considering the suite 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.

At the time of the intervention the college was engaged in the Greater Cambridgeshire and Peterborough area review. Within the review the college is proposing to merge with Cambridgeshire Regional College in August 2017. The new, interim senior leadership team, which was appointed in late 2016 is the senior leadership team of Cambridgeshire Regional College.

Assessment Methodology

The assessment consisted of consideration of briefing documents provided by SFA and EFA, examination of detailed information provided by the College, and interviews with key staff, learners and governors.

The Role, Composition and Activities of the Board

Ofsted judged Governance to be Inadequate, having been too slow to challenge senior leaders in bringing about the required improvements in the quality of provision since the previous inspection.

The Chair, reappointed in July 2014, acknowledged, as did other governors, that although the Board took decisive action following the Ofsted inspection, it should have acted sooner in addressing issues.

Following the Ofsted inspection, the Board determined that there should be leadership changes and that the college should commit to merge with Cambridge Regional College. In effect, Cambridge Regional College was invited, through a memorandum of agreement, to undertake, not only the process leading to merger, but also the senior leadership of Huntingdonshire Regional College.

The proposed merger with Cambridge Regional College is largely welcomed by staff and stakeholders and appears congruent with the emerging recommendations of the Greater Cambridgeshire and Peterborough Area Review.

Staff and other stakeholders are positive about the merger proposal albeit there is some concern about the apparent lack of any contingency if the merger does not happen, given that the interim Principal and Finance Director are simultaneously fulfilling the same roles at Cambridge Regional College.

The Board currently follows a 'Carver' model and meets monthly. There is a recognition that, given the twin challenges of financial and quality improvement, this will require 'bolstering'.

Leadership and Management

Ofsted reported that leaders and managers had been too slow to implement the improvements recommended following the previous two inspections. Actions intended to improve English and mathematics did not succeed, many staff thought the actions had a negative impact. Self- assessment was not sufficiently evaluative and performance management was insufficiently linked to professional development. Management information was not routinely collected and used to fully assess the impact of teaching, learning and assessment.

The senior leadership team at the college consists of the interim Principal/CEO appointed 01/11/2016, who has also been interim Principal/CEO at Cambridge Regional College since July 2016, the recently retired Deputy Principal of Cambridge Regional College who has agreed to remain to lead Huntingdonshire Regional College until merger, and an interim VP Finance, who fulfils the same role and function at Cambridge Regional College.

This duality of function must be handled extremely carefully to ensure that the interests of Huntingdon Regional College are not subordinate to that of the intended acquiring institution. Similarly, the strain on the capacity of the senior leadership team to undertake the triple challenge of sustaining quality AND financial improvement at Huntingdon Regional College at the same time as progressing a merger cannot be overstated.

Staff and governors at the college were very positive about the interim leadership team. They were particularly enthusiastic about the role of the interim HRC Deputy Principal who has brought clarity and vision to the college.

Communication is improving with clearer lines of reporting. Staff feel they are now better informed and senior managers are visible.

The management structure has been referenced above and could be said to be in a state of flux. The interim Principal reported that, on taking over the role, there was an imbalance between the significant number of managers as opposed to teachers.

Curriculum and Quality

Managers and staff were able to articulate the reasons for the Ofsted grading and were keen to move forward and improve. The actions in the PIAP are understood and owned by staff who are actively implementing them. Some views were expressed that the pace of implementation of the PIAP could be increased in order to reflect the urgency of the challenge.

The English and Maths team have been allowed to recruit more specialist tutors to reduce the reliance on English and maths being taught by curriculum tutors and re-organise delivery; and have received valued support, training and resources from colleagues at Cambridge Regional College which has enabled them to move forward quickly. There is more to be done with regard to English and maths, some of which may not be achieved fully until 2017/18. However, morale in the team is good now that they feel able to make appropriate changes and are supported to do so.

Curriculum planning has, in the past, been unsatisfactory. Managers feel that planning was not aligned to local and regional priorities and they did not have delegated responsibility for or ownership of cost effective delivery. HRC must ensure a robust approach to curriculum planning for 2017/18 which involves managers appropriately.

The College's assessment of its current position is that reasonable progress on the PIAP is being made but it is largely too early to be able to measure impact on outcomes. That said, feedback via closer monitoring is already enabling HRC to assess that timely achievement of Apprenticeships is improving; starting points and targets are being used in classroom and workshop delivery; and retention is improved but that attendance has not.

Learners that we met at HRC are unhappy. They are experiencing first-hand the impact of the challenges that HRC are facing. When asked, learners did support the merger with CRC if it would improve their learning and address their concerns.

Learners find making their voice heard a challenge. The channels for hearing Learner Voice are variably and inconsistently applied. Improved communication with learners is needed so that they understand why changes are happening and when improvements will be in place that will positively impact their learning.

There is no longer a Learning Resource Centre at HRC. The former LRC is now a maths and English delivery space. There was overwhelming support from managers, staff and learners for dedicated learning space to be re-instated.

Finance

HRC has historically achieved good or satisfactory financial performance. It has been impacted by steadily declining income overall. However, behind this lies a more rapid decline in income from direct college activity, the impact of which has been mitigated in part by substantial sub-contracted activity, in particular the sub-contracting of trailblazer Apprenticeships.

The College has undertaken a number of restructures during recent years, it appears to both target resources on improvement priorities and to manage costs. Despite these changes, pay costs as a percentage of income have remained higher than sector norms (after excluding sub-contracting).

The College has maintained adequate cash balances in recent years, although sale proceeds from property disposals have been used to support the operating cash flow in 2015/16.

