Adult and Community Learning Services

Governance Review

Final Report

Contents

Governance of Adult and Community Learning Services

1. Summary

On behalf of the Education Training Foundation (ETF), HOLEX has been leading a project evaluating best practice in respect of the governance of Adult and Community Learning (ACL) services. This paper describes the project purpose, aims, methodology and findings and includes a detailed summary of past inspection reports and the results of an ACL sector wide governance survey. The paper also provides recommendations for further work and advises on what 'good' looks like.

2. Project Purpose

Adult and community learning providers have a good quality record but some recent Ofsted grading has been compromised by the governance assessment. There is concern that Ofsted are critical of some governance structures in ACL and we believe that there are two reasons for this. One reason is that the structures are complex and different in each locality and ACL providers were not particularly adept at describing and articulating the effectiveness of the structures they have in place. The second reason is that the effectiveness of some governance arrangements is not very evident even though they are not necessarily having a negative effect on the quality of provision.

The purpose of this project was to bring together both the information held in Ofsted reports and evidence of current practice obtained through a survey and to determine what is good practice.

3. Project Aim

The project was aimed at improving and enhancing leadership and governance skills by identifying best practice. The project has brought together statements in Ofsted's reports and the results of an ACL sector survey.

The project was designed to evaluate the different local governance mechanisms and structures being used in ACL services in England. These services take into account the changing national and local authority landscape and legislation relating to localism, devolution and combined authorities.

The intention is to use the data to inform future development programmes and improve the leadership ability of those involved governance by identifying the best practices.

4.   Approach and Methodology

Our approach was to identify the best and most successful practices as described by Ofsted and to undertake a survey of all ACL providers. The project evaluated the shape and effectiveness of the current governance arrangements, what board structures are in place or are being developed, accountability and how relationships have been built.

Project stages were:

1. A literature review involving analysis of Ofsted reports and other publications regarding ACL over the past 3 years, seeking to identify what is seen as effective practice.
2. A survey all 150 LAs with a well-constructed online survey of mainly closed questions to elicit the models of governance that are employed so as to give a clear picture across the sector. This resulted in 109 responses.
3. The survey results were cross-referenced with information contained in the inspection reports.
4. Information was brought together to show:
    * the whole picture of governance in ACL which we believe does not exist currently.
    * what appears to be working well, which we intend to share with the whole sector to inform and improve their practice and hold a briefing session at the HOLEX Summer Conference.
5. Determining recommendations to the Foundation to support justifications for commissioning in the future, i.e. 16/17 to support the governance of ACL.
6. Through the survey, undertook a scoping exercise to inform the feasibility and commissioning of future work by the Foundation to:

    * Identify the scale of the issues raised.
    * Highlight any differences in support available within the area/sub regions.
    * Identify effective management and structural practice.

7. Provide through this paper a formal report outlining findings and recommendations.

5.   Summary of Findings

Detailed synopsis of published inspection reports (Annex 1)

Ofsted has recorded inspection grades for 137 local authority providers of community learning and skills. The proportion of providers judged to be good or outstanding for overall effectiveness according to their latest inspection was high at 87% (116 providers were good; 4 outstanding). This figure compares well with general FE colleges (77%) and independent learning providers (79%). The vast majority of learners at local authority providers benefit from well-planned and sometimes inspirational teaching, learning and assessment and achieve qualifications as planned or make good progress towards their learning goals.

However, worryingly, five providers were judged to be inadequate at their latest inspection; all had previously been judged to be good. Seven of the 12 providers who required improvement had declined from 'good' and one from outstanding; the remaining five failed to improve their grade for overall effectiveness.

For this research, 61 reports were reviewed; 15 from reports published in the first six months of the academic year 2015/16 and 46 from the previous Common Inspection Framework September 2012 to August 2015. (Three grade 1 reports; eight grade 3 reports; two grade 4 reports and 33 of the 66 grade 2 reports.)

The models for governance at these providers are varied. There is no legislative requirement for local authority providers of community and skills to have a governing body as in general FE colleges. Many of the inspection reports refer to 'governance' in general, and a few refer more specifically to advisory boards or where available, community learning trusts. Most of the other reports reviewed made reference to an elected member and/or senior officers. Nine of the reports reviewed from the previous framework made no specific reference to any form of governance, indicating that governance did not feature significantly in the provision. Six of these were judged to be good and three to require improvement.

The structure for inspection reports implemented from September 2015 requires inspectors to make specific judgements about the effectiveness of governance. The current inspection handbook for FE and skills states that:

Inspectors should consider whether governors or those in a similar role:

- know the provider and understand its strengths and weaknesses.
- support and strengthen the provider's leadership and contribute to shaping its strategic direction.
- provide challenge and hold senior leaders and managers to account for improving the quality of learning and the effectiveness of performance management systems.

In the 15 reports published under this guidance, four local authorities had a board or advisory group for their community and skills provision, while governance in the other providers came from senior leaders and elected members. As with the older inspection reports, there were no distinct trends in the form of governance and the grades for leadership and management and overall effectiveness. Grades for the four local authority providers with advisory boards ranged from outstanding to inadequate.

The other anomaly in the leadership and management of this type of provision is the directorate within the local authority that has responsibility for it. Restructuring within the local authority often means change of management for the community and skills provision, as noted in a few of the reports. The range of directorates that currently hold responsibility for this provision include directorates for: economy and skills; children and younger adults; environment and neighbourhood services; regeneration; adults and health; community and

housing. Again, there are no clear trends relating to the quality of provision and the type of directorate that manages it.

Survey questions and results (Annex 2)

The survey response rate was excellent with 109 out of a possible 150 providers responding to the survey and gave a good sense of just how varied ACL structures are. While the majority are run directly by the local authority (LA), they are also run at arm's length, as charities, as limited companies, as mutuals and as community learning trusts. Structures are also subject to change, usually as a result of restructuring within the LA itself.

Around half the services have over 5,000 students. Most of the services are considered 'good' by Ofsted.

Governance arrangements range from the very simple to the highly complex, with a wide range of models in place. We found 28 different combinations of individuals and committees. Around half involve a LA cabinet member and a third a LA lead member. LA committees and scrutiny committees also play a prominent role. Those with charitable status or set up as limited companies are far less likely to have formal accountability to LA individuals or committees.

Almost 10% cite senior officials as being formally accountable, while another 10% list a wide range of other committees and individuals.

A fifth have an independent governing body or board of directors. This is far more likely among those not run directly by the LA and/or with charitable status. A small number are accountable to advisory boards with or without devolved powers. Such boards generally have up to 15 members, although six have over 15 and one has over 21.

Service staff, council members, council staff and students are the most popular categories of member of any board, although around a third include local education representatives (38%) and other local stakeholders (32%). Only a quarter include local employers and the same number members of the public.

Boards are seen as reasonably effective at all the main tasks, with 'inducting and training members' scoring the lowest.

