



Department
for Education

Annual report of the Further Education Commissioner

1 August 2019 to 31 July 2020

November 2020

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Introduction

This will be my last annual report as FE Commissioner, with my extended second term in the role due to end in March 2021. I have hugely enjoyed my time as FE Commissioner and the opportunity it has given to work with so many colleges across the country.

My first few years in this role coincided with a 'perfect storm' for colleges including a significant fall in the numbers of young people leaving school, real terms funding cuts, increased competition from other providers, and the introduction of the insolvency legislation. Colleges have done a brilliant job of maintaining education standards during this challenging period, and this year we are now seeing, at last, increases in demography and base funding rates for 16 to 19 year olds, together with a strong focus on Further Education colleges by government.



Nonetheless, I will be handing over at another challenging time for colleges, with the coronavirus (COVID-19) pandemic continuing to dominate headlines, and all of you working so hard to ensure that your premises are a safe place for staff and learners. I have never been more proud to be part of a sector that adapted so superbly to the lockdown in March 2020. Colleges moved quickly to implement online learning, with many distributing laptops to those who needed them, whilst staff and leaders performed heroic feats to ensure that learners were able to continue to learn. I know from my online and physical visits to colleges since April what an amazing job you are all doing for your students during this health emergency.

Although we suspended college visits during the lockdown in spring 2020, my team of Deputy FE Commissioners and Advisers continued to work alongside our National Leaders of Further Education (NLFEs) and National Leaders of Governance (NLGs), the Education and Skills Funding Agency (ESFA) Territorial Teams and DfE policy colleagues to offer support and advice to colleges. This gave us a good opportunity to see the work that colleges were doing to keep things running for their students, as well as the challenges that they have faced during the current crisis. My team and I resumed our visits to colleges in August 2020, typically visiting the college as one part of the assessment rather than basing ourselves at the college for the duration, as we did prior to lockdown.

I continue to be pleased to see colleges coming forward to talk to us in order to request a diagnostic assessment. Prior to the lockdown in March, my team and I had already carried out 11 diagnostic assessments (DAs) of colleges in the 2019/20 reporting year.

As well as these 11 new DAs, we continue to work very closely with colleges where DAs have taken place in previous years. In total, to date, we have now undertaken 79 DAs since 2017.

Prior to the spring lockdown, 11 colleges were referred for FE Commissioner intervention and received their first assessment visit during the 2019/20 reporting period. In supporting these colleges, we have continued to work closely with colleagues in the Territorial and Provider Market Oversight teams within the ESFA. Since my appointment in 2016, to date we have conducted 59 intervention assessments at FE and Sixth Form colleges. The published intervention assessment reports, available on [gov.uk](https://www.gov.uk), provide a helpful resource for college governors and leaders.

I welcome the government's response to Dame Mary Ney's Independent Review of College Financial Oversight, which will continue to strengthen the alignment between the FE Commissioner team and ESFA colleagues as we work together to provide the best level of support, challenge and advice to colleges. I was also pleased to see in response to Dame Mary's Review, as we work towards a more strategic relationship with colleges, plans being developed for regular, annual dialogue between members of the FE Commissioner and ESFA territorial teams and all colleges. My team and ESFA colleagues continue to work closely together to manage the impact and workload of intervention and DAs on colleges.

During 2019/20, as our work has increased, I have been delighted to welcome one new Deputy FE Commissioner to my team, Martin Sim, and five new FE Advisers, Laraine Smith, Nigel Duncan, Tracy Kitchingman, Steve Champion and Becky Edwards. These highly experienced and knowledgeable sector specialists, including three recent successful Principal/CEOs, have added real strength to what was an already outstanding team, and I have very much enjoyed working with them.

We have also recruited a number of new NLFES and NLGs during the past year, taking the total number working with us up to 19. These serving college leaders and chairs with a strong track record of college improvement have made a significant difference at the colleges where they have provided support and advice. NLFES and NLGs have now supported over 100 college principals, CEOs and governing bodies to date.

The Principals' Reference Group (PRG) has played a key role during the past year in bringing the knowledge and experience of serving college principals into the Department for Education. Their involvement is welcomed by ministers and officials within the department, who have been engaging with the group regularly. I have been keen to refresh membership of this group on a regular basis to enable the department to benefit from the expertise of as many as possible of our high achieving principals. I was delighted to be able to recruit four new PRG members to the group this year. The PRG has continued to support and challenge me in my role as FE Commissioner and is enormously important in contributing and feeding into FE college policy development. I would particularly like to thank Shelagh Legrave and Mandie Stravino for their contributions as founder members of the PRG.

