

**FURTHER EDUCATION
COMMISSIONER ASSESSMENT
SUMMARY**

Weymouth College

MAY 2014

Assessment

Background

1. Following the notification by the Skills Funding Agency that Weymouth 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 (April 2013).
2. The FE Commissioner conducted his assessment between 17 March and 28 March 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); and how and when progress should be monitored and reviewed taking into account the Agency's regular monitoring arrangements
3. The College's financial difficulties arise partly from ambitious plans to grow the College's 16-18 provision after several years of decline in learner numbers. Unfortunately, the College did not ensure it had the necessary finances to fund all its developments in advance. The College asked the EFA to consider providing in-year growth funding but this was not approved. The College also asked the EFA to accelerate its grant profile for 2013/14 but this was not approved.
4. Following the Agency's intervention, the college produced a draft recovery plan, which was based on less ambitious plans and has been subject to discussion with the Agencies and the bank. The recovery plan in its present form, however, is unlikely to deliver the necessary return to a budget surplus and the repayment of the college's loans within a reasonable time period.

The Role, Composition and Activities of the Board

5. Attendance at Board meetings is good (in excess of 85%). The governing body has a range of skills and experience. However there are a number of skills gaps amongst the membership, in particular a lack of financial expertise and further education/vocational education and training experience. The Board has taken some steps to address these gaps, including appointing a former Principal to the governing body and the re-instatement of the Finance Committee. Nevertheless a review of the skills base of the current Board should be undertaken to ensure that the Board has the necessary balance of skills and expertise to carry out its duties and if necessary replace current members whose background may not be what is currently required.
6. Links between Board members and the College's curriculum areas are currently embryonic and consist of attendance at mid-term reviews when available. To ensure that they are in a better position to discharge their duties effectively a more flexible model is recommended which enables board members to participate in the self-assessment process at curriculum level, meet staff and 'walk through' classes as appropriate and discuss with students their needs and experiences.
7. The Clerk to the Corporation has had extensive experience of clerking at other FE

colleges as well as schools. There is a clear induction/welcome pack for new Board members, and papers for Board meetings are clear and well presented. However, there is limited challenge and scrutiny of the information that is provided at Board meetings. Although the Board has recently received training in safeguarding, other training opportunities have been limited. There should be a suitable training programme for Board members, particularly in the area of college finances, so that they can better perform their duties.

The Senior Leadership Team

8. Changes have been made to the Senior Leadership Team within the last two years, with the appointment of a new Principal and three Vice Principals. The new leadership team work to 5 key objectives set by the Board focused on quality improvement and financial recovery. There has been good progress in delivering the quality objectives and improvements in qualification success rates and student satisfaction are evident. However, the financial position of the College has continued to deteriorate as issues with management information systems and financial control have emerged.
9. The situation has been further exacerbated by a high level of turnover of interim finance directors in 2012/13, which hindered financial planning and control during the year. A new Director of Finance, appointed in September 2013, brings much needed financial expertise to the College. The College should continue to improve its financial capabilities by appointing a suitably qualified and FE experienced finance professional to the Senior Leadership Team.

The Quality of Provision

10. Weymouth College was inspected by Ofsted in June 2013 and was graded "requires improvement". However Ofsted graded the leadership and management of the College as "good" and noted as a strength that "Highly effective leadership provides the context and college culture to drive forward improvement ". The report went on to describe the staff, managers and governors as "highly motivated" and that partnerships within the college's local communities were "highly successful" and "add considerable value to the college's work with students". In the leadership and management section, the report noted "Good leadership by the Principal and the senior managers has brought about a positive step change in the work and progress of the college".

The Financial Position

11. The College has now recognised the need for more stringent financial scrutiny. The new Director of Finance and the new Finance Manager have been working with the Board to improve financial controls and reporting. Recent changes include:
 - a. Improving the financial skills of budget holders using regular meetings and budget management workshops.
 - b. Termly reviews in future to cover finance in addition to the current performance and quality.
 - c. Improvements to the budget-setting process using a range of agreed measures.
 - d. Regular reporting of the financial contributions made by each area of the

College in order to aid resource allocation and financial control.

- e. The establishment of a 'dashboard' for Board members which would provide information at various levels and allow for 'drilling down' into more detail.
12. All of these actions are seen as positive and an indication that the College is being proactive in trying to gain better financial control. However, there is an urgent need for more financial expertise within both the Board and the Senior Management team.
13. The College undertakes termly reviews of managers' performance, but these reviews have so far not included a review of how they have performed financially. It has recently been decided that the termly review will now also consider this aspect of their work. This is critical to effective financial control and to ensuring that managers understand the financial implications of their actions.
14. The College has produced a Financial Recovery Plan. However, this needs to be underpinned by a workable curriculum plan and resource allocation model to enable them to determine the resourcing implications of their planned activity. The College therefore urgently needs to develop a new Recovery Plan which should be subjected to rigorous testing to ensure that it is realistic and achievable. This would then be used to determine the long term financial position of the College.

Views of Stakeholders

15. As part of the assessment process, meetings were arranged by the Skills Funding Agency with a number of stakeholders. In each case there was a clear level of support for what the College had recently achieved and for the work that had been done in its re-positioning itself at the heart of the Weymouth Community. The local authority was particularly pleased with the curriculum developments that have taken place since the present Principal had been appointed, notably in the re-introduction of A Levels, LLDD work and a range of community activities. They felt that this was being reflected in a growing level of local support for what the College was trying to achieve.
16. Employers with Apprentices at the College were similarly complimentary, especially with regard to the College's desire to tailor programmes, where possible, to their needs.

Conclusions

17. Weymouth College has developed its provision significantly over the past two years and worked hard at improving the quality of what it does. This has resulted in significant increases in student numbers and higher levels of student satisfaction, as well as considerably improved relations with stakeholders and the local community.
18. However, these improvements have been achieved without due consideration of the financial costs of such developments. The Board and Senior Leadership team lack the financial expertise necessary to run a College of this size and need additional support to return the College to a position of financial strength. The recovery plan currently with the SFA needs to be re-written on the basis of a detailed curriculum plan and resourcing model and the repayment of advances of funding re-profiled in the light of this new reality. Until such time as this has been achieved and the actions that flow from this plan have been carried out, the College will be dependent of the SFA for its solvency. The positive developments in terms of student numbers and quality improvement, however, if maintained, should enable the unsatisfactory financial situation to be fully resolved by 2016/17.

Recommendations from Further Education Commissioner

1. The Chair should refresh the membership of the Board with new members bringing financial and FE expertise.
2. The Board should develop and implement a targeted training programme to enable them to understand better the FE sector and the contribution that the Board can make to the college's development.
3. The Principal should engage a 'peer mentor' with a good financial track record to assist her in dealing with the college's present financial situation.
4. The Principal should appoint a senior post holder with financial expertise to join the Senior Leadership Team.
5. The Chair and Principal should conduct a skills analysis of the Senior Leadership Team and then implement a training programme to ensure that staff have the necessary financial skills to address the college's current difficulties.
6. The Senior Leadership Team should produce a detailed curriculum plan for 2014/15 and ensure that it is resourced efficiently. They should then produce a revised recovery plan which is both realistic and consistent with the curriculum offer.
7. The Senior Leadership Team should also review its risk management processes in the light of the experience of the last two years and ensure that they are robust.
8. In the light of the Senior Leadership Team's skills gaps in this area, and the urgency of the task, the College should secure additional resources to enable this work to be done.
9. The FE Commissioner should closely monitor the College and report on progress.

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