Two-thirds of governance arrangements are seen overall as being fairly effective. Those with independent governing bodies/boards of directors scored highest. Arrangements involving LA cabinet members have the widest range of scores, and were the only ones in our survey scoring '1'. At the same time, half of those scoring '5' involved LA cabinet member. The two respondents from community learning trusts gave their arrangements low scores.

Arrangements involving an independent governing body score fairly consistently across all the key objectives except for integrating the service with other LA services, which is seen by some as not being applicable. This and building effective partnerships with other organisations are also the only objectives where they don't score more highly than other arrangements.

The greatest strength of arrangements involving LA cabinet and lead members and the various types of LA committee lies in aligning the service with LA priorities. Those involving scrutiny committees are also fairly strong on helping to ensure the service is well managed, has good financial health and is responsive to the community.

Those involving cabinet members are weakest at ensuring high quality teaching and learning and at ensuring staff or learner voices are heard. When it comes to good management, good financial health, integrating with other LA services and building effective partnerships, they range from not at all effective to very effective. A number of respondents complained about lack of attention from their LA and the sense that their service is not a high priority.

Most development and support for senior managers and those with governance responsibility is needed in the areas of understanding performance data and understanding teaching and learning. Better integrating the service with other LA services is also a requirement for almost half the respondents, and around a third identify being strategic and recruiting people with the right skills for governance. All the types of support score well, although the majority favour regular tailored information followed by webinars.

5. What 'good' looks like

Although there was no clear correlation between type of governance arrangement and grade there were key indicators and themes on what good governance looks like. The key components of good governance are:

Strategic Direction

- A clear vision by council officers and elected leaders for the future of the adult service, providing strong advocates of adult education in their area.
- Effective strategic direction for the service provided by council leaders, the executive member for education and skills, and the community advisory group to ensure that the provision meets local priorities for community improvement and regeneration.
- Continued links between the council's strategic priorities and the planning of the curriculum supported effectively by the elected council members to ensure that local and national priorities are met.

Accountability and Scrutiny

- In whatever type of arrangement, accountability and challenge roles are clearly articulated and those involved understand their responsibilities.
- Reporting arrangements are thorough and all those involved value the resulting discussions on how the service can improve further.
- In a LA arrangement, elected members and senior officers need to provide a very good level of well-informed and intelligent challenge regarding the quality, success and continued financial viability of the provision.

Teaching and learning and the student experience

- The cabinet and the elected members need to a good understanding of the range and quality of the borough's adult and community provision and how it contributes to council priorities. They need to take a keen interest in ensuring that all learners receive an outstanding experience and, as a result, can make a more positive contribution to the local area.

- Governors/advisory boards/cabinet members need to provide rigorous scrutiny of the self-assessment report and the accompanying action plans including regular in-depth monitoring of the performance of the provision by elected members and senior officers, including attendance and the number of learners who successfully complete their courses.

Management of the service

- Members of boards and/or elected members need to develop realistically high expectations for the managers of the service based on good knowledge of all aspects of the provision.

- Regular reporting to the advisory board /cabinet committee on funding and whether funding targets are met to enable it to have effective oversight of the service's finances.

- Effective support and challenge to the head of service by senior council officers and elected leaders to maintain the focus on quality and to drive rapid improvements.

- Decisive action by governors along with managers to cease or reallocate the provision when subcontractors consistently underperform and fail to make improvements.

6. Recommendations

Although through this work we have established what works well, there is very little support material that details how these components are established and maintained in practice. Therefore, there is future need to take this work further and build up a bank of underpinning learning materials and a programme of support.

When preparing the survey, we asked service leaders what were the development needs of their board members and cabinet members. The following lists the subject areas they suggested:

- Being strategic
- Finance and budgeting
- Understanding performance data
- Understanding teaching and learning
- Recruiting and managing staff
- Understanding the needs of the local community

- The local labour market
- Building effective partnerships
- Better integrating the service with the other LA services
- Recruiting people with the right skills for governance
- Effective clerking (or equivalent)

Using this list through the survey we asked what respondents thought were the priority areas – 'understanding performance data' and 'understanding teaching and learning' stand out as being most needed, with each scoring 57%. These are followed by 'better integrating the service with other LA services', at 46%. Around a third of respondents voted for 'being strategic' (37%) and 'recruiting people with the right skills for governance' (33%).

We also tried to establish what were the preferred delivery methods of any future programmes. Two-thirds (68%) favoured regular tailored information, while over half (59%) liked webinars, 50% supported case studies and e-learning came in at 45%. Other options suggested were:

- Opportunities for peer visits
- Face-to-face dedicated workshops once the [new] board is set up, to get all members trained at the same time.
- Regular updates of changes and highlighting areas we should be looking at, for example, information on what 'good' governance looks like.
- It is important to distinguish between interventions that support board members and interventions that work for politicians.
- A need to train and support officers alongside cabinet members

We recommend that a programme of continuous professional updating is run in 2016-7. This should include inductions for new board and/or cabinet members on their roles and responsibilities, plus updating on new issues such as devolution, new funding and setting strategic direction.

Overview of governance of local authority providers

Background: Inspection grades

Ofsted has recorded inspection grades for 137 local authority providers of community learning and skills. The proportion of providers judged to be good or outstanding for overall effectiveness according to their latest inspection was high at 87% (116 providers were good; 4 outstanding). This figure compares well with general FE colleges (77%) and independent learning providers (79%). The vast majority of learners at local authority providers benefit from well-planned and sometimes inspirational teaching, learning and assessment and achieve qualifications as planned or make good progress towards their learning goals.

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In Her Majesty's Chief Inspector's annual report for 2014/15, Sir Michael Wilshaw acknowledged the drop in funding for adult learning and the corresponding decline in learner numbers, citing that 'spending reductions have had an impact on the quality of their adult learning provision'. The report identified that the loss of senior management posts had not been managed efficiently in the four local authority providers that had been judged inadequate that year. Conversely, the report identified that in good or outstanding community learning and skills provision provided by local authorities, 'leaders and managers tuned in quickly and effectively to match changes in funding to the needs of the adults within the local community. Managers kept an ear to the ground, collaborating efficiently and effectively with, for example, the voluntary and public sector, third sector organisations, and other education providers'.

Fifteen local authority providers have been inspected against the Common Inspection Framework 2015 with reports published by March 2016. One provider maintained its outstanding grade for overall effectiveness and seven remained 'good'. Three of the other five providers previously judged to be 'good' declined to 'requires improvement'; but two dropped to inadequate.

