

**Further Education
Commissioner
assessment summary**

Cadbury Sixth Form College

December 2017

Contents

Assessment	3
Background	3
Assessment Methodology	3
Current Position	3
Leadership and Governance	4
Quality and Curriculum	4
Quality of Provision	4
Quality Improvement	5
The Financial Position	5
Estate and Buildings	5
Conclusions	6
Recommendations	7

Assessment

Background

Cadbury Sixth Form College (SFC) is a small college on a single site in Kings Norton. The college offers a mixture of academic A level provision and vocational BTEC qualifications to students aged 16 to 18. There are no funded 19+ students. Most students at the college are studying 'A' levels, with others taking vocational qualifications.

In light of the college's Ofsted grading of 'requires improvement' and because of concerns as to its financial health the college was selected for a pilot diagnostic assessment, in autumn 2017.

During the diagnostic assessment, the FE Commissioner team identified a number of wider concerns and as a result, the college was referred for formal FE Commissioner Intervention. The college has been issued with a Financial Notice of Concern by the Education and Skills Funding Agency accelerating referral to the FE Commissioner. This change of intervention status was accepted by the college and the FE Commissioner has now assessed the position of the college in line with the Government's intervention policy.

The FE Commissioner's report is intended to advise the Minister and the Chief Executive of the Funding Agency on:

- a. The capacity and capability of Cadbury Sixth Form College leadership and governance to implement financial recovery within an agreed timeframe (in this instance specifically in respect of a structural solution such as merger)
- b. Any action that should be taken by the Minister and/or the Chief Executive of the funding agency to ensure the delivery of financial recovery and quality improvement (considering the suite of interventions set out in 'Rigour and Responsiveness in Skills') and
- c. How progress should be monitored and reviewed, taking into account the Agency's regular monitoring arrangements.

Assessment Methodology

This report follows a diagnostic assessment visit that took place at the College on the 10 and 11 October 2017 and a subsequent formal intervention assessment on 6 December 2018. The assessments were undertaken by two members of the FE Commissioner team. The team received, in advance, extensive briefing information from the Education and Skills Funding Agency. In addition, a wide range of college documentation was reviewed and they interviewed board members, managers, staff and students.

Current Position

The Birmingham and Solihull Area Review in March 2016 recommended that Cadbury Sixth Form College (CSFC) remain on its current site and form a multi-academy trust with South Birmingham schools, or in the event that it does not convert to academy status, merges with Bournville College and South & City College, Birmingham.

In October 2016, the college received an Ofsted inspection grading of 'Requires Improvement'.

Leadership and Governance

The college board consists of twenty members. There are currently four vacancies. The Chair, who has been in post since September 2015 declared his employment with Coventry University who are currently the main MAT sponsor option for the college. During the diagnostic assessment visit, he advised of his intention to stand down as Chair. The board have confirmed that they are seeking a successor.

During the course of the diagnostic assessment visit, the Principal also declared that he had tendered his resignation and that this had been accepted. He has since left the college and the previous Vice Principal has been appointed as Interim Principal.

The previous Finance Director had retired and had been replaced with an interim who was qualified as a chartered accountant with college experience, but he remained in the role for only a short time. A new Interim Finance Director was appointed in August 2017. The Vice Principal (Curriculum and Quality) has been in post since September 2016.

In discussions with both the Principal and the Chair, it was clear that the college leadership and governance considered that the college position would be significantly improved once they came under the auspices of the Coventry University MAT. No alternative plan to rectify the failing college position was in place or being considered, even though the transaction was substantially delayed. There was no evidence of work to improve student recruitment in the future or to reducing costs. The Principal did not consider the college's recent 'requires improvement' judgement from Ofsted was negatively impacting on student recruitment despite a sharp fall in student numbers.

A significant college restructure had taken place in the summer of 2017. The result of the restructuring was that, with the exception of the Principal, all senior leaders were new to post. Given that an Ofsted re-inspection is likely before the spring break of 2018, the restructuring provided a significant additional risk and it was felt that recently introduced quality improvement strategies would be compromised.

The diagnostic assessment highlighted significant concerns particularly in relation to deteriorating financial performance and the FE Commissioner team were not confident that the Principal had the capacity to put in place solutions. In addition, there was a lack of confidence in the governance at the college, which has been poor with limited oversight of the college's financial position and insufficient challenge of the Principal.

