

## REPORT TO SOUTH LEEDS COUNCILLORS ON PROPOSED MERGER FOR JOSEPH PRIESTLEY COLLEGE

### **Executive summary of the report**

On October 13<sup>th</sup> the College Corporation selected Leeds City College as its preferred merger partner. The merger process is quite lengthy and is still at a relatively early stage. LCC was selected as the preferred partner from four strong West Yorkshire College bids.

If the process runs smoothly the merger will be achieved by the summer 2011. Over the next few months the two colleges will be working towards a merger of the two institutions and the opportunities the merger can bring to South Leeds. Statutory consultations are planned for January 2011 by which time the two colleges will have outline plans.

### **Purpose of report**

To update and inform South Leeds Councillors on the merger process to date and future plans.

### **Background to the merger proposals**

The driving factors behind Joseph Priestley's decision to seek a merger partner are:

- the reductions in funding for adult learners which has hit Joseph Priestley particularly hard
- the current economic climate, which means that the opportunities to grow over the next few years are exceptionally minimal
- the funding systems that are exceptionally difficult for a small college.

Together these factors challenge the future solvency of the college and the position is further complicated by the poor inspection report in December 2009. The Ofsted monitoring visit in June 2010 confirmed that the college was making good progress and we are hopeful that we will get a significantly improved report on re-inspection.

The College commissioned a Strategic Options review by KPMG in May which reported to the Corporation in July. The decision to seek a merger partner was made at the Corporation meeting on July 7<sup>th</sup> with the Governors accepting the clear case made in the review that further education in South Leeds would be better served by JPC becoming part of a larger organisation. Over the summer the College continued to work towards merger, contacting all West Yorkshire Colleges in the belief that a local solution would be better for South Leeds. This culminated in the selection process in early October.

We have been advised throughout on the process that has to be followed by the Skills Funding Agency and KPMG, who between them have enormous experience of mergers. The criteria that the Governors used to select the preferred merger partner emphasised

the educational needs of South Leeds, the need for financial stability and a partner that can support the continued improvement of education and training.

### **Main points**

The next stages of the merger process include a feasibility study, preparation of an outline business case, statutory consultations and due diligence processes. There will also be detailed work on how the two colleges will come together. One decision that will be important to many in South Leeds is the preservation of the name Joseph Priestley and how that can best be achieved. The intention is that the proposal should go to the Secretary of State for approval in April or May 2011 with a view to the merger becoming reality in the summer 2011.

Of critical importance is ensuring that we keep people and organisations sufficiently informed of what is happening. Joseph Priestley has a communication strategy for the early stages of the process and this is being further developed with LCC. To date our focus has been on informing key people such as yourselves and local organisations, including the secondary schools. The information to students and potential students has been kept low key as the changes should not impact significantly on current students as their programmes will be delivered as planned. We anticipate that the offer will change very little for next September and hence the full time prospectus for 2011/12 is already published. We are keeping college staff updated on a regular basis but there is understandable uncertainty. The statutory consultation will take place in January 2011 and we are working on the list for this. The consultation will also be publicised through the local press.

Joseph Priestley is adopting the mantra 'business as usual' with staff, partners, students and potential students. It is vital that we do not allow the merger process to deter or distract students from their studies and from making good progress. We would appreciate support from all community leaders in getting this message across.

The future benefits to students in South Leeds from the merger are significant in terms of curriculum planning and improved choice, more enhancements to their learning, improved resources and facilities, much improved progression opportunities and the benefits and security of a large college. We would also intend to drive up standards by pooling talents and expertise.

The three key criteria that the business plan will be assessed against by the Skills Funding Agency and BIS are: localism, benefits to learners and the business case.

### **Implications for Council policy and governance**

The merger should bring enormous benefits to Leeds and future planning for Leeds City Region. South Leeds has the potential to be a key area as the gateway south into Leeds City Region and strong FE provision can make a very valuable contribution. Initially improvements should be seen in planning and development for the 13 to 19 age group and those aged 19 to 25 who have learning difficulties and disabilities. Provision for NEETs and the unemployed will benefit from this expanded partnership, particularly in South Leeds

### **Legal and Resource implications**

Local Authorities have a major strategic responsibility for the provision of education for the 14 to 19 age group and those up to 25 with learning difficulties or disabilities. The merger should support the discharge of this responsibility. The economies of scale of a large college should optimise the use of resources. The colleges have a legal process to go through and we are guided by the Skills Funding Agency in relation to that.

### **Specific implications for equality and diversity, cohesion and narrowing the gap agenda.**

Community cohesion and equality and diversity were two of the nine criteria agreed by the College Corporation against which to assess the four bids. The shared understanding of the Leeds communities and the opportunities to plan across the city should bring significant benefits. Improved planning and coherence of provision will enable us to target resources to the areas of greater need. The combined strengths of the two colleges in relation to provision for learners with learning disabilities and difficulties will be of particular benefit. Joseph Priestley has placed great emphasis on the importance of maintaining adequate FE centres in South Leeds.

### **Conclusion**

Councillors are asked to support the decision taken by Joseph Priestley College to seek a merger partner and the choice of partner, which we believe offer great advantages. We would also request assistance with communicating the 'business as usual' message so that we can maintain and build on the positive progress already made.

Councillors are asked to note the progress made to date towards a merged institution and to support both colleges and their staff teams in their joint endeavour to achieve a smooth and positive merger that maximises the benefits for South Leeds. Both Peter Roberts, the Principal of Leeds City College, and I will attend a future meeting if that would be of benefit.

Sally Blunt  
Principal