Profile of grades in the 15 reports published from 1 September 2015 – 1 March 2016

	Grade 1	Grade 2	Grade 3	Grade 4
Overall effectiveness	1	8	4	2
Leadership and management	2	7	4	2
Teaching, learning and assessment	1	9	5	0
Personal development, behaviour and welfare	2	8	5	0
Outcomes for learners	1	9	5	0

A review of inspection reports relating to governance:

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The models for governance at these providers are varied. There is no legislative requirement for local authority providers of community and skills to have a governing body as in general FE colleges. Many of the inspection reports refer to 'governance' in general, and a few refer more specifically to advisory boards or where available, community learning trusts. Most of the other reports reviewed made reference to an elected member and/or senior officers. Nine of the reports reviewed from the previous framework made no specific reference to any form of governance, indicating that governance did not feature significantly in the provision. Six of these were judged to be good and three to require improvement.

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The other anomaly in the leadership and management of this type of provision is the directorate within the local authority that has responsibility for it. Restructuring within the local authority often means change of management for the community and skills provision, as noted in a few of the reports. The range of directorates that currently hold responsibility for this provision include directorates for: economy and skills; children and younger adults; environment and neighbourhood services; regeneration; adults and health; community and housing. Again, there are no clear trends relating to the quality of provision and the type of directorate that manages it.

Gaps in governance of local authority community and skills provision identified on inspection:

Although it is clear that the source or models of governance and leadership show no clear patterns in relation to the quality of the provision, inspections have shown that the extent to which leaders, including elected members and governors, trustees or advisers, provide support, direction and challenge has had a marked impact on the range and quality of programmes and the overall outcomes for learners.

Nearly all the inspection reports reviewed highlighted the relevance of much of the provision in meeting their council's strategic priorities relating to the development of individuals and local communities. The focus is often on improving access to learning for specific under-represented groups, targeting the most deprived ward in their local area. However, where there was weak accountability to senior staff, elected members or a governing board, the quality of teaching, learning and assessment declined, as did the learners' retention and achievement of qualifications and other learning goals. For example:

> "Governance has not been effective and the quality of provision has declined. Critical aspects of learners' achievements have not been monitored. The council recognises that governance requires further improvement to ensure that governors have the information they need to challenge managers. For example, key performance indicators do not include key outcomes such as learners' achievements and destinations."

The most common weaknesses in leadership and management in the 61 reports reviewed were: insufficiently self-critical evaluation of the provision; lack of collection and analysis of data on learners' achievements and destinations; and weak action planning or target setting for improvements. In other words, in the weaker provision, managers do not have adequate information to make an honest self-assessment of the quality of each of their learning programmes or how well they are enabling all their learners to achieve. At these providers, too few apprentices successfully complete their frameworks, not enough young people on study programmes progress to further learning or employment and too many adult learners often make slow progress towards their personal learning goals.

In the majority of the providers judged to be inadequate or to require improvement, managers received little support and challenge in the form of governance, be it from senior managers, elected members or an advisory board.

The key weaknesses in governance and leadership identified in the reports were:

- insufficient monitoring of the performance of the service and the quality of its provision.
- lack of support from those with a governing role to drive improvements sufficiently rapidly.
- no formal reporting mechanism for reviewing the performance of the service or for setting the strategic direction and the curriculum offer.
- no strategic body to oversee the service, set its direction and monitor progress.
- insufficient minimal challenge for managers about aspects of weaker performance or lack of progress with plans to improve the quality of provision.
- lack of clarity to data in reports to enable elected members and senior officers to identify easily areas of low performance and slow improvement.

Characteristics of effective governance of local authority's community and skills provision:

Oldham Metropolitan Borough Council succeeded in maintaining its outstanding provision at its latest inspection in November 2015 and epitomises outstanding governance, as the report outlines:

- Elected members and senior officers provide a very good level of well-informed and intelligent challenge regarding the quality, success and continued financial viability of the provision.

- Reporting arrangements are thorough and all involved value the resulting discussions on how the service can improve further.

- The cabinet and the elected members have a good understanding of the range and quality of the borough's adult and community provision and how it contributes to council priorities. They take a keen interest in ensuring that all learners receive an outstanding experience and as a result they can make a more positive contribution to the local area.

Although inspectors sometimes identified areas for improvement in governance at some of the providers judged to be good for overall effectiveness, its impact on improving and sustaining good quality provision is clear. The examples and extracts from the reports reviewed clearly highlight the benefits of a knowledgeable body or group that provides accountability for the overall quality of provision, acts as a sounding board for planned changes, and provides clear direction for future developments.

How well do those in a governing role know the provider and understand its strengths and weaknesses?

Effective practice identified in the inspection reports reviewed include:

- governors' rigorous scrutiny of the self-assessment report and the accompanying action plans.

- regular in-depth monitoring of the performance of the provision by elected members and senior officers, including attendance and the number of learners who successfully complete their courses.

- close scrutiny of all aspects of the service's work by elected council members to gain a good understanding of the quality of provision and provide appropriate oversight of the service.

- elected members' development of realistically high expectations for the managers of the service based on good knowledge of all aspects of the provision.

- regular reporting to the advisory board on funding and whether funding targets are met to enable it to have effective oversight of the service's finances.

Council leaders, the executive member for education and skills, and the community advisory group provide effective and strategic direction for MCL. Their clarity about the purpose of the service means that they support and challenge managers and staff to meet local priorities for community improvement and regeneration well. They have a clear understanding of strengths and areas for improvement. They know what managers need to do to address the weaknesses and build on the strengths. They have worked with managers to secure a very well thought-out vision for future expansion, using council and Local Enterprise Partnership priorities. The current partnerships enable MCL to use their expertise to best effect for the benefit of communities in Middlesbrough.

Middlesbrough Council

The college has strengthened governance arrangements so that board members' expertise more closely matches the needs and priorities of the college. Governors receive regular training and are well qualified to deal with detailed finance and performance reports. These changes have brought greater rigour to governance, which contributes well to the culture of continuous improvement.

Walsall Adult and Community College

The elected portfolio holder for the service and the responsible assistant director of the council undertake reviews of the standards of teaching and learning to gather a more detailed understanding of the learner experience, for example by carrying out learning walks and by observing lessons and reporting back their findings to service managers.

Medway Council

> The board is made up of experienced and representative members of the community. Governors are determined, insightful and use their breadth of knowledge very effectively to shape the strategic direction of the organisation, challenge senior managers and hold them to account. They set high standards for themselves and for the service. Managers report regularly to governors on key aspects of the service, providing clear information that enables governors to understand its complexities and priorities for improvement.
>
> Redbridge Institute of Adult Education

How well do those in a governing role support and strengthen the provider's leadership and contribute to shaping its strategic direction?

Effective practice identified in the reports reviewed include:

- a clear vision by council officers and elected leaders for the future of the service, providing strong advocates of adult education in the city.
- effective strategic direction for the service provided by council leaders, the executive member for education and skills, and the community advisory group to ensure that the provision meets local priorities for community improvement and regeneration well.
- continued links between the council's strategic priorities and the planning of the curriculum supported effectively by the elected council members to ensure that local and national priorities are met.

