

Cabinet Committee on Performance Improvement

Meeting to be held on 4 February 2015

Electoral Division affected: All

Response to Ofsted Inspection of Lancashire Adult Learning

(Appendix 'A' refers)

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Executive Summary

The report sets out the County Council's response to the recent Ofsted inspection of Lancashire Adult Learning.

Recommendation

The Cabinet Committee on Performance Improvement is recommended to:

- (i) Note the progress to date on the agreement of the draft Post Inspection Action Plan set out at Appendix 'A' to this report in response to the Ofsted inspection report, and
- (ii) Request update reports to the Cabinet Committee on Performance Improvement on a quarterly basis.

Background and Advice

1. Background

Lancashire Adult Learning is a County Council service but is 100% funded from external sources.

It is one of the largest providers of adult education in the country. It equips adults with the skills required for work, including vocationally specific skills, employability skills and functional skills (English, Maths, Language and ICT); enables achievement of qualifications up to and beyond Level 2; supports learners to progress into further learning or employment; responds to employer need (including Lancashire County Council), through a range of provision, including Apprenticeships and Traineeships. In addition, it maintains and delivers a relevant and responsive community learning programme across Lancashire, including a continued and increasing emphasis on social inclusion and participation from a range of targeted groups and individuals.

In 2013/14, over 22,000 learners enrolled on publicly funded programmes. There are 560 staff of whom 232 are establishment staff and 328 are part-time hourly paid tutors. In 2013/14, the budget is over £10 million with the contract from the Skills Funding Agency at £8.4 million with the balance generated through income such as

course fees, etc. There are three dedicated adult colleges: Lancashire College in Chorley, the Adult College in Lancaster and Alston Hall in Longridge. In addition, learning programmes are delivered in over 500 community venues and workplaces.

2. Ofsted Inspection

Ofsted conducted a 48-hour notice inspection of Lancashire Adult Learning (LAL) from 3 - 7 November 2014.

There are four classifications under the Ofsted Common Inspection Framework for Further Education and Skills in 2012:

- Grade 1 Outstanding
- Grade 2 Good
- Grade 3 Requires improvement
- Grade 4 Inadequate

Ofsted determined an overall assessment of Grade 4, Inadequate, together with that of 3 specific areas set out in Table 1:

Overall effectiveness of provision	4
Outcomes for learners	3
Quality of teaching, learning and assessment	3
Effectiveness of leadership and management	4

Table 1: Summary of Ofsted assessment

The following represents Ofsted's key findings resulting in LAL being classified as Inadequate:

- Outcomes for learners have declined over the last three years from very high levels to around national averages. Classroom-based learning and work-based learning success rates are now just below the national rate;
- Managers do not systematically monitor the impact of community development programmes or employability programmes in improving lives and developing stronger communities. The destination of too many learners remains unknown;
- Initial and ongoing assessment does not inform individual learning plans effectively to provide an accurate view of learners' progress and achievements, particularly on non-accredited programmes;
- The quality of teaching, learning and assessment is too variable and observations do not provide an accurate view of the quality of provision or its strengths and areas for improvement;

- Quality managers have not maintained the good level of provision found at the previous inspection. The loss of senior management posts has not been managed efficiently;
- Quality improvement arrangements have not been effective in recognising and addressing the decline in standards. Insufficient use of data was a key area for improvement at the previous inspection and remains unresolved;
- Governance does not provide the necessary support and challenge to improve the service. It does not cover key aspects such as the quality of teaching, learning and assessment.

Ofsted has advised that LAL has the following strengths:

- The provision is strongly focused on meeting the needs of those facing high levels of disadvantage and contributes well towards council priorities.
- Most learners develop good, relevant, vocational skills and expertise. Many gain in confidence and self-esteem. Many employed learners gain promotion.
- Learners following employability programmes, gain good employability skills and personal and social skills, which they value.

3. Consequences of the Ofsted Inspection

Receiving a Grade 4 (Inadequate) assessment has the following consequences:

Ofsted

Following an 'inadequate' overall effectiveness judgement, Ofsted will undertake a series of monitoring visits, the first which took place on 14 and 15 January 2015. Ofsted's aim is to publish its report by the end of February 2015. Ofsted recognised that the County Council had started to address a number of issues. Full re-inspection will normally take place within 12 to 15 months.

Skills Funding Agency

The County Council contracts the County Council with the Skills Funding Agency as follows:

Programme	Value	Managed by
Community Learning	£5.8m	Lancashire Adult Learning
Adult Skills (including 19+ apprentices)	£2.6m	Lancashire Adult learning
16-18 Apprenticeships and Traineeships	£98k	Lancashire Adult Learning
ESF NEET	£1.9m	Learning and Skills Team (CYP)
ESF Skills Support for the Workforce	£6.3m	Learning and Skills Team/Economic Development
Total	£17.58m	

Table 2: County Council contracts with the Skills Funding Agency

The LAL and European Social Fund (ESF) Programmes have separate contracts with the Skills Funding Agency (SFA). The LAL contract with the SFA reoccurs annually, subject to performance and Government priorities. The ESF programmes will end in July 2015, with an additional period of at least three months to resolve any outstanding financial claims. The LAL funding is allocated on an annual basis.