Quality and Curriculum

Quality of Provision

The college was last inspected by Ofsted in October 2016 with an overall effectiveness of grade 3 'requires improvement'.

Quality Improvement

In response to the Ofsted judgement, the college undertook a review of quality processes and appointed a Quality Director and two Curriculum Performance Directors. In conjunction with the Vice Principal, these Directors have been introducing a more rigorous approach to the assessment of teaching and learning and the monitoring of underperforming staff. In addition, more rigorous procedures for monitoring student progress and early intervention for those at risk have been developed.

The large increase in student numbers contained in the forecasts was not justified and recruitment in September 2017 was 155 students less than forecast. The college has not accepted that the declining Ofsted grade had had a detrimental effect on reputation, and blamed the falling numbers on numerous external factors.

The college needs to ensure that the recent changes to the quality cycle and the performance management process, for both staff and students, are implemented swiftly and consistently across the college. The college should also rigorously monitor the performance of students against targets in order that those at risk of failure are identified and that effective action is taken to ensure that students stay on track with their studies. The college should work towards improving student attendance and ensure that the recently introduced curriculum management structure is operating effectively.

Work to make sustainable improvements to teaching, learning and assessment introduced by the Vice Principal and Head of Quality are beginning to have an impact though there is a risk that the current focus on the challenging financial position may serve to detract attention from quality improvement.

The Financial Position

Examination of financial data provided by the college during the visit indicated that there were a series of financial items, which could result in the college being at immediate risk.

An expected revised financial plan had not been prepared at the time of the visit. College finance records were poor with some accounting still being carried out in handwritten ledgers.

The college has breached bank loan covenants although they have not missed any payments. The college has sufficient funds to repay the loan, but this would affect their cash holding to below the level needed for operational purposes.

Management accounts and the proposed budget for the coming year did not highlight concerns over the college's cash flow position. A recent cash-flow forecast subsequently indicated that external support for cash flow would be needed in March 2018.

Estate and Buildings

Based on the Area Review data submitted by the college to the ESFA, the college estate currently comprises 9,737 m² accommodation on one site of which 4,676 m² is in category A + B condition and 5,063 m² in category C + D condition. Overall, the college therefore has 52% of its estate in poor/unsatisfactory condition.

Conclusions

Cadbury Sixth Form College was unable to demonstrate clear and credible strategies, processes and actions for improvement. Governors and leaders were not deemed to have the right skills and capacity to deliver positive outcomes, giving rise to a very high risk that the college will fail financially.

There was found to be a serious failure in management and governance and a lack of internal financial control. The FEC team assessed the former Principal and Chair to have both failed in their respective responsibilities and insufficient action had been taken to address declining financial health and underperformance in quality.

Despite recent action to improve the quality of teaching, learning and assessment, poor student performance in 2016/17 has had the effect of continuing a downward trend in outcomes.

A further review of the structural options available to the college is urgently required.

Recommendations

1. The Further Education Commissioner should undertake a Structure and Prospects Appraisal to determine if there is a sustainable future for Cadbury Sixth Form College. This will include identification of an appropriate merger partner.
2. The Corporation should ensure that the college has effective senior leadership arrangements in place, throughout the period leading up to merger with external support/mentoring as required.
3. The new Chair supported by the Clerk should continue the steps being taken to strengthen the effectiveness of the board, including the appointment of new governors with appropriate skills and experience particularly curriculum, quality and finance.
4. The Corporation should move quickly to consider the recruitment of an experienced interim Principal to concentrate on reversing the decline in financial health; and work with the board to develop a clear long-term vision and mission for the college.
5. The Vice Principal (currently temporary interim Principal) needs to maintain a focus on preparing the college for an Ofsted inspection likely to take place in Spring 2018
6. The college should continue to take actions to contain its operating losses and align its cost base to reflect anticipated reductions in funding and income in 2017-18.
7. The College should continue to monitor closely its cash flow position and maintain regular dialogue with its bank, the Education and Skills Funding Agency and the Transaction Unit leading up to any merger outcome.
8. The College should use its curriculum planning tools and skills to inform a comprehensive review of the curriculum to ensure there is a viable curriculum offer for 2018 and improve utilisation of teaching staff.

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