

**FURTHER EDUCATION  
COMMISSIONER ASSESSMENT  
SUMMARY**

Stratford-Upon-Avon College

MAY 2014

# Assessment

## Background

1. Following the notification by the Skills Funding Agency that Stratford-upon-Avon College had been assessed as inadequate for financial health, the Minister for Skills and Enterprise decided that the FE Commissioner should assess the position of the college in line with the government's intervention policy set out in *Rigour and Responsiveness in Skills*.
2. The FE Commissioner conducted his assessment between 6<sup>th</sup> May and 16<sup>th</sup> May 2014. He assessed: the capacity and capability of the College's leadership and governance to secure a sustained financial recovery within an acceptable timetable; any actions that should be taken to deliver sustained financial recovery within an agreed timetable (considering the range 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.

## The Role, Composition and Activities of the Board

3. Currently, the Corporation comprises 10 governors, including the Principal of the College and two staff governors. Changes to the Board's current membership are in progress and the governance arrangements in the College are being reviewed. Most of the existing Board members were present during the period in which the college was running up significant deficits and failed to challenge adequately the then management team on its performance.
4. Some recent practices of the board are also questionable e.g. the decision to confirm the acting Principal in post as a permanent appointment without a competitive process and the move to disallow staff and students to vote for their representation on the board by replacing the present arrangements with a nomination/interview requirement. In the former case, the decision led to governor resignations on a point of principle.
5. The board needs new membership drawn in particular from the active business community
6. Clerking arrangements are expensive and the service currently offered is not appropriate to a modern high performing board. There is no appraisal of governor performance, a quality improvement plan for governance drawn up last year has neither been implemented nor reviewed, governor training from induction to ongoing support is minimal; there is currently no dashboard of performance indicators to enable the board to review the college's performance against its peers and there are no formal links with other boards elsewhere in the sector.
7. Within the college, links with the curriculum areas, staff and students are significantly underdeveloped as compared to what would be considered normal elsewhere and inevitably hamper the board in its ability to perform its duties.

## The Senior Management Team

8. Over the past year, the College has put in place a completely new management team that is beginning to tackle the not inconsiderable problems that the college is facing. Apart from the obvious financial difficulties, there has been insufficient attention to quality improvement within the institution for a number of years and relationships with other organisations in the area have also been largely neglected.
9. The new Principal has set about addressing these issues with enthusiasm and flair and engendered the support of staff and stakeholders alike. There is a very positive response from both within and outside the college to what has recently been achieved and to the transparent and open way that now characterises its leadership and management. This is in the context of a major restructuring and the loss of forty plus posts.
10. Nevertheless the scale of the task should not be underestimated and the question still remains as to whether Stratford-upon-Avon College has an independent long term future. Although the new management team is doing the right things it is not yet clear that they are enough to safeguard the future of an organization with less than £14m of funding, over £2.4m of which comes from the international market. The success rates for 2013/14 and the enrolment figures for September 2014 will be important indicators as to the likelihood of the college maintaining an independent future.

### **The Quality of Provision**

11. The College was inspected in October 2013 and was found to be requiring improvement in overall effectiveness, outcomes for learners, the quality of teaching, learning and assessment and the effectiveness of leadership and management. Ofsted concluded that too many students do not make sufficient progress, the quality of teaching and learning is not consistently good enough and quality assurance is not sufficiently robust in helping learners achieve their full potential. Teachers did not promote equality and diversity sufficiently in their lessons and provision in visual arts was inadequate.
12. On the positive side the inspectors recognized that the majority of learners achieve their learning goals, apprenticeship programmes and part-time provision for 14-16 year olds have high success rates and provision in hospitality and catering is good. Furthermore the college provided a very welcoming, safe and friendly environment for students. The inspectors also noted that students of minority ethnic heritage and those with learning difficulties and/or disabilities achieved in line with the average for the college.