> High expectations over the years have resulted in sustained and very high success rates. The clear objectives for the service align closely with those of the council and are set within a well-developed strategic plan which is understood by managers and staff. The service's plans reflect local and national priorities particularly well.
>
> Oldham Metropolitan Borough Council

> Elected members and senior executives contribute to developing the strategic direction and key operational targets for the provision. They receive detailed reports about the performance of the service enabling them to have a good understanding of its strengths and areas for improvement. Senior leaders provide good levels of challenge and support for managers of the service through robust performance management arrangements.
>
> Nottingham City Council

> Governance arrangements have improved since the previous inspection and are now good. The service benefits from the support of experienced and knowledgeable councillors and council officers who monitor and evaluate how well leaders and managers fulfil council priorities to improve the lives of its residents. The lead

councillor is highly active in the work of the service and provides strong levels of challenge and support.

Rotherham Borough Council

How well do those in a governing role provide challenge and hold senior leaders and managers to account for improving the quality of learning and the effectiveness of performance management systems?

Effective practice identified in the reports reviewed include:

- effective support and challenge to the head of service by senior council officers and elected leaders to maintain the focus on quality and to drive rapid improvements.
- timely support, guidance and resources by those in a governing role to improve the reach and effectiveness of the service.
- effective support and challenge by elected members and senior officers to managers regarding the curriculum, its quality and financial viability.
- decisive action by governors along with managers to cease or reallocate the provision when subcontractors consistently underperform and fail to make improvements.

The service benefits greatly from the support of the newly formed and effective Community Learning Trust for Kirklees. The trustees are highly active in the work of the service. The Trust includes representatives from the local further- and higher-education providers, council departments, councillors, voluntary organisations and careers services. They are fully committed to promoting the values of the service, and provide extremely strong challenge and support.

Kirklees Council Adult and Community Learning

Governance arrangements are good. Council leaders and managers provide effective and regular scrutiny of the service holding senior staff to account. For example, senior staff are required to report with targets and timescales to the strategic manager responsible for adult education on how ALSS is contributing to improving the level of mathematical skills across the adult population of County Durham where skill levels are historically low. The council continues to invest in the service during periods of staff cuts elsewhere. This is in recognition of the unique contribution ALSS is making to improve the skill levels and economic prospects of some of the most isolated and disadvantaged communities in the county.

Durham County Council

Senior officers and elected members of the council provide good support and challenge to managers. Councillors receive and scrutinise regular reports on the service's performance that include information about retention, achievement, and the outcomes of lesson observations. Senior officers and the head of service work

> together effectively to agree the service's strategic direction, and to make recommendations to members.
>
> The Northumberland Council

An effective governing body, in whatever structure, needs to have clout, identity and a very clear role that is understood and respected by senior executives, managers and staff. These examples are all taken from inspection reports of good and outstanding providers and show that effective practice in governance can bring about good provision for learners and local communities.

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Adult and Community Learning Services

Governance Review

Findings from a survey of HOLEX members

April 2016

Contents

Introduction

Adult and Community Learning (ACL) in England operates under a range of models, depending on the arrangements established by individual local authorities. This in turn has given rise to a wide variety of governance structures. While overall, ACL is seen as effective and 86% are graded as Ofsted "good" or "outstanding", Ofsted has been critical of some of these structures, even those operated by otherwise successful ACL providers.

In March 2016, the Education & Training Foundation commissioned HOLEX to undertake research with a view to understanding what is working well in ACL governance and where more support is needed. As part of that research, we surveyed HOLEX members in order to get a clearer picture – for the first time – of the different governance models in operation, and to assess members' own views on how effective those models are. We also asked them about the types of support they felt that those with governance responsibilities needed.

Summary

108 out of a possible 150 providers responded to the survey and gave a good sense of just how varied ACL structures are. While the majority are run directly by the local authority (LA), they are also run at arm's length, as charities, as limited companies, as mutuals and as community learning trusts. Structures are also subject to change, usually as a result of restructuring within the LA itself.

Around half have over 5,000 students. Most of the services are considered 'good' by Ofsted.

Governance arrangements range from the very simple to the highly complex, with a wide range of models in place. We found 28 different combinations of individuals and committees. Around half involve a LA cabinet member and a third a LA lead member. LA committees and scrutiny committees also play a prominent role. Those with charitable status or set up as limited companies are far less likely to have formal accountability to LA individuals or committees.

Almost 10% cite senior officials as being formally accountable, while another 10% list a wide range of other committees and individuals.

A fifth have an independent governing body or board of directors. This is far more likely among those not run directly by the LA and/or with charitable status. A small number are accountable to advisory boards with or without devolved powers. Such boards generally have up to 15 members, although six have over 15 and one has over 21.

Service staff, council members, council staff and students are the most popular categories of member of any board, although around a third include local education representatives (38%) and other local stakeholders (32%). Only a quarter include local employers and the same number have members of the public.

Boards are seen as reasonably effective at all the main tasks, with 'inducting and training members' scoring the lowest.

Two-thirds of governance arrangements are seen overall as being fairly effective. Those with independent governing bodies/boards of directors scored highest. Arrangements involving LA cabinet members have the widest range of scores, and were the only ones in our survey scoring '1'. At the same time, half of those scoring '5' involved an LA cabinet member. The two respondents from community learning trusts gave their arrangements low scores.

Arrangements involving an independent governing body score fairly consistently across all the key objectives except for integrating the service with other LA services, which is seen by some as not being applicable. This and building effective partnerships with other organisations are also the only objectives where they don't score more highly than other arrangements.

The greatest strength of arrangements involving LA cabinet and lead members and the various types of LA committee lies in aligning the service with LA priorities. Those involving scrutiny committees are also fairly strong on helping to ensure the service is well managed, has good financial health and is responsive to the community.

Those involving cabinet members are weakest at ensuring high quality teaching and learning and at ensuring staff or learner voices are heard. When it comes to good management, good financial health, integrating with other LA services and building effective partnerships, they range from not at all effective to very effective. A number of respondents complained about lack of attention from their LA and the sense that their service is not a high priority.

Most development and support for senior managers and those with governance responsibility is needed in the areas of understanding performance data and understanding teaching and learning. Better integrating the service with other LA services is also a requirement for almost half the respondents, and around a third identify being strategic and recruiting people with the right skills for governance. All the types of support score well, although the majority favour regular tailored information followed by webinars.

The Findings

1. About the responding services

108 out of a possible 150 providers responded to the survey and gave a good sense of just how varied ACL structures are.

Three quarters (73%) were run directly by the local authority (LA), while 17% were run by the LA at arm's length. Overall, ten had charitable status, while eight were limited companies, one of which was a community interest company (CIC). Some

with charitable status were also limited companies. Just two were run as public service mutuals and the same number were run directly by the LA as community learning trusts.

One respondent was directly run by the LA but had (from 1 April) just become a CIC. One of the public service mutuals had (from 1 April) just become part of a new Community Benefit Society, with all the staff being TUPE'd to the new organisation, apart from the Head of Service, who had been put on secondment to it so that s/he could directly manage subcontractors on the service's behalf.

