



Sixth Form College Commissioner Assessment of Barrow-in-Furness Sixth Form College: Summary and Recommendations

Introduction

1. The financial plan submitted by Barrow-in-Furness Sixth Form College in July 2015 indicated that the college would be insolvent by the end of the 2015 to 2016 academic year. The college's financial health for 2016 was rated as inadequate by the Education Funding Agency (EFA) and the college was subsequently placed under notice of formal intervention on 29 September 2015, with a [Financial Notice to Improve](#) issued on 2 November 2015 (revised 6 January 2016) under the terms of "[Rigour and Responsiveness in Skills](#)".
2. In line with departmental policy, the Sixth Form College Commissioner undertook a visit on 7 January 2016 to assess the strategic options plan and short term financial viability of the college.

Leadership, Management and Governance

3. The principal and deputy principal are clearly focused on securing the best outcome for students and the local Barrow-in-Furness community as they work with the governing body to secure solutions to the financial problems facing the college.
4. All postholders are long-serving members of staff and all have been in their current posts since the "Requires Improvement" Ofsted inspection of November 2013. Moreover, they have worked together in leading the college to the "Good" Ofsted outcome in April 2015.
5. The Ofsted inspection report (April 2015) comments that "Governors are increasingly proactive and considerably more successful in challenging senior leaders and holding them to account for improving the effectiveness of

performance management and the quality of learning than they were at the previous inspection. They are more involved in the ongoing work of the college, for example by participating in subject-review meetings. They have significantly improved their understanding of the college's day-to-day work by going into classes and observing lessons, talking to students and attending student union meetings. Recently appointed governors have good industrial or educational experience."

Financial Issues

6. The decline in actual student numbers from 841 in 2011 to 2012 to 531 in 2015 to 2016 academic year has led to the college becoming financially vulnerable as it continues to provide a suitably wide curriculum to its students whilst facing increasing costs. Whilst the college has reduced staff costs between 2012 and 2015 the financial viability of the college as a stand-alone college has not been secured as student numbers continue to fall.
7. It is clear from the evidence that the college cannot continue as a stand-alone sixth-form college for the following reasons:
 - student numbers and class sizes are too low to generate sufficient income to sustain the current staffing structure and overheads across a wide enough curriculum. The college is unable to attract sufficient student numbers from its catchment area
 - a revised academic staffing structure would have a significant impact on the local offer and subsequent subject choices for young people
 - the college faces increasing competition from local institutions, including providers of apprenticeships
 - the demographic downturn in 16-19 student numbers over the next 4 years indicates that remaining as a stand-alone sixth-form college is, financially, unviable.

Strategic Issues and Merger

8. Governors and senior leaders have been pro-active in seeking a merger partner following recognition that the college cannot remain as a stand-alone college.
9. Discussions have been held with a range of prospective partners across the South Lakes and beyond, and a merger with Furness College has emerged as the college's preferred option. Furness College is the most keen and able to progress at this time and the proposition is the best opportunity for ensuring the future needs and aspirations of young people in Barrow-in-Furness are met.

Conclusions

10. The college has made significant and impressive further improvements in student achievement since the 2015 Ofsted visit which reflect the high performance of teaching and support staff and good leadership and management.

11. The college's financial recovery plan is realistic and many efficiency savings have already been realised. However, the college runs out of cash in March and again at the end of July 2016 and a structural solution for 2016 to 2017 academic year is therefore essential to help stabilise the college's cash position and maintain its solvency.

12. A merger with Furness College is credible and has many strengths, including:

- strong working relationships at senior leadership and chair of governors level with a history of collaboration to avoid duplication of courses
- a shared commitment to maintaining a high quality and distinctive sixth form branded offer, recognising the special ethos of sixth form provision
- a shared determination to securing good outcomes for the full cohort of young people in Barrow-in-Furness and the surrounding area including, in particular, through progression to Higher Education and apprenticeships and strong employer links. Furness College is also judged by Ofsted as "Good"
- greater opportunities for blended learning to be explored across both institutions
- the prospect of securing critical mass within a financially strong college and thereby maintaining a strong offer to local students for the long term.

13. The Sixth Form College Commissioner endorses the proposal of the two colleges to retain a distinctive academic sixth form branded offer based on the high quality and distinctive ethos evident in the college currently. This would be strengthened by the appointment within the new senior leadership team of the merged college of a "Head of Sixth" with personal accountability for standards and quality in the sixth form offer and to provide visible leadership.

14. It will be essential to realise efficiency savings through an early merger in order to increase the financial sustainability of the sixth form offer from the 2016 to 2017 academic year and the college should, in advance of its dissolution, identify a credible approach to reducing its senior management costs and begin to implement this as practicable.

Recommendations

15. In order to provide clear leadership and reduce uncertainty which may unsettle college staff critical to the future success of the offer to students, it would be desirable to identify a principal-designate as soon as possible after the governing bodies have made any decision to agree in principle to proceed to merger subject to consultation. The meetings to consider this agreement are planned for late February 2016.

16. Good leadership and management of the transitional period will be key to the success of any merger. As soon as possible the colleges should establish a project team and transition plan, which should cover plans for the future curriculum offer and future finances. This should report to a temporary Transition Group or governing body of a small group of governors drawn from both colleges with authority to make decisions.

17. EFA should source an experienced chair from another institution to "buddy" the chair of governors in steering the college through the transitional period.
18. The college's proposal is that it will dissolve in July 2016 and transfer its assets, rights and liabilities to Furness College. The college must continue to implement its cost reduction plans as set out in its financial recovery plan. On this basis and to support a successful structural change EFA should meet the planned end of July cash deficit on an agreed basis. To protect the taxpayer the college must agree in advance with EFA any material change to its planned end-academic year financial position before any commitments are made, and the college must agree in advance with EFA the terms of any exit package offered to any member of staff.
19. The finance and general purposes committee at the college should maintain its monthly scrutiny of the college's cost-saving measures in the 2015 to 2016 academic year whilst continuing to scrutinise the financial and underpinning business assumptions set out in the financial plan to ensure the college's financial situation does not deteriorate further.
20. EFA should re-schedule its 2015 to 2016 academic year payments, bringing forward £110,000 from April-May 2016 into March to alleviate the forecast cash shortfall.
21. The college should provide to EFA monthly Management Accounts, including cash flow, from February 2016 onwards enabling EFA to monitor the college's financial position.

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Sixth Form College Commissioner
February 2016