### **The Financial Position**

13. In summary, the College is in a weak financial position. It has posted operating deficits for each of the last five financial years and its financial health has been graded as 'inadequate' by the Skills Funding Agency since 2011/12.

14. As the scale of the loss for 2012/13 emerged (and coupled with the Agency's existing reservations), a new recovery plan was required by the Agency in January 2014. The plan that has now been revised is based on more realistic assumptions. The key element of the plan is a staff restructuring (which is currently underway), which seeks to reduce the College's staffing by around 40 full time equivalents, saving £1.2m per annum.
15. The implementation of the plan is monitored by the Executive on a weekly basis, whilst the day-to-day responsibility rests with the Deputy Principal for operational issues and the Assistant Principal for Finance and Corporate Services (APFCS) for financial matters. Progress is reported to the Finance and Resources Committee as part of the financial update/management accounting report.
16. The College has modelled three financial forecasts for 2014/15 and 2015/16 based on different scenarios. The most likely scenarios show the college returning to a position of having an in year a surplus of income over expenditure next year.
17. As would be expected of a college of Stratford-upon-Avon's size, the College's finance team is relatively small. Nevertheless, it has around the level of resources that might be expected and two of the five staff are qualified accountants. There is no evidence to suggest that the team is unable to provide an effective finance service.

### **Views of Stakeholders**

18. In the course of the assessment discussions were held with a variety of stakeholders, including the LEP, local employers, a head teacher, Stratford-upon-Avon District Council, Warwickshire County Council and Lloyds Bank (the college bankers). All expressed very positive support for the new management team and the efforts that they were making to engage with all parts of the community.
19. In summary they felt that the new Principal was "a breath of fresh air" and there was much more willingness from all parts of the college to engage collaboratively with partners. The local authority were particularly supportive of the college's continuing programmes at pre-entry and entry level, which had previously been under threat, and of the contribution being made to the 14-16 agenda. For the LEP the curriculum was being aligned closely with its skills strategy and for employers apprenticeship provision was both responsive and relevant to each company's needs. It was recognised that this had not always been the case previously.

### **Conclusions**

20. The new management team, though relatively inexperienced, has set about addressing the significant problems that Stratford-upon-Avon faces in a methodical and professional way. Relationships with local stakeholders have been improved and there is confidence at all levels of the organization in their ability to turn the college around.
21. There is less support, however, for the governing body, whose membership is largely the same as it was when the college was getting into difficulty. There is a relative

absence of current business governors amongst the membership and a lack of relevant expertise in some key areas. Significant change will be needed to support and challenge the senior management team as they take the college forward.

22. Although there are signs that the financial recovery plan is working, there is still a question mark over the long term viability of the college as an independent institution. The results of many of this year's actions will be clearer in the autumn when a monitoring visit by the commissioner will consider whether the existing management team is able to deliver the improvements in quality and budgets without further assistance or whether additional action is necessary

## Recommendations from Further Education Commissioner

- 1. The Board needs to be significantly refreshed with a majority of new members**
- 2. A training programme for Board members should be provided that looks at how high performing college Boards operate. The lessons from elsewhere should then be implemented.**
- 3. Clerking arrangements need to be improved and the cost of clerking reduced.**
- 4. The Principal needs additional capacity, and would benefit from being mentored by an experienced Principal.**
- 5. Progress towards quality improvement and financial recovery should be reviewed in autumn when the outturns for 2013/14 and the initial enrolment numbers for 2014/15 are known. If insufficient progress has been made in these areas, a Structure and Prospects Appraisal should be carried out.**

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. Visit [www.nationalarchives.gov.uk/doc/open-government-licence](http://www.nationalarchives.gov.uk/doc/open-government-licence), write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

This publication is available from [www.gov.uk/bis](http://www.gov.uk/bis)

If you require this publication in an alternative format, email [enquiries@bis.gsi.gov.uk](mailto:enquiries@bis.gsi.gov.uk), or call 020 7215 5000.