



Department
for Education

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I am writing to let you know about the government's view of your college's position in light of the FE Commissioner's review, and to invite you to confirm the actions your college will now take in response to the significant concerns raised.

As you are aware, in light of the Skills Funding Agency's decision to judge the College's financial health as inadequate and the Ofsted inspection, I asked the FE Commissioner to review the position of your College in line with the intervention policy set out in Rigour and Responsiveness in Skills (April 2013). The FE Commissioner completed his assessment on 6 December 2013.

I have now received the FE Commissioner's assessment – a summary of which is attached – which includes a set of recommendations. I have accepted all these recommendations.

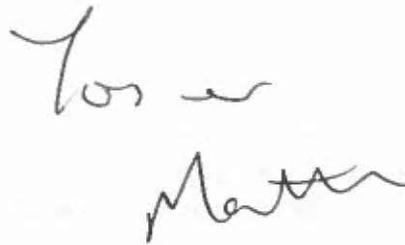
As you will see, while the College has made some progress in delivering the necessary quality and financial improvement the assessment identified some weaknesses in the governance of the College. Strong governance is vital to a college's success. Governors are responsible for the strategic oversight of the college, and in holding the Principal and executive to account for delivery. They are also guardians of public money, ensuring its effective and efficient use. It is therefore essential that the governing body has the skills and experience necessary to fulfil these responsibilities.

Changes to the composition of the governing body are therefore urgently needed to ensure it has the right mix of skills and experiences to deliver the financial and quality improvement of a large and complex organisation, and to provide effective strategic direction to the College. The governing body also needs to ensure it is providing sufficient scrutiny and challenge to the leadership over how it is delivering quality and financial improvement. It also needs to ensure the leadership has the necessary skills to deliver quality and financial improvement.

It is essential that the governance of City of Liverpool College recognises these weaknesses and understands the need for swift and decisive action to protect the needs of learners and ensure efficient use of public funding. Therefore, can you please confirm, in writing, by 10 January 2014 what actions you will take to address the weaknesses to the existing governance and the points made about the leaderships, and your timetable for doing this, taking account of the recommendations made by the FE Commissioner.

The Chief Executive of Skills Funding will write to you shortly in relation to the recommendation about the restrictions on growth, and about the funding agencies attending Board meetings as observers.

If you have any questions about the FE Commissioner's assessment or this letter my officials will be happy to meet with you to discuss. Please contact Cat Settle (cat.settle@sfa.bis.gov.uk) in the first instance.

A handwritten signature in black ink, appearing to read 'Matthew Hancock', written in a cursive style.

MATTHEW HANCOCK

OUTCOMES OF THE FE COMMISSIONER'S ASSESSMENT OF CITY OF LIVERPOOL COLLEGE

- 1. The governance arrangements at the College need to be improved, with additional, high level expertise in finance and further education and training.** The governing body recognises the changes that are needed to deliver quality improvement and financial recovery and are supportive of the Senior Management Team. The governing body needs to ensure it has the skills and experiences at a level that reflects the College's position as a multi-million pound business. This refreshed governing body must then ensure it is providing the necessary monitoring and oversight of the Senior Management Team.
- 2. The SFA and EFA should attend Board meetings as observers until such time as the financial and qualitative problems of the college have been fully resolved.** This would ensure effective challenge on delivery of the financial recovery plan, and the quality improvement plan and provide assurance that the changes to governance were being implemented.
- 3. The existing Senior Management Team should be allowed to continue to transform the College but with greater scrutiny and challenge by both the Board and the relevant agencies.** The governing body should better hold the Senior Management Team to account for the financial and quality improvement, specifically delivery of the Post Inspection Action Plan and the financial recovery plan.
- 4. The Principal would benefit from the support of an independent Principal/ex Principal with experience of developing outstanding provision.**
- 5. The College should appoint a permanent well qualified and able Director of Finance at the earliest possible opportunity to strengthen its senior management.** There is currently an interim Director of Finance, who is performing well but in light of the financial issues the College should make a permanent appointment as soon as possible.
- 6. No further funded growth should be allowed or substantive new projects undertaken until such time as the College has dealt with its present difficulties and outcomes for students are judged as good.**
- 7. The College's performance should be monitored by the FE Commissioner on a monthly basis to ensure that the College's detailed plans continue to be translated into action. Further action may be necessary if insufficient progress is made.**