



Department
for Education

Annual report of the Further Education Commissioner

1 August 2021 to 31 July 2022

December 2022

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Introduction

This is my second annual report as Further Education Commissioner. In the last year I have visited 55 colleges, meeting brilliant students and seeing innovative teaching and learning using a range of different tools. The introduction of new technologies, often funded through the Skills Development Fund, has enabled talented teaching and support staff to grow their own knowledge and enhance the student experience.

There are, however, huge challenges for all leaders in the further education (FE) sector. It is becoming more difficult to source and retain staff, particularly in construction, engineering and digital skills. Some colleges are having to withdraw some T Level courses due to lack of staff to deliver them, with shortages extending to support services too. The cost of living crises, coupled with very tight college finances, are resulting in strikes which impact students. Very large increases in energy costs are fuelling non-pay inflation too. This is a difficult time to lead an FE college and requires courage and resilience in equal measure.



The focus for me and my team over the last year has been threefold.

Firstly, to bring practitioner expertise and insight into government, ensuring ministers and civil servants are fully informed of the challenges the FE sector is facing.

Secondly, to develop a range of Active Support tools and resources for all colleges.

Thirdly, to support and guide colleges in intervention and work with them to progress into post-intervention monitoring and support wherever possible.

Reflecting on 2022, there are 3 areas where I see persistent problems which corporations and colleges need to address. The first concerns governance, and particularly the number of boards where governors have served for more than 10 years. Whilst the time given by these governors as volunteers is hugely appreciated, it is often too comfortable a relationship with the senior team.

The second problem is around subcontracting. The economic climate is causing more adults to work rather than taking training opportunities, so the temptation for colleges is to use subcontracting as a way of fulfilling funding contracts. There is a place for local subcontracting, but it is vital that this is overseen appropriately, both from a quality and funding perspective.

The third area of concern is cyber security. A small number of colleges have been affected by attacks this year. Governors and principals have to assure themselves that

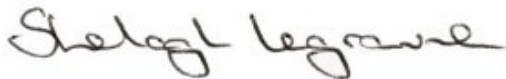
they have robust IT processes to provide as much protection as possible. [Jisc](#) are very happy to advise in this area. Please also report any security incidents to ESFA and Action Fraud. There is more information about this in the [FE governance guide](#) – see fraud and cyber security in the compliance section.

Returning to Active Support, our FE colleges offer world-class skills development, education and opportunities. They are the heart of their local communities, improving skills, economic opportunity, wellbeing, and delivering social value and progression. College leaders regularly face challenges and strategic choices to evaluate. The best way to deal with both challenges and choices is with the support, experience and help of colleagues across the sector - not in isolation.

Through my team of Deputies, Advisers, National Leaders of Further Education and National Leaders of Governance we seek to support the brilliant work of the leaders and governors of FE and sixth-form colleges. This is why our National Leaders have launched 'Just One Thing', a series of short films, the link to which is included on page 6. Please make use of some sage reflections from chairs, principals and governance professionals.

I look forward to working with you all in the next year, sharing practice and celebrating success. It is such a vibrant sector, contributing hugely to the skills needs of the nation. Thank you to all of you for your passion, professionalism and commitment in difficult times. You are all changing the lives of your students through learning.

Wishing you a relaxing and peaceful Christmas holiday.



Shelagh Legrave, CBE
FE Commissioner

Active Support

User research

One of the key aims of the FE Commissioner and her team in this reporting period was to build a stronger relationship with all colleges and improve the quality and quantity of engagement across the sector.

The FE Commissioner's team worked with the Department for Education (DfE) Customer Experience and Design team to gain insight into their perception across the FE sector, and feedback on what college leaders would like from their future relationship. This included engagement with college leaders in a number of ways, including conducting individual research interviews, asking for feedback at the Association of Colleges (AoC) Annual Conference in November 2021, and sending out an online survey.

Based on this feedback and the suggested improvements, the team facilitated co-design workshops early in 2022. Workshop participants included college leaders, the FE Commissioner team, DfE FE Territorial Teams, the Education and Skills Funding Agency (ESFA) Provider Market Oversight team, and representatives of the National Leaders of Further Education and National Leaders of Governance.