I was pleased that the department was able to launch an application round for the College Collaboration Fund this year, despite the coronavirus (COVID-19) pandemic. 20 colleges were successful in bidding for up to £500,000 each from this £5.4m fund. I am clear that increased collaboration with other colleges is crucial as we move forward, and this funding to enable colleges to work with each other to share good practice and develop quality improvement priorities is crucial for the sector.

I have been enormously proud to serve as the FE Commissioner, and to work with so many of you since 2016. Thank you all, for everything you have done and are doing in these challenging times to ensure that the education and training that your colleges provide has been able to make such a difference to so many lives.

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

Richard Atkins, CBE
FE Commissioner

Further Education Commissioner Team activity and impact

Support offered to colleges during the spring 2020 coronavirus (COVID-19) lockdown

With formal visits to colleges ceasing as a result of the lockdown in March 2020, the FE Commissioner team moved swiftly to a new programme of direct support work for colleges, offered remotely by members of the team.

This support included reviewing finance forecasts and advice on staff restructuring as a result of the restrictions put in place due to the outbreak. It also involved deploying NLFs and NLGs remotely to offer support and advice.

In addition, the team were able to draw on advice from the FE Commissioner's Principals' Reference Group to manage the policy and operational response to the pandemic and to provide evidence to the Department for Education about the impact on the sector.

In total, 54 colleges benefited from support offered through the FE Commissioner team during this period. The amount of time offered to colleges varied, depending on their circumstances and what support they were looking for, and ranged from one to three days for the majority of those colleges.

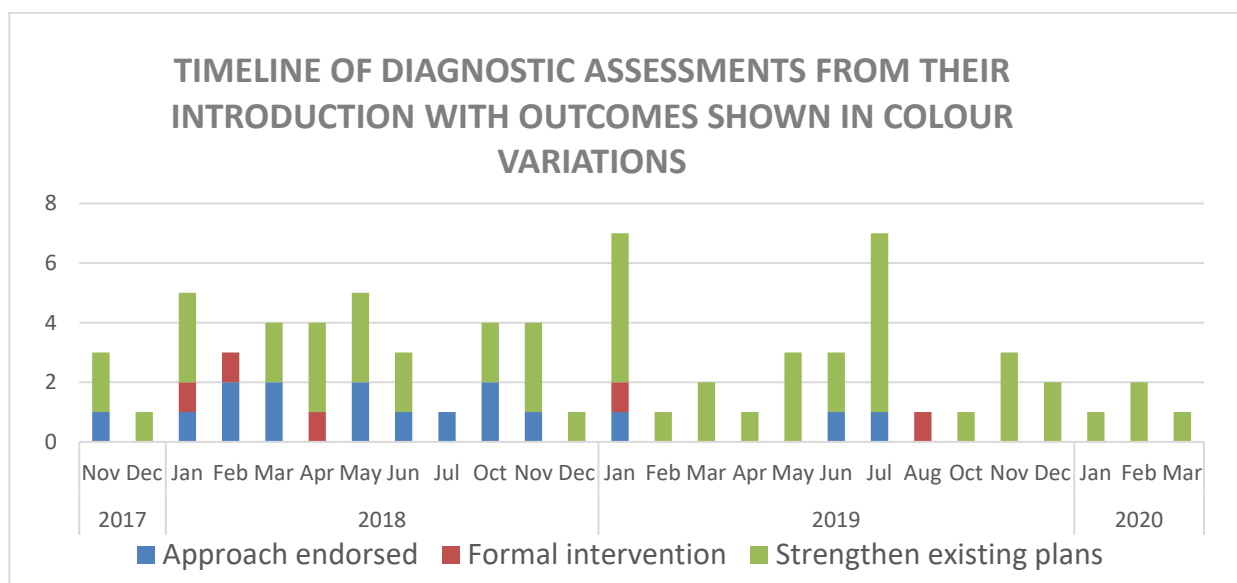
Diagnostic assessments

In carrying out a diagnostic assessment (DA), members of the FE Commissioner team work with a college to look at its improvement plans and whether those plans are fit for purpose or need strengthening. The FE Commissioner team will either endorse the college's existing plans, or agree where they can be strengthened, to ensure it is on the path to a strong and sustainable future. Occasionally a college may undertake a structure and prospects review (SPA) following a DA, or on a small number of occasions a DA may lead to formal FE Commissioner intervention.

The FE Commissioner's team conducted 11 DAs in 2019/20. A further seven DAs were planned to take place during this reporting period, but these were postponed as a result of the spring lockdown brought about by the coronavirus (COVID-19) pandemic.