As a result of the grade 4 assessment the SFA has issued a notice of concern to the County Council. An immediate consequence of Ofsted classifying LAL as inadequate is that the Skills Funding Agency requires receipt of a Post Inspection Action Plan ("PIAP"). The SFA then has to be satisfied that the PIAP adequately addresses all issues identified by Ofsted before the SFA will sign it off.

The Grade 4 inspection has the following implications in relation to the SFA funding:

Nationally recognised providers of traineeships must have at least a Grade 2 Ofsted rating. Therefore, the LAL contract for traineeships will only be able to complete the programmes of existing learners. If and when the notice of concern is lifted LAL may be able to deliver traineeships.

The County Council will not be able to bid for growth within existing ESF programmes or for new programmes until the notice of concern is lifted.

The withdrawal of the ability to bid for growth funding will also impact on the later stages of Lancashire's ESF Skills Support for the Workforce (SSW) programme. This programme is currently behind profile, as are all such programmes in the North West, due to its late start, but it is recovering strongly with 1,730 learners drawn from local employers involved in training activity. In terms of the SSW monies the County Council and local providers aimed to reclaim through improved growth in learner numbers. This represents the value of delivery and activity we believe can be realistically delivered between now and June 2015 compared to the profile of expenditure which the SFA could choose to claw-back resource to. Previously, if local performance/spend exceeded this lower profile a growth bid could have been made to draw in greater resource. This growth option is likely to be unavailable.

County Council officers are in regular contact with senior representatives of the SFA to discuss the wider funding implications with the aim of minimising the impact of the Ofsted judgement on our wider skills leadership and management role.

The notice of concern will be lifted subject to a positive Ofsted re-inspection.

Further Education Commissioner

Grade 4 inspections are automatically referred to the Further Education (FE) Commissioner.

The FE Commissioner's role is to assess the capacity and capability of the existing governance and leadership to deliver rapid and sustainable improvement.

In developing his recommendations the FE Commissioner considers the suite of interventions, as set out in the Government's Rigour and Responsiveness

framework, as well as any other interventions that will deliver rapid and sustainable improvement. Potential recommendations include:

- i. *Changes to governance and/or leadership*; the FE Commissioner may specify the types of skills and experiences needed, and if additional capacity on the executive team is required to address specific issues.
- ii. *Conditions or restrictions on funding*; including limits on growth or access to new initiatives until the college or institution has improved.
- iii. *Appointment of funding agency observers on the Board*; to observe the operation of the governing body.
- iv. *New or revisions to existing recovery plans, curriculum reviews and quality improvement plans*; forming part of the college or institution's action plan.
- v. *College/institution or FE Commissioner led Structure and Prospects Appraisal*; to determine the most appropriate way forward that is in the best interest of local learners and employers, including whether the college or institution should be closed and alternative provision found for learners and employers.
- vi. *Use of the Secretary of State's intervention powers*: The FE Commissioner may advise on the appropriateness of using the Secretary of State's intervention powers (as set out in section 56A of the Further and Higher Education Act 1992) to implement recommendations.
- vii. *Administered College status*; this normally requires the implementation of all the above recommendations. It also involves an enhanced monitoring and review role by the FE Commissioner, who advises on significant decisions/changes to be made to secure the necessary improvement.

The FE Commissioner supported by two of his colleagues visited Lancashire on 20 and 21 January 2015, his draft recommendations are anticipated in February.

4. Response to the Ofsted Report

The Principal and Chief Executive of Nelson and Colne College, a College rated by Ofsted as outstanding, has agreed to work with the County Council on a part time basis, 2.5 days per week, up until the end of the current academic year, following which the interim arrangements will be reviewed. The County Council will meet the costs of the Principal carrying out this role, which will essentially involve the County Council in reimbursing Nelson and Colne College for 50% of her salary plus normal on costs. The Principal is also the Vice Chair of the LEP's Skills Board.

The County Council must produce a PIAP which identifies the actions and timescales that will rectify the issues raised in the Ofsted inspection report. A draft of the PIAP is attached at Appendix 'A'. Ofsted, the SFA and the FE Commissioner are being consulted on the draft and it is anticipated that the PIAP will be finalised by the end of this month.

The PIAP has to be fully implemented in order to be ready for a re-inspection by Ofsted in 12-15 months. Moving to a Grade 3 assessment or higher will be crucial in getting the notice of concern lifted by the SFA.

Consultations

The County Council is consulting Ofsted, the FE Commissioner and the Skills Funding Agency on the content of the draft Post Action Inspection Plan.

Implications:

This item has the following implications, as indicated:

Risk management

The consequence of not agreeing to the recommendations set out in this report is that the County Council will not be able to address the Ofsted report which is likely to result in the Skills Funding Agency and/or the FE Commissioner imposing their own PIAP.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
N/A		