A range of ideas were discussed, which the FE Commissioner, DfE and ESFA took on board to enhance the existing Active Support offer. We developed new forms of support which include:

- offering informal and supportive conversations with the FE Commissioner
- supporting the introduction of the Principals in Intervention Support Group
- offering tailored Active Support
- replacing diagnostic assessments with health checks and severing the link to intervention
- rolling out Curriculum Efficiency and Financial Sustainability Support as a substantive programme
- offering support for senior leadership and board appointments
- developing new effective practice guides relating to estates and curriculum planning

Further information about these tools, as well as existing tools, can be found on the [Help and Support for Colleges page on GOV.UK](#).

Engagement with the sector

The revised offer of Active Support from the FE Commissioner team has been welcomed by the sector. We are continuously developing the offer based on the feedback we receive and this has allowed the team not only to support colleges facing issues, but also those looking to improve.

The flexible approach to support has enabled the FE Commissioner team, National Leaders of Further Education, and National Leaders of Governance to quickly respond to requests for [help and support](#).

From September 2021 to August 2022, the team offered Active Support to 31 colleges.

The Active Support delivered included:

- recruitment support for senior leaders and governors
- reviewing costed curriculum plans
- financial planning
- estate planning
- governance reviews
- meeting local skills needs
- diagnostic assessment and follow-up support
- benchmarking

A pilot exploring costed curriculum planning in 7 colleges proved successful during 2021/22 and was made available to all colleges in May 2022. For more information on this, see [curriculum efficiency and financial sustainability support](#).

The team also contributed to the Just One Thing series in Summer 2022. Just One Thing focuses on the lessons learned by CEOs/principals, chairs and governance professionals when they stepped into the role - the 'just one thing' they wished they had known when first in post. CEOs/principals, chairs and governance professionals from across the country were invited to City Lit in London to share on film lessons from their own leadership journeys. These short films are now available on the FE Leaders [Active Support](#) website.

Case Study: Chelmsford College

Chelmsford College is a small general further education college operating from 2 sites in the city, both of which need investment. College finances are well managed. The board has historically been of the view that they might need to increase their size by seeking a partner to merge with if the college was to realise its full potential.

The college approached the FE Commissioner (FEC) and Education and Skills Funding Agency (ESFA) to explore whether the FEC team could provide Active Support. Following initial discussions between the FEC, ESFA and the college, it was decided that a strategic review of Chelmsford College would be an appropriate solution.

The key underlying principle to our approach was that we would work with the college throughout the review. There was no fixed template for this review, so it was important to the success of the project that we structured our work to provide Chelmsford College with an output that met their needs.

We worked through a range of factors to consider under each of the 2 identified leading options, so that the board could compare relative advantages and disadvantages. This included the current position of Chelmsford College and other providers and key risks. Our role was in helping to support this process of consideration, both in presenting the position to the board and contributing to the board's discussion, whilst the board retained the ultimate decision-making process. This was a good example of Active Support in action. As part of the next steps, we are continuing with Active Support.

"We have found this Active Support project very supportive and developmental. Every stage of the process was agreed in advance and regularly reviewed. Emerging themes were openly discussed to both sense check and ensure that no shocks appeared later in the process. Challenge provided by the FEC Team was robust, but constructive and fair.

A good working relationship already existed between the FEC team, ESFA and the college and this allowed us to engage openly and constructively in the process with the confidence that the outcome would be the best for the college. At no time did we feel (nor fear) there was any ulterior motive or political agenda being forced upon us – it was always about doing the right thing for the college.

The ability to sense check what we do and how we can best position the college for the future with a range of experts from the sector was both reassuring and empowering. Through this Active Support process, the FEC/ESFA presentation to the board and the final report with its clear recommendations, our board has had the necessary information to confidently review and agree its future strategic direction.

This has been a rewarding project and we are extremely grateful for the input, energy, and support that the Active Support team has given the college."

- Comments received from the college

Diagnostic assessments

Diagnostic assessments (DAs) were visits to a college where the FE Commissioner and team looked at a college's financial and quality plans and discussed with senior leaders the extent that the plan would take the college forward. The visits were focused mainly on discussions with the senior leadership team and other stakeholders at the college – for example, governors, staff, students, unions, and senior managers.

During August 2021 to July 2022, the FE Commissioner's team carried out 1 new DA, where the FE Commissioner's team recommended that this college strengthen their existing plans. In addition, 25 follow-up DA visits took place in 22 colleges, each based on a previous DA or follow-up visit with an outcome which recommended the college strengthen their plans. The follow-up visits resulted in 15 colleges having their plans endorsed, 6 colleges who will continue to work with the FE Commissioner's team to further strengthen their plans, and 1 where it was recommended that the college be escalated to intervention.