Size

48% of the responding institutions had between 1,000 and 5,000 students enrolled, while a similar number (47%) had over 5,000. Four had between 500 and 1,000 students and just one had fewer than 250 *(see below)*.
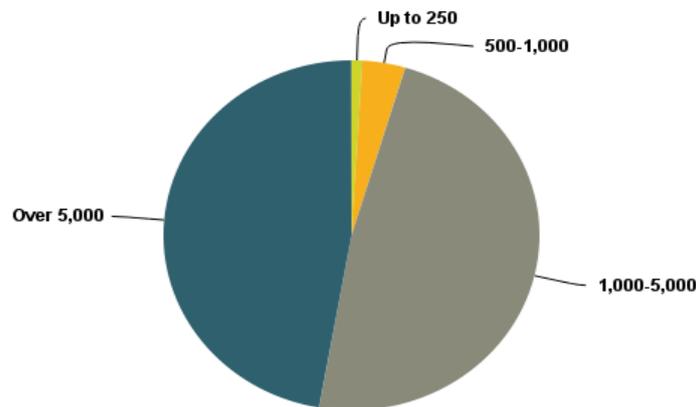
Q3 No of students enrolled

Ofsted Grading

All but 17 had been inspected since 2012. 83% had been awarded a Grade 2 ('good') at their last Ofsted inspection. Five had been considered 'outstanding', ten had been graded as 'requires improvement' and three 'inadequate'.
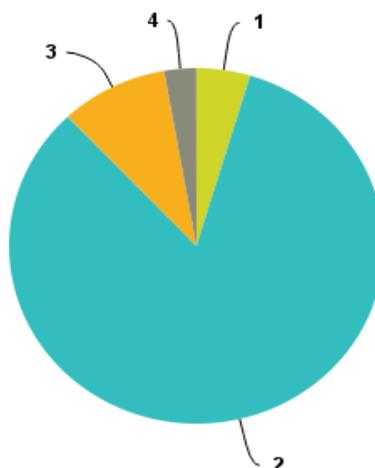
Q4 Overall Ofsted grading on last inspection

2. Governance arrangements

As explained, we were conscious that a wide variety of governance arrangements would be in place, and that not every provider would have a recognisable governing board. As a result, we first asked respondents to tell us who was formally accountable for the success of the service, giving them the option to select several responses.

A breakdown is set out below showing the top level data in terms of the percentage of respondents selecting each category of individual/committee offered.

Answer Choices	Responses	
Local authority cabinet member	50.0%	49
Local authority lead member	31.6%	31
Local authority committee	13.3%	13
Local authority scrutiny committee	17.3%	17
Advisory board	4.1%	4
Advisory board with devolved powers	4.1%	4
Independent governing body	20.4%	20
Total Respondents: 98		

Q6. Which of the following is formally accountable for the success of the service?

25 respondents selected 'other', of whom 9 cited a senior manager, although actual job titles varied. In addition to the 20 who said they had an independent governing body, 2 were companies that had boards of directors.

Other accountable bodies/individuals mentioned were:

- shared service management committee
- joint governing board with other authorities
- FE governing body
- the Executive Management Team
- Strategic Board
- Trustee Board
- client group
- assistant Mayor

By size

When we filtered the responses by the number of students enrolled, there didn't appear to be any real difference in the pattern of governance arrangements. The smallest services were just as likely to have multiple formally accountable individuals/committees.

By type of organisation

When filtered by the type of organisation, some differences did emerge.

- Of those run **directly by the LA**, only 6% (4) had an independent governing body, while 62% (44) had a cabinet member involved, and 38% (27) a lead member. 21% (15) were accountable to a LA scrutiny committee.

- In contrast, of those run **at arm's length** 35% (6) had an independent governing body, while 41% (7) involved a cabinet member. A similar 35% (6) had a lead member involved. Only one was accountable to a LA scrutiny committee.

- Unsurprisingly, of those with **charitable status**, 78% had an independent governing body, only one involved a cabinet member and none a lead member. While one was accountable to a LA committee, none was accountable to a LA scrutiny committee.

- Among those that were **limited companies**, none had arrangements involving council members, but one was accountable to a LA committee and one to a scrutiny committee. Both the latter also had boards of directors.

Complexity

Overall, the figures hide an extraordinarily complex situation, with a total of 28 different combinations of individuals and committees offered.

55 respondents opted for just one individual/committee having formal accountability. Of these:

- 40% (22) chose LA cabinet member
- Almost a quarter (13) chose LA lead member
- Almost a quarter (13) had just an independent governing body
- Five just had a LA committee and one had only a scrutiny committee
- One respondent had only an advisory board

26 respondents selected two options, of which the most popular were:

- Cabinet member + independent governing body (6)
- Cabinet member + lead member (4)
- Cabinet member + scrutiny committee (3)
- Lead member + senior official (2)
- LA committee + Advisory board (2)
- Independent governing body + advisory board (2)

Nine respondents selected three or four options. For example, one respondent listed: LA cabinet member, lead member, scrutiny committee and advisory board with devolved powers.

Of those that had selected more than one response from the list, two thirds said that one individual/committee had lead responsibility. The most popular of these were:

- Senior official (9)
- Cabinet or lead member (9)
- Independent governing body (7), one of which includes the cabinet member

Others cited were: scrutiny committee; executive management team; a local board that includes college principals and a council representative; client group; strategic board; the council; LA committee;

## Size of governing body/advisory board

The majority of governing bodies/advisory boards had up to 15 members, although six had over that number. The most popular size is 6-10 (16 responses).
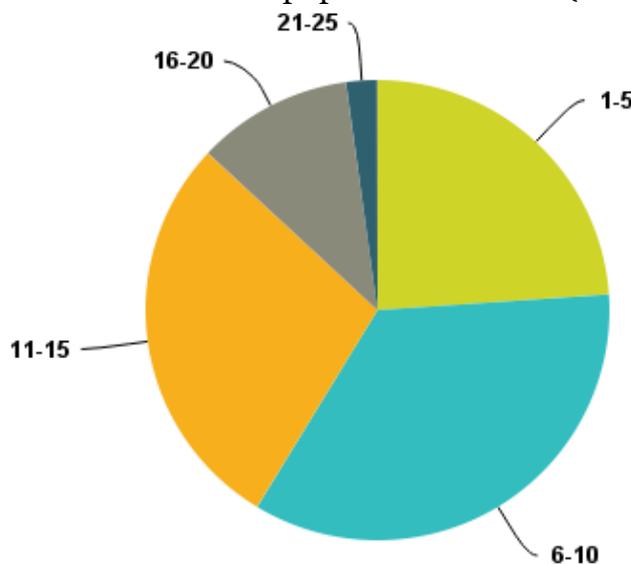
Q8 How many members are on your governing body/advisory board?