Of the 11 DAs that took place, 10 led to colleges strengthening their existing plans, and one led to formal FE Commissioner intervention. This means that 10 colleges were supported to improve earlier than would have been the case before the introduction of DAs, helping to save money and protect learners.

The graph below details outcomes for DAs from their introduction in 2017 to the point where they were suspended because of the spring lockdown.



Case Study: Gateshead College

Gateshead College was referred for a Diagnostic Assessment (DA) due to financial concerns when the college indicated a need for exceptional funding support from the ESFA in November 2019. The FE Commissioner and his team visited the college in December 2019 to undertake the DA and found significant financial issues. A Financial Notice to Improve was issued by the ESFA on 20 December 2019 and the college was escalated to formal intervention. The Principal brought forward their planned retirement at this point.

In July 2019, the previous chair stood down after 11 years in post. It was evident that a chair with significant FE experience was needed at the college. During the intervention assessment, a chair with significant FE and HE experience, at both management and board level was identified by the FE Commissioner team. His appointment to the post was endorsed by the board in January 2020. The board was also supported to appoint an interim principal, and it was recommended that they restructure the senior leadership team. A number of recommendations were also made by the FE Commissioner team to support the financial recovery of the college, whilst maintaining the very good quality of provision.

Since the FE Commissioner intervention assessment, the college has made good progress in implementing the recommendations made. Changes that the college has implemented have had a positive impact on facilitating its recovery by addressing staffing and restructuring issues whilst ensuring that the college works through the COVID-19 pandemic in a calm and responsive way. Good progress has been made in developing the financial recovery plan.

A structure and prospects appraisal process has been recently concluded. The process of re-establishing the college as a local centre of excellence is well underway, including the recruitment of new, permanent senior postholders.

Structural reviews

The FE Commissioner team is continuing to conduct structural reviews at colleges, although work this year has been delayed by the coronavirus (COVID-19) pandemic.

Structural reviews are undertaken when a change to the structure of a college or provision may be needed to maintain financial sustainability and high-quality opportunities for learners. Structural reviews are generally conducted as structure and prospects appraisals, looking at a single institution. There are also local provision reviews, which can include more than one institution and assess provision across a defined area.

During the 2019/20 reporting year, seven new structural reviews were started and two were completed¹. Seven structural reviews are currently due to be completed in the 2020/21 reporting year².

The recommendations from completed structural reviews may be subject to negotiations between the department and the colleges, which also undertake their own due diligence process. This will determine the exact form in which the recommended solution may be implemented and the associated timescale.

During the 2019/20 reporting year, the outcomes of five past structural reviews were successfully implemented. This resulted in three college mergers and two colleges joining multi-academy trusts – details are in the table overleaf.

¹ Includes structural reviews started in previous years.

² Includes structural reviews started in previous academic years. Does not include any structural reviews that may start in 2020/21.

FE Commissioner-led structure and prospects appraisal outcomes implemented in 2019/20

College	Outcome	Implementation date
Bilborough Sixth Form College	Joined Better Futures Multi-Academy Trust	1/11/2019
Easton and Otley College	Disaggregation/merger - Easton site merged with City College Norwich and Otley site merged with Suffolk New College	1/1/2020
Brooksby Melton College	Merger with Stephenson College to form SMB Group	31/1/2020
Kensington and Chelsea College	Merger with Morley College	3/2/2020
Gateway Sixth Form College	Joined Better Futures Multi-Academy Trust	1/4/2020

In addition to the FE Commissioner-led SPAs in the table above, the FE Commissioner team also supported a college-led SPA, which resulted in the merger of East Riding College with the TEC Partnership on 1 August 2020.

Structure and prospects appraisal process

1. A structure and prospects appraisal (SPA) is recommended following an FE Commissioner intervention, diagnostic assessment, or requested by a college.
2. The FE Commissioner team leads the SPA and is advised by a steering group of stakeholders, including representatives of the college board, senior leadership team, ESFA, and others as appropriate.
3. The outcome of a SPA is often a recommendation to merge with another institution, although can also include remaining as a standalone college or closure. Recommendations can be subject to a range of conditions being met and may require ministerial approval.

SPAs are often informed by a Local Provision Needs Analysis (LPNA), which looks at the provision provided by surrounding institutions and the skills need of the area.

An Independent Business Review (IBR) can inform a SPA and may also be commissioned to assess the financial sustainability of a SPA outcome.