The reduction in the number of new DAs was a result of moving away from the previous broader ranging work undertaken by the team, towards more flexible, focused support which looked at parts of a college's plans. This, like so much of the FE Commissioner's work, was changed following feedback from the sector on the types of help and support that they wanted to receive.

From Autumn 2022, diagnostic assessments will be repositioned and renamed. Going forward, they will be known as health checks and offered as part of the Active Support offer. Health checks will be flexible in their approach, with the ability to look at parts of a college's plan as appropriate, rather than the financial and curriculum plans in their entirety. Available to any college, they would be useful to newly appointed principals or CEOs, or where a new finance director has been appointed. Further information on health checks is available on [GOV.UK](https://www.gov.uk).

Structural reviews

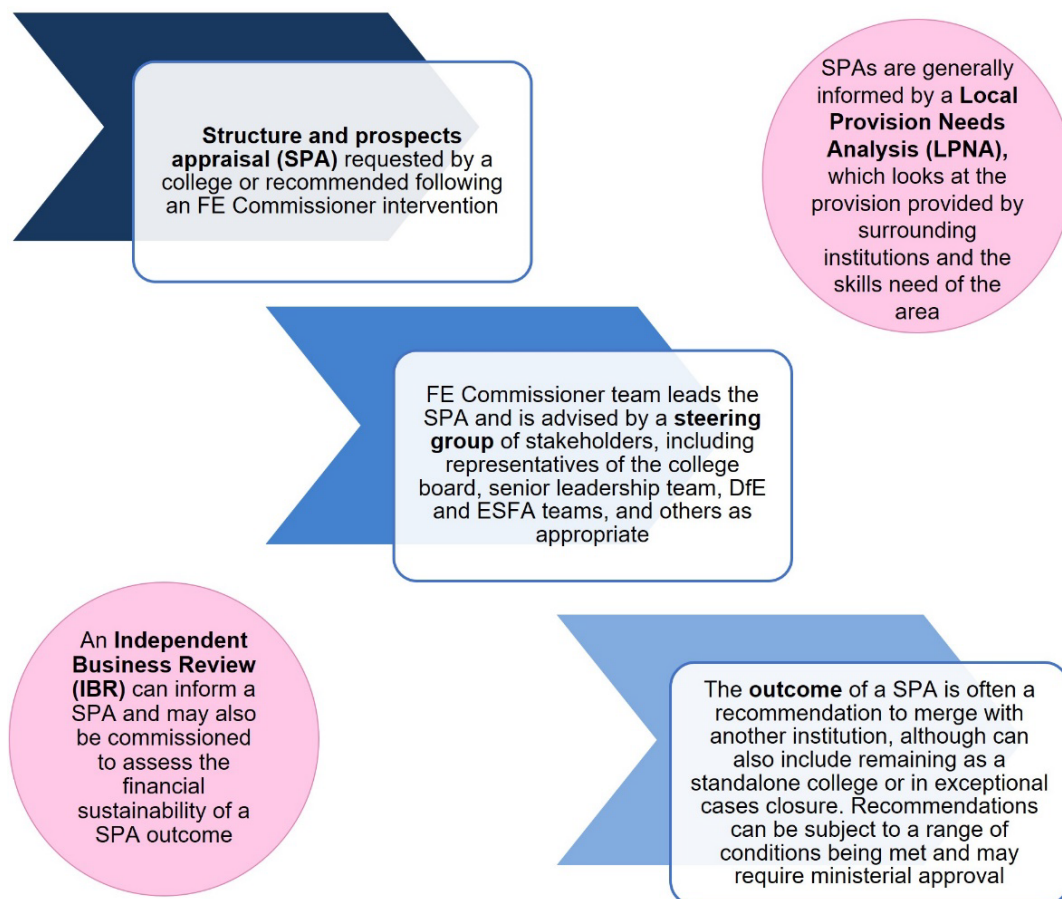
Structural reviews are undertaken when a change to the structure of a college or provision may be needed to maintain financial sustainability and high-quality opportunities for learners. Structural reviews are generally conducted as structure and prospects appraisals, looking at a single institution.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

During the 2021 to 2022 reporting year, 2 new structure and prospects appraisals were started and completed. In addition, 1 structure and prospects appraisal that started in the previous academic year was completed.