The College has low borrowings relative to its current income. The position would change should it face a significant reduction in subcontracting activity.

The College set a deficit budget for 205/16. The deficit outturn for the year was significantly higher than the budget, and its scale only became apparent after the year end.

The College's ability to monitor its financial performance was limited by the quality of the financial information they received. The commentary which accompanied the management accounts was very limited. The Board had expressed concern over transparency of financial reporting.

The budget for 2016/17 was not linked directly to the curriculum planning process and the assumption which underpin it and the plan for 2017/18 are not clearly documented.

The plan seems to assume further growth in the contribution from sub-contracting, without which the College will face a further decline in its financial health. At the time of the assessment visit the College was unable to support its financial plans with a detailed cash flow forecast.

A central theme of the College's strategy is the development of the iMEt centre. The College does not yet have a clear business plan for the iMET centre and it is not clear what assumptions have been included in the financial plan regarding income and the costs of operation.

The financial plans do not provide a sufficiently robust basis for the College to be confident that it can deliver its strategy. The College should review the plan as a matter of urgency to ensure it can continue to operate effectively before and after any proposed merger.

At the time of the intervention visit, the College had produced only one set of management accounts, dated September 2016. These report a deficit for the period compared with a budget surplus. The variance arises from both under-achievement of income and expenditure which is higher than budget. The format of the accounts has changed, although there has been no increase in the quantity and quality of the narrative to explain variances. Despite the unfavourable variance at the end of September, the forecast for the year end shows and improved surplus compared with budget. The Interim FD is in the process of producing up to date management accounts with a revised forecast for the January 2017 Board meeting. Early indications are that the year-end forecast will be for a deficit, rather than the budget surplus.

The management accounts do not contain a 12-month cash flow forecast, nor do they contain any meaningful data on leaner recruitment to enable the Board to link financial performance with activity.

The College does not have any useful information on the financial contribution made by different departments and activities.

The College needs to produce timely and accurate management accounts, with sufficient data to enable the Board to be able to monitor financial performance, and to enable actions to be taken in a timely manner to deal with any adverse variance.

To improve the financial performance of the College, the leaders and Governors need information on the financial contribution of different College departments and activities.

The College has received unqualified audit opinions from both internal and external audit for 2015/16. In addition, the College received a largely positive report following a learner number audit in November 2016.

However, the arrangements for curriculum planning, budgetary control and financial reporting suggest significant weaknesses in financial controls in the period up to the end of 2016.

The finance team at the College currently consists of a part time Interim Finance Director who is very experienced in the sector, a Financial Controller who is a qualified accountant, and three other staff, one of whom works wholly on payroll. The two staff who support the Financial Controller are new to the College. It may be that additional staffing resource is needed in the short term if the College is to implement adequate financial controls during 2016/17.

Conclusions

Leadership and management has, in the past, been slow in effecting improvement and has not been sufficiently challenged by governors. The new, interim management team has brought clarity and direction which is welcomed by staff.

This positive position is not yet shared by learners. Learner voice is not yet heard with any consistency and increased pace is required to enable learners to discern real improvement. This includes making curriculum planning and timetabling processes ‘fit for purpose’.

The proposed merger with Cambridge Regional College is viewed positively by governors, staff, learners and stakeholders albeit there is some concern about the position of the college if merger does not happen.

The current governance model at Huntingdonshire Regional College needs to ensure it has the capacity and focus to monitor quality improvement.

Past financial challenges restricted the resources necessary to underpin good teaching and learning but the support of Cambridgeshire Regional College in sharing good practice and the actions of the interim management team in increasing the teaching resource in English and Mathematics means progress is being made.

The interim management team faces the triple challenge of improving the college’s financial as well as quality position alongside the developing merger process.

The college’s past financial performance has not been well managed, with weaknesses in planning, budgeting and reporting which have severely limited the Board’s ability to have effective oversight of the college’s financial health.

Existing financial plans are unreliable as the assumptions on which they are founded do not appear to be supported by any evidence. Current plans do not provide a reliable basis on which to sustain an independent college.

Recommendations

1) The Governing Body should, in accordance with emerging area review recommendations, seek to secure provision for the college community by accelerating the formal process of merger.

2) Recognising the positive impact of the Interim Principal in providing leadership across the college, governors and leaders should ensure sufficient and sustainable governance and management capacity e.g. the interim Finance Director should review the finance team resource to ensure it can support not only current systems but also the developing delegation of appropriate budgets to managers.

3) Governance structures including clerking should be reviewed to ensure there is sufficient focus and challenge on quality improvement. Reports to governors should relate to the developing data dashboard.

4) Curriculum planning should involve curriculum managers, relate to all provision and closely align with the budget setting process.

5) Leaders and managers should ensure that sufficient attention is given to learner issues, including strengthening the learner voice and delivering improvements for learners as quickly as possible.

6) On finance matters:

- The Governing Body should, as a matter of urgency, review the budget for 2016/17 and the financial plan for 2017/18 to ensure that the assumptions on which they were based remain valid;
- Regular, timely and accurate management reports should also be received by the Governing Body;
- The interim Finance Director should develop financial reporting which enables the college to identify the financial contribution made by different departments and activities;
- A comprehensive business plan should be developed for the iMet Centre to ascertain its financial impact on the college.

7) With respect to monitoring arrangements:

- A Further Education Commission Adviser should attend future Case Conferences to assess progress against the Post Inspection Action Plan and to ascertain whether there are any emerging financial issues which could inhibit that progress;
- A representative of SFA/EFA should attend future full Board meetings of the Governing Body.

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