Further guidance on structure and prospects appraisals is available on [gov.uk](https://www.gov.uk)

FE Commissioner intervention³

The FE Commissioner and his team assess FE colleges and other institutions that are subject to formal intervention. Formal FE Commissioner intervention is triggered if they:

- are rated inadequate by Ofsted
- receive a Financial Notice to Improve from the Education and Skills Funding Agency (ESFA) about their finances
- are escalated to formal intervention from a FE Commissioner team diagnostic assessment
- fail to meet ESFA minimum standards.

Thirteen colleges and three local authorities were referred for FE Commissioner intervention during the 2019/20 reporting period. Of the 13 colleges, 11 received their first assessment visit during this period. The other two colleges were subject to FE Commissioner intervention in previous reporting periods and were re-referred for intervention during this period.

Of the 11 colleges that received their first assessment visit during the 2019/20 reporting year:

- Eight entered intervention due to financial triggers
- One entered intervention due to an Ofsted inadequate grade
- Two entered intervention through escalation from Diagnostic Assessments.

A further three colleges were subject to a refreshed intervention during this period due to having been in intervention measures for an extended period of time. Refreshed visits enable the FEC team to assess how the colleges' situations have changed and therefore how best to support them.

As of 31 July 2020, a total of 35 colleges and other institutions were subject to FE Commissioner intervention. This number included 19 colleges that remained in intervention from the 2018/19 reporting year, three of which were subject to refreshed intervention in 2019/20. It also included the 13 colleges and three local authorities that received their first assessment or were re-referred into FE Commissioner intervention in 2019/20.

Of the thirteen colleges that have been referred for their first assessment or re-referred into FE Commissioner intervention, and the three colleges that have received a refreshed intervention during this reporting period, seven have either been through or are going through some form of FE Commissioner-led structural review.

³ This report covers instances where the FE Commissioner and his team formally intervene at a college. The triggers that may lead to intervention by the FE Commissioner and his team are set out in the [College Oversight Support and Intervention policy document](#).

Five colleges left FE Commissioner intervention during this reporting period, two as a result of mergers, two as a result of the lifting of financial health notices and one where the college had put in place the necessary improvements and no longer met the criteria for intervention.

Due to the spring lockdown as a result of the coronavirus (COVID-19) pandemic, all FE Commissioner intervention casework was paused from 23 March to 16 July 2020, although as set out above, the FE Commissioner team offered support to all colleges in England throughout this time.

Case Study: West Nottinghamshire College

Following a period of financial vulnerability throughout 2017/18, which was repeatedly raised with the former leadership team of West Nottinghamshire College by the Education and Skills Funding Agency (ESFA) territorial team, a request was submitted by the college for short-term exceptional financial support in July 2018. This triggered a referral to the FE Commissioner for an independent evaluation of its ability to make the required changes and improvements to secure financial recovery.

Following an initial visit to the college, the FE Commissioner team made a number of recommendations, including a review of the accountability and capacity of the Principal/CEO and accounting officer, the designation of the interim finance director as a senior post holder, the recruitment of governors with financial credentials and the establishment of a financial recovery task and finish group. The college was also encouraged to work closely with their external auditors, and to appoint the ESFA as observers at corporation meetings.

The FE Commissioner recommended that the college be placed in supervised status – this involves enhanced monitoring and review by the ESFA and FE Commissioner, and the expectation that the college keeps both informed of major upcoming decisions. The ESFA territorial team also hold formal monthly case conferences with the college and bi-weekly telephone meetings as well as attending corporation meetings and Finance Committee meetings. The regular formal meetings are used to hold the leadership team to account and as a vehicle for the ESFA to drive and monitor risks and progress against all ongoing improvement actions, including FEC recommendations.

Since the first visit by the FE Commissioner team, the college has restructured its senior leadership team, who have worked closely with governors to take some difficult decisions and address historic flaws in the college's business model. They have stabilised the college and successfully rebuilt staff morale and faith in leadership. They have reset the college's strategic vision and are acting upon it at pace to ensure that the college makes excellent provision for its local employers and wider community. The stocktake visit by the FE Commissioner team in September 2020 found that strong financial operating performance was delivered in 2019/20, and that cash reserves are now at a level that provides some resilience, despite the immense challenges being posed by COVID 19.

Most importantly, quality improvement lies at the heart of the college's mission, and this is reflected in recent students' achievements. The team made no new recommendations to the college, and the ESFA have also removed the supervised status.

Case Study: East Sussex College Group

East Sussex College Group (ESCG) was established in March 2018 following the merger between Sussex Coast College Hastings and Sussex Downs College. The college was referred for an FE Commissioner Diagnostic Assessment in May 2019, which recommended that the college strengthen its existing plans. The college was then referred for FE Commissioner intervention to report on its Inadequate financial health grade following the issue of a Notice to Improve by the ESFA in November 2019.