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 2021 to 2022 reporting year, the outcomes of 2 structural reviews were successfully implemented. This resulted in 2 college mergers – details are in table 1.

Structure and prospects appraisal process



Further information on the structure and prospects appraisal process is available on [GOV.UK](https://www.gov.uk).

FE Commissioner-led structure and prospects appraisal outcomes implemented in 2021 to 2022 – Table 1

College	Outcome	Implementation date
Selby College	Merger with Wakefield College to form the Heart of Yorkshire Education Group	01/03/2022
Berkshire College of Agriculture	Merger with The Windsor Forest Colleges Group	31/07/2022

Case Study: Merger between Berkshire College of Agriculture (BCA) and The Windsor Forest Colleges Group (TWFCG)

Prior to a merger in August 2022, BCA had invested considerable leadership and governance time into the pursuit of a long-term partner to ensure the future sustainability of the college. BCA had been in receipt of a restructuring facility grant and had successfully delivered and secured financial recovery delivering a year-on-year financial surplus.

The college was graded good by Ofsted. Learner numbers had continued to grow through the successful expansion of provision delivered in partnership with employers. The board at BCA recognised that the college had recovered well and had the capacity to stand alone, however, when considering the expected future real-term reductions in national funding and through a clear vision to expand and improve education and skills, the board recognised the need to look at alternative structural options and partnerships.

Working closely with the FE Commissioner's (FEC) team, the college undertook a college-led voluntary structure and prospects appraisal (SPA) during 2021-22. This comprehensive review, undertaken by the FEC team, allowed the board to consider and evaluate all the regional options available and fully engage with all potential partners.

TWFCG is a relatively new college group, comprising of an FE college (Langley) and two sixth-form colleges (Strode's and Windsor). The new group had been graded good by Ofsted. The board considered that in planning for the future, both BCA and TWFCG anticipated a challenging policy and funding environment. The bringing together of colleges into a new group provided the resource and potential to further develop the specialist curriculum offer, to develop multiple routes into higher level specialisms and to benefit the wider economy, as well as to deliver efficiencies in back-office services.

The board at TWFCG felt that BCA would bring a variety of strengths to the group, including specialist Additional Learning Support and Special Educational Needs and Disability expertise and resources, a regional land-based curriculum and a strong reputation for student support. They also felt that a merger with TWFCG would ensure that all colleges in the group maintain their local culture and identity with the benefit of access to co-located central services.

BCA successfully merged with TWFCG on 1 August 2022. The governors at TWFCG have ensured that former BCA governors have clear representation on the new post-merger board. Governors and leaders from both colleges felt that the FEC SPA approach and support from the team, enabled an evidence-based decision to be made regarding future options and merger fit and partner.

Case Study: Selby College

Selby College was a small, semi-rural tertiary college operating from one site in the centre of Selby (North Yorkshire). The college delivered courses to mainly local learners from entry level to degree. The college had an overall Ofsted rating of good but was put into early intervention due to a requires improvement financial health rating (2017/18). A diagnostic assessment to support improvement by the FE Commissioner (FEC) followed in November 2019. Despite meeting the criteria for an outstanding financial health grade in July 2020, the Selby board remained concerned by the medium to longer term viability of the college. A long-standing negative trend of falling 16 to 18 recruitment due to competition contributed to the college being one of the 10 smallest (financially) in the sector in England. It threatened the sustainability of Selby College with further pressure coming from other external changes, including the potential impact of sector reform and priorities.

The board agreed to commission the FEC team to undertake a structure and prospects appraisal (SPA) to inform its strategic options, in the knowledge that as it was not in formal intervention and it would remain the board's decision to accept the outcome of the SPA. The SPA was conducted between November 2020 and May 2021. The purpose of the SPA was to assess the options to best secure a strong and sustainable long-term future for Selby College and its provision for learners, employers, and the local community. A SPA steering group was formed comprising college governors, FEC team members and Education and Skills Funding agency officials. The SPA resulted in proposals being received from 3 colleges and, following presentation and discussion, the steering group agreed to recommend the proposal from Wakefield College. A strong vision prioritised sustaining provision in Selby that would both strengthen and protect the Selby identity and brand. The Selby campus would remain at the heart of the community and at the centre of economic regeneration in the area. It was particularly strong on the importance of developing a high performing culture where staff thrive, enhancing technology and digital capacity and implementing a governance model which would retain the impact of Selby College within the merged entity.