Make-up of governing body/advisory board

Service staff, council members, council staff and students were the most popular categories of member, although around a third included local education representatives (38%) and other local stakeholders (32%). Only a quarter included local employers and the same number members of the public.
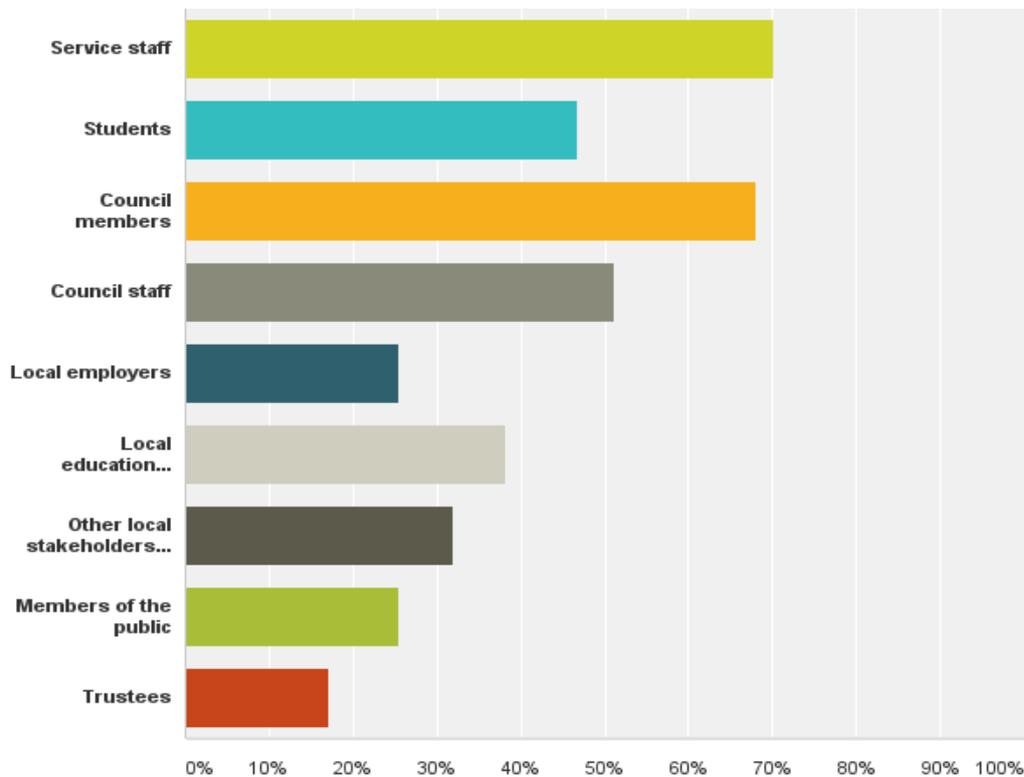
Q9 Which of the following are represented on the membership?

A small number of respondents also selected the 'other' option, listing the following further categories of member between them: local arts group; WEA; community; former BIS/SFA; former inspectorate.

Where respondents were able to select a typical length of service, a third selected up to four years and 42% 4-8 years. One each selected 8-12 and 12+ years.

Effectiveness of governing bodies/advisory boards

Those who had a governing body/advisory board were asked specifically to rate its effectiveness in a number of areas, on a scale of 1 to 5, where 1 was poor and 5 was very good. Respondents were given the option of saying that an area was 'not applicable'.

Nine responded n/a to 'inducting and training members', seven to 'recruiting members with the right skills' and five to 'clerking (or equivalent)'. For those areas that were applicable, all scored a weighted average between 3.5 and 3.9.

- 'Taking into account the views of all the members' scored particularly highly (average 3.93), with 78% scoring it at 4 or 5.
- 'Inducting and training members' scored lowest (3.24), with 47% scoring it 3 or below. It also got the highest number of 'n/a' (9), closely followed by 'recruiting members with the right skills'.

3. The impact and effectiveness of governance arrangements

Overall effectiveness

All respondents were asked to rate the overall effectiveness of their service's governance arrangements, on the same scale of 1-5, where 1 was not at all effective and 5 was very effective.
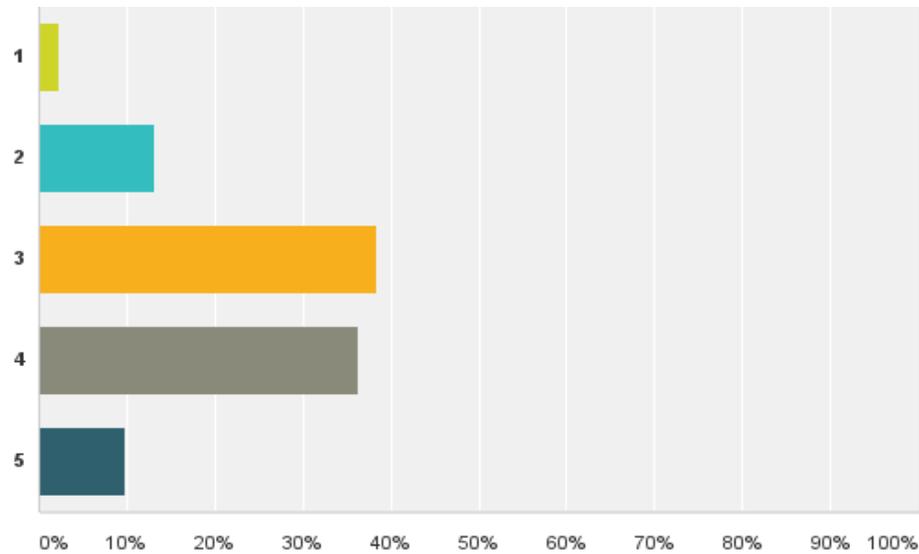
Q12. How effective do you consider your service's governance arrangements to be overall?

Two thirds of respondents (68%) scored the effectiveness at 3 or 4; two respondents scored it at 1, while 9 scored it at 5.

The governance arrangements that had the biggest range of scores were those involving LA cabinet members. These included both the respondents who had given their arrangements the lowest score and six of the respondents who had scored them at 5.

Similarly, there was a wide range of scores for arrangements involving a lead member, with 14% (4) scoring 2, 45% (13) scoring 3, 38% (11) scoring 4, and one scoring 1.

The governance arrangements that scored best were:

- those with independent governing bodies, where all the scores were 3 or above, and a fifth (4) scored their arrangements at 4;
- those with an advisory board with devolved powers, where all three respondents scored their arrangements at 4.

Looking at effectiveness in terms of the type of organisation:

- the biggest range was among those run directly by the LA, which included the two who scored their arrangements at 1 and seven of those who had scored them at 5;

- those run by LAs at arm's length had a similarly wide range of scores;

- those with charitable status scored their arrangements the highest with all eight scoring them at 3 or above and one scoring them at 1;

- among the six limited companies two scored their arrangements at 3 and four at 4;

- the two community learning trusts only scored 2 or 3.