The FE Commissioner team made a number of recommendations to the ESCG board, helping to ensure that the college had a clear strategic direction and vision for the future, and that the management team was structured to ensure sufficient capability and capacity – particularly with regards to finance, where an independent review was recommended.

A member of the FE Commissioner team offered to advise on the recruitment of a new CEO, and two National Leaders of Governance were deployed to work directly with the incoming chair and the Director of Governance to streamline, strengthen and focus the board's work. The FE Commissioner also recommended improvements to quality improvement processes and the estates strategy.

Following the departure of several senior leaders, interim arrangements were rapidly put in place to secure and stabilise the leadership team, with good use being made of support from National Leaders of Further Education.

As a result of all these actions and despite the current situation with regards to coronavirus (COVID-19), the college is making good progress, and the interim CEO/Principal was recently appointed on a permanent basis to this post.

National Leaders of Further Education, National Leaders of Governance, the Principals' Reference Group and the College Collaboration Fund

National Leaders of Further Education and National Leaders of Governance

National Leaders of Further Education (NLFEs) are serving college leaders who have a strong track record of delivering improvement – both at their own colleges and in working with others.

National Leaders of Governance (NLGs) are experienced college governors and clerks with a strong record of supporting college improvement. Both NLFEs and NLGs provide strategic mentoring and support to other colleges that need to improve.

NLFEs and NLGs have continued during the coronavirus (COVID-19) pandemic to help colleges to improve across a range of areas as well as provide mentorship, peer-to-peer support, and share best practice.

- As of November 2020, NLFEs and NLGs are currently supporting 50 principals, CEOs and governing bodies.
- In total, NLFEs and NLGs have worked with over 100 principals, CEOs and governing bodies since this initiative was introduced in 2018.
- During the 2019/2020 academic year, an additional 5 NLFEs and 4 NLGs were recruited, taking the total number of NLFEs and NLGs offering support to colleges to 19 – 10 NLFEs and 9 NLGs.

More information about NLFEs, including a list of serving NLFEs is available [here](#). More information about NLGs is available [here](#).

NLFE Case Study: EKC Group (East Kent College) and South Essex College

The purpose of this project was for the NLFE college (EKC Group (East Kent College)), to support South Essex College to improve outcomes and the student experience of the Adult Access Provision. South Essex College had received an Ofsted inspection in May 2017 where they were graded Good Overall but Requires Improvement for Adult Learning Programmes with a focus on their Access provision.

The support for South Essex College consisted of three very focused and distinct visits. These included an initial review of the college's access offer, including a learning walk, discussions with staff and managers, a review of the curriculum structure, and their current leadership model for Access. This led to a summary report which made a number of recommendations. As a result of these recommendations a training day was put in place for all Access teachers and managers which was delivered by the EKC Group.

There was a thorough plan in place throughout the project to support each visit and ensure positive impact. In addition, there was continuous dialogue between both colleges

to ensure that good practice was being shared. Communication, feedback, and dissemination was absolutely key to the improvements made at the college.

A final visit took place to discuss findings and review the impact of support. The curriculum model had been amended to fit the diverse needs of learners and support access teachers, who were now part of a team rather than spread across the curriculum areas. Significant improvement was evident in the quality of teaching, learning and assessment. This was supported by positive student feedback, quality of work and feedback, and well-structured, engaging lessons.

Principals' Reference Group

The Principals' Reference Group (PRG) is made up of seven serving college principals/CEOs. The group supports, challenges and advises the FE Commissioner in his role of improving performance in FE colleges and contributing to policy development for colleges in the FE sector.

The PRG met five times during the 2019/20 reporting period and has contributed on a range of topics including FE reform, FE workforce, Skills Advisory Panels, Skills Recovery Package and the impact of coronavirus (COVID-19) on colleges.



College Collaboration Fund

The College Collaboration Fund (CCF) is a national programme of competitive grant funding for all statutory FE providers, designed to enable colleges to collaborate and share good practice and expertise to address common quality improvement priorities. The fund builds on the previous Strategic College Improvement Fund (SCIF).

As a result of the coronavirus (COVID-19) pandemic, the first application round for the CCF was cancelled. The application process was adjusted, and a second round designed to support FE colleges to respond to the current challenges around quality improvement and capitalise on good practice was launched in spring 2020.

20 colleges were successful in bidding for a CCF grant, all of whom will now work with their partner colleges to complete their grant funded activities by 31 March 2021.



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