The FEC recommendation was unanimously agreed by the college's board in June 2021. Following ministerial approval, the 2 colleges initiated working groups to plan and implement the merger. The pre- and post-merger process was supported by both National Leaders of Governance and National Leaders of Further Education. The merger was completed on 1 March 2022 with the formation of the new Heart of Yorkshire Education Group. This has created a high-quality post-16 college that offers a wide range of provision that helps to meet the existing and future needs of learners.

National Leaders of Further Education and National Leaders of Governance

National Leaders of Further Education (NLFEs) are serving college leaders and finance directors 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 governance professionals/clerks with a strong record of supporting college improvement.

Both NLFEs and NLGs provide mentoring and peer to peer support to other colleges on a range of issues, as well as helping to share best practice.

During the academic year 2021 to 2022, NLFEs and NLGs were supporting 54 principals, CEOs and governing bodies. In total, NLFEs and NLGs have worked with over 120 principals, CEOs and governing bodies since this initiative was introduced in 2018.

In the Autumn term 2022 to 2023, 2 serving college finance directors were appointed as NLFE finance specialists. There are currently 12 NLFEs and 8 NLGs. More information and details of current [NLFEs](#) and [NLGs](#) is available on gov.uk.

Curriculum Efficiency and Financial Sustainability Support

Curriculum Efficiency and Financial Sustainability Support (CEFSS) aims to help FE colleges with costed curriculum and financial planning. During 2021/2022 the support programme was piloted in 7 colleges. These colleges were offered hands-on help via a partnership, with members of the FE Commissioner's team offering support alongside a peer mentor from the National Leaders of Further Education. Together, they shared best practice, informed improvements in the curriculum planning process, and identified opportunities to improve efficiencies and financial sustainability.

Initial evaluation from the pilot gives us confidence that this support would be extremely useful to the sector. Although it is too early to state the amount of potential saving that those colleges in the pilot could see, which they would reinvest back into the delivery of education, they have fed back that they are convinced of a positive result. Further evaluation will be carried out.

In May 2022, CEFSS was launched for all colleges. By November 2022, over 20 colleges had requested support, and more interest was being shown following the FE Commissioner roadshows in October 2022.

A detailed effective practice guide, which includes a set of case studies, has been developed by the FE Commissioner team and will be launched to the sector in late 2022.

FE Commissioner intervention¹

The FE Commissioner and her team assess FE colleges and other institutions that were subject to formal intervention (now called intervention) during the year, in line with the published policy. Assessments were a mixture of virtual and face to face, reflecting the range of lockdowns that impacted the reporting period.

The FE Commissioner undertook 2 full initial intervention assessments during the 2021 to 2022 reporting period. Both of these entered intervention due to financial triggers. As of 31 July 2022, a total of 14 colleges remained subject to intervention. During the year, 9 colleges had been removed from intervention. One was removed for full compliance and improvements in the college's performance, 1 closed, and a further 1 merged with another college. In addition, 6 colleges were moved into the new category of Post Intervention Monitoring and Support, also known as PIMS. This removes the 'intervention' categorisation but retains some short-term support arrangements to secure and monitor sustained improvement. It is used where there are remaining actions for a college to address, but risks of non-compliance are low and mitigating actions and plans are strong.

¹ This report covers instances where the FE Commissioner and her team formally intervene at a college. The triggers that may lead to intervention by the FE Commissioner and her team are set out in the [College Oversight Support and Intervention policy document](#).

Case Study: East Sussex College Group – A 3-year journey from intervention to good.

East Sussex College Group has a story to tell – one of challenge, partnership and success. Comprising 5 main college campuses, the merged group is a combination of Sussex Coast College, centred around Hastings, and Sussex Downs College, centred around Eastbourne, Newhaven, and Lewes. The group was created in 2018. However, early decisions failed to recognise the importance of a clear strategic vision, strong financial leadership and establishing a unified culture focussed on achieving excellence.

At the time of merger, provision was graded as good in one college and requires improvement in the other. The group provides a range of technical and academic provision from entry to higher education and has a well-established apprenticeship provision.

The newly formed group struggled to manage the convergence of critical processes in nearly every aspect of its operation. Undermined by a relatively weak governance structure, a failure to establish cohesive leadership, and significant issues relating to financial controls and management, the group's strategic direction and long-term future were uncertain. With weak leadership and governance, too much provision being graded as requiring improvement, and a review of July 2019's financial plan resulting in an inadequate financial health grade, the group was placed in intervention in 2019, just 1 year after it had been created.