Effectiveness in achieving key objectives

We asked respondents how effective their arrangements were at helping them to achieve a number of important objectives. We also gave them the option to declare individual objectives 'not applicable'.

A well-managed service

- The widest range of scores was among those involving a LA cabinet member, with three scoring their arrangements at 1, and 48% (22) scoring them at 4 or 5.

- Scores for local authority scrutiny committees ranged from 2 to 5, with 48% (10) scoring 4 or 5.

- Those with an independent governing body had over two-thirds (69%) of their scores at 4 or 5.

A service in good financial health

- Four respondents said this was not applicable.

- Scores for LA cabinet members ranged from 1 (four responses) to 5 (eight), including one who said it wasn't applicable; 56% (26) scored 4 or 5.

- The scores for those with an independent governing body were similarly wide ranging, although 79% (15) scored 4 or 5.

An offer responsive to the community's needs

- Cabinet member scores ranged from 1 to 5, with 55% (25) scoring 4 or 5.

- The highest percentage of 5s (50% - 8 responses) was scored by LA scrutiny committees, while 80% of LA committees scored 4 or 5.

- Almost three quarters (74%) of those with governing bodies scored 4 or 5.

High quality teaching and learning

- In the case of arrangements involving LA cabinet members, LA lead members, LA committees and LA scrutiny committees, there was one respondent each time who said this was not applicable.

- Cabinet member scores ranged from 1 (9% - four responses) to 4 (11% - five responses) with scores spread otherwise evenly across 2, 3 and 4.

- Local authority scrutiny committees also ranged across the full gamut, with three scoring 1 and three scoring 5.
- All the advisory boards with devolved powers scored 4.
- 66% (12) of independent governing bodies scored 4 or 5.

Well-managed staff

- One respondent with an independent governing body said this was not applicable; otherwise the scores for these arrangements ranged from 1 to 5.
- LA cabinet members similarly ranged across all scores, as did LA scrutiny committees.

Staff voices heard

- Responses followed a similar pattern to other questions, with independent governing bodies getting the best scores (63% at 4/5), and LA cabinet members and scrutiny committees the widest range of scores.

Learner voices heard

- LA cabinet members, lead members and scrutiny committees had the widest range of scores; independent governing bodies again had the highest scores.
- Each of these categories as well as LA committee had one respondent who said this was not applicable.

Alignment with LA priorities

- One respondent with an independent governing body said this was not applicable.
- Unsurprisingly, all the advisory boards scored 4 or 5; and LA cabinet members (75%), lead members (76%) and scrutiny committees (88%) scored high percentages of 4s and 5s. This was compared to 69% of those with an independent governing body.
- More surprising is the fact that six arrangements involving LA cabinet members only scored 1 or 2, and one involving a LA scrutiny committee only scored 2.

Integration with other LA services

- None of the arrangements scored particularly well on this objective, and three of those with independent governing bodies and one with a LA lead member said this was not applicable. The four advisory boards did best, with 75% scoring 4 or 5.

Effective partnerships with other organisations

- Advisory boards scored the highest on this objective, with 75% (3) scoring 4 or 5, closely followed by LA scrutiny committees at 65% (11) and independent governing bodies at 62% (12). This compared with 59% (17) of LA lead members and 47% (21) of LA cabinet members.

We also looked at the responses to see if there was any clear pattern in the scoring of 4s/5s and 1s/2s to show up particular strengths and weaknesses of some arrangements. Clearly we cannot draw very firm conclusions, particularly in the case where certain arrangements are only used by a very few services. However, some patterns do emerge that are worth highlighting.

- Arrangements that involve **cabinet members** and **lead members** get their best scores for 'alignment with LA priorities'. They get their worst scores for 'high quality teaching and learning', and for 'staff voices heard' and 'learner voices heard'.

- Those involving **cabinet members** get a good number of positive scores but also a high number of negative scores for 'good financial health', 'well-managed', 'integration with other LA services' and 'effective partnerships'.

- Arrangements involving **LA committees** also get their best scores for 'alignment with LA priorities' and for 'responsive to community needs'; and the most polarised scores for 'financial health', 'integration with other LA services' and 'effective partnerships'.

- Arrangements involving **LA scrutiny committees** get their best scores for 'alignment with LA priorities'. They score fairly well on 'well managed', 'good financial health' and 'responsive to community needs'. Their scores are polarised for 'learner voices heard' and 'integration with other LA services'. Rather strangely, 'good financial health' got one 'not applicable', as did 'high quality teaching and learning' and 'learner voices heard'.

- There were very few arrangements involving **advisory boards** or **advisory boards with devolved powers**, but they both got their best scores for 'alignment with LA priorities'. Those with devolved powers also scored well for 'well-managed', 'high quality teaching and learning' and 'effective partnerships.

- Arrangements involving **an independent governing board** scored fairly consistently across all the objectives except for 'integration with other LA services', where they also got three 'not applicable'.

4. Development and support

We asked respondents to indicate the areas where senior leaders and those involved in governance needed support. The options given were:

- Being strategic
- Finance and budgeting
- Understanding performance data
- Understanding teaching and learning
- Recruiting and managing staff
- Understanding the needs of the local community
- The local labour market
- Building effective partnerships
- Better integrating the service with the other LA services
- Recruiting people with the right skills for governance

- Effective clerking (or equivalent)
- Running/participating in effective meetings

The full breakdown of this is shown below.

'Understanding performance data' and 'understanding teaching and learning' stand out as being most needed, with each scoring 57%. They are followed by 'better integrating the service with other LA services', at 46%. Around a third of respondents voted for 'being strategic' (37%) and 'recruiting people with the right skills for governance (33%).