Following several key changes to governance and senior leadership, a new chair and reconfigured senior leadership team worked with the FE Commissioner (FEC) team and the Education and Skills Funding Agency (ESFA) to confront the key challenges facing the group. Throughout, the working relationship between the 3 partners has been positive. Governors and senior leaders have fully engaged with the FEC intervention process and recommendations, as well as responding positively to actions stemming from ESFA case conferences. Senior leaders shared their concerns and challenges before these became an issue, which established a working partnership based on confidence, trust, and a joint purpose to bring about change. Support has included the effective use of a National Leader of Further Education and a National Leader of Governance, FEC advice on the appointment of governors and senior leaders, and tailored support as and when requested. In March 2022, East Sussex College Group had their financial notice to improve formally lifted and transitioned to Post Intervention Monitoring and Support (PIMS). The group continue to access Active Support and are about to embark on the Curriculum Efficiency and Financial Sustainability Support programme.

Under the strategic direction of an experienced and ambitious board, and with the dynamic leadership of a refreshed and focussed senior team, the group is now graded as good for the quality of its entire provision and has recovered its financial performance to good financial health; no mean feat against the backdrop of COVID-19 and the allied lockdowns. A cultural shift means that staff can now see a positive future ahead of them and are proud to work for a dynamic and progressive organisation that places the learner at the heart of every decision. Learner numbers are growing, and improved confidence from stakeholder organisations has resulted in an additional £14.5 million of investment in the last 14 months alone. Collaboration in regional projects (Collab 1 & 2, Strategic Development Fund, Institute of Technology, Local Skills Improvement Plan) has opened up new opportunities, and through an effective partnership with local government the transformation of the college estate has been launched.

Governors and senior leaders are very aware that the group will have to monitor its finances extremely closely, ensuring it is as efficient as possible, if the group is to meet the financial challenges ahead. However, with success, confidence grows, and the future holds many opportunities for an organisation that has a collaborative culture, quality focussed strategy, seeks support for its weaknesses and has a mission that acknowledges policy direction, embraces change, and strives for excellence.

“The support from the FEC team as we moved through the intervention process has been really impactful for East Sussex College Group. Our national leaders have been so generous with their time and dedication and went above and beyond at every stage. The work between East Sussex College Group and London South East Colleges laid the foundations for two really successful Collaboration Fund projects”

- Rebecca Conroy, CEO/Principal East Sussex College Group

Principals Reference Group

The [Principals Reference Group](#) (PRG) is currently made up of 6 serving college principals/CEOs. The group supports, challenges, and advises the FE Commissioner in her role of improving performance in FE colleges, and contributes to policy development for colleges in the further education sector.

The PRG met formally 6 times during the 2021 to 2022 reporting period and has advised civil servants on a range of topics including college workforce challenges, careers guidance, the lifelong loan entitlement, Skills bootcamps, and improved support for colleges from the FE Commissioner team and wider Department.



College Collaboration Fund/Strategic Development Fund

The second and final round of the college collaboration fund (CCF) completed delivery at the end of March 2022. Kicking off at the start of the last academic year, 65 further education (FE) colleges worked hard to deliver [18 projects](#) that addressed a range of shared quality improvement challenges, generated new [resources](#) and [learning](#) for wider use, and helped to strengthen the self-improvement capacity of the FE sector.

From April 2022, support for FE providers to collaboratively address quality improvement challenges has continued. This was through a simplification of the funding landscape by integrating the CCF with the [Strategic Development Fund \(SDF\)](#), along with the Workforce Industry Exchange (WIE) policy commitment and [FE Professional Development Grants \(FEPDG\)](#).

The SDF is a national programme² supporting change in facilities and provision required to meet local skills priorities and improve the skills system. Covering all of England, the SDF's [41 local areas](#) received notification of funding in July 2022 which will support a total of 80 projects to be delivered during the successive academic year. This will also compliment the work by FE providers, their partners and the new 38 [Employer Representative Bodies \(ERB\)](#) to strengthen local collaboration and prepare their first [Local Skills Improvement Plan \(LSIP\)](#).

² [Identifying-and-meeting-local-skills-needs-to-support-growth: local skills improvement plans and strategic development fund](#)



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