Interestingly, 'finance and budgeting' is not seen as an area of high need, although it's slightly higher than 'recruiting and managing staff'.
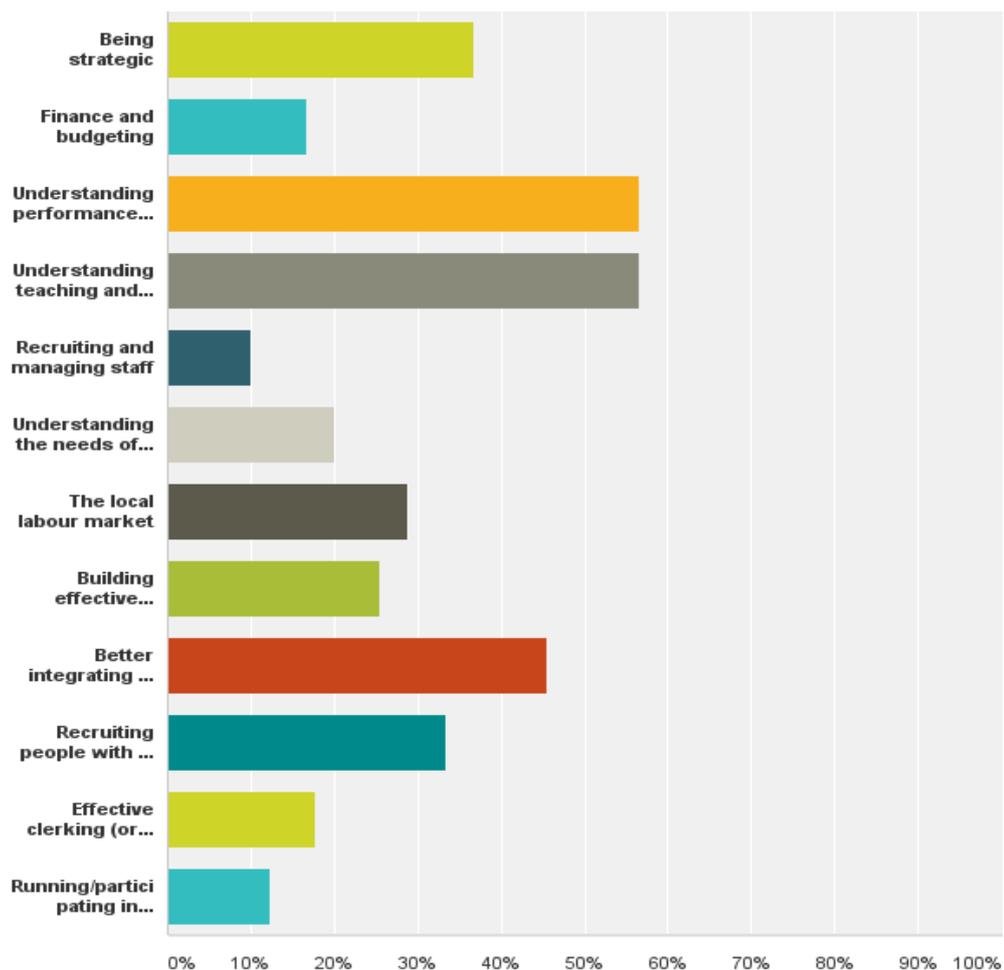
Q14 In which areas do senior leaders and those involved in the governance of your service need support?

We asked what types of support would be most useful. Two-thirds (68%) favoured regular tailored information, while over half (59%) liked webinars.
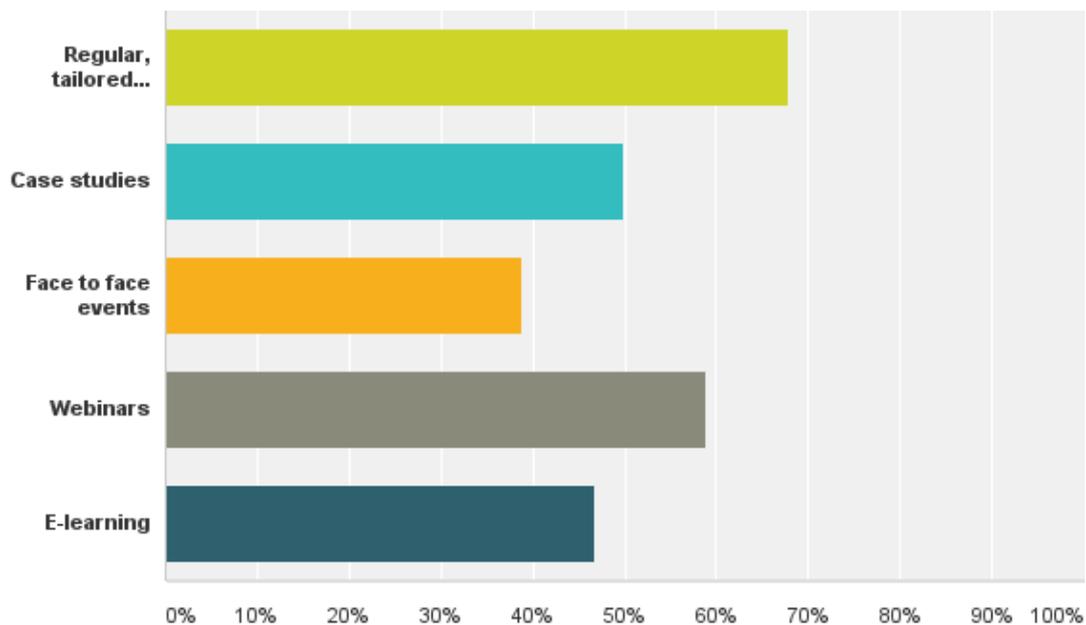
Q15 What types of support would be most useful

Other options suggested were:

- Opportunities for peer visits

- A couple of face-to-face dedicated workshops once the [new] board is set up, to get all members trained at the same time.

- Regular updates of changes and highlighting areas we should be looking at. For example, information on what 'good' governance looks like.

- It is important to distinguish between interventions that support board members and interventions that work for politicians. There is also a need to train and support officers alongside cabinet members.

5. Further comments

Finally, 40 respondents took advantage of the opportunity to add further comments.

Some wanted to point out that Ofsted had scored them well – or even outstandingly – for governance, and that their structures were working effectively. Others were rather more negative, sometimes due to the general upheaval being experienced by LAs and the short-termism caused by current funding structures.

Perhaps more relevant to this particular survey were a number of comments complaining about the lack of attention from the LA. Others were clearly frustrated, being expected to achieve targets but given little autonomy, no direction and no sense that what they are doing is a priority.

> "Following Ofsted comments I requested a steering group, but that has been dismissed as 'not necessary at this time'."

"...we are not high on their radar as they have many more important/financially concerning areas to focus on."

"In theory how we deploy the adult education budget could be the subject of a scrutiny committee session but this has not been requested in recent years."

A changing scene

There were 11 comments related to changes being made - or having recently been made - to governance arrangements, mostly in recognition that previous arrangements were not working well. Most are hopeful that this will improve matters or are seeing a positive change. Others complain that progress is too slow, while one is concerned that a new structure introduced as a result of structural change in the LA will have a negative impact.

Necessary complexity

Several offered more detail of their governance arrangements, all of them serving to highlight again just how complex these can be. This is not necessarily because they have been poorly structured, but rather because a local authority service has to work within a very different management and accountability structure to other FE providers. One respondent articulated this in terms of the service's three 'facets':

- Facet 1: a provider funded by the Skills Funding Agency, and therefore requiring a clear governance structure.

- Facet 2: A council service that sits within a broader municipal structure and needing managing and monitoring like any other council service.

- Facet 3: A 'pound plus' business with an interest in keeping costs low, increasing customer numbers and optimising funding and income, so requiring clear metrics and effective monitoring by stakeholders.

The governance structure needs to fit with all three, rather than being bolted on, and therefore should be structured around a clear purpose rather than in a way that simply mimics those of other providers.