

**Report of the Director of Children's Services**

**Report to Executive Board**

**Date: 14 December 2016**

**Subject: West Yorkshire Area Based Review of Post 16 Education and Training**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary of main issues**

1. In July 2015, the Skills Minister announced plans for the restructuring of the post-16 education and training sector. Reviews would seek to address the financial sustainability of the sector and to further support increased productivity and economic growth through high quality professional and technical routes to employment that were responsive to local employers needs and changing economic priorities.
2. Plans for 37 Area Based Reviews were announced in 5 waves covering all further education and sixth form colleges in England over an eighteen month period up to March 2017. The West Yorkshire Area Based Review covering 11 colleges across the sub-region commenced in November 2015 and completed in June 2016 with the final report and recommendations published in November 2016. The review process and the recommendations for colleges based in Leeds are detailed in the report.

**Recommendations**

Executive Board is asked to note the outcome of the West Yorkshire Area Based Review of Post 16 education and training.

## **1. Purpose of this report**

- 1.1 This report provides the background to the national framework and process of Area Based Reviews of Post 16 education and training and information on the recommendations arising from the West Yorkshire Area Based Review, in particular the recommendations that relate to Leeds based providers.

## **2. Background information**

- 2.1 The Government sees the post 16 education and training sector as critical in developing the highly skilled workforce needed to support its strategy of raising productivity and supporting economic growth through:-

- Clear, high quality professional and technical routes to employment, alongside robust academic routes, which allow individuals to progress to high level skills valued by employers; and
- Better responsiveness to local employer needs and economic priorities including through local commissioning of adult provision to meet changing skills requirements.

- 2.2 The Government has taken forward a number of reforms with the aim of improving the post 16 offer to meet the above objectives including the reform and planned expansion of apprenticeships; reforming A-levels; simplifying the national funding formula for 16-19; and removing low-value qualifications from performance tables and public funding.

- 2.3 The Skills Minister, Nick Boles, also announced in July 2015 plans for the restructuring of the post-16 education and training sector, through a series of area based reviews. A total of 37 reviews were planned in 5 waves covering all further education (FE) and sixth form colleges in England over an eighteen month period up to March 2017.

- 2.4 The Government's guidance set out a national framework and stated that each review "should establish the appropriate set of institutions to offer high quality provision based on the current and future needs of learners and employers within the local area." The reviews should deliver:-

- Institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment...
- An offer that meets each area's educational and economic needs...
- Providers with strong reputations and greater specialisation...
- Sufficient access to high quality and relevant education and training for all...
- Colleges well equipped to respond to the reform and expansion of the apprenticeship programme.

The Government anticipates that the reviews would 'enable a transition towards fewer, larger, more resilient and efficient providers, and more effective collaboration across institution types.'

- 2.5 The reviews commenced in 2015 and Wave 1 and 2 area review reports, including the review for West Yorkshire, were published on the government website on 29 November 2016 at the following link

<https://www.gov.uk/government/collections/post-16-education-and-training-area-reviews>.

### 3. Main issues

#### 3.1 The Process

- 3.1.1 On 29 September 2015, a letter was issued to Local Authorities, the Leeds City Region Enterprise Partnership and FE / Sixth Form Colleges announcing that an Area Based Review of post 16 Education in West Yorkshire would begin in November 2015.
- 3.1.2 A local steering group for the West Yorkshire review was established composed of chairs and principals of the Colleges, representatives from Local Authorities, the LEP and the Chamber of Commerce, the Regional Schools Commissioner, Further Education Commissioner and Sixth Form Colleges Commissioner, the funding agencies and the former Department for Business, Innovation and Skills.
- 3.1.3 The Chair of the steering group was Councillor David Green followed by Councillor Susan Hinchcliffe, Leader of Bradford Council, in their capacity as Deputy Chair of the LEP Employment and Skills Panel and Chair of the Investment Committee of the Combined Authority. The work of the steering group was led by the FE Commissioner and the Joint Area Review Delivery Unit.
- 3.1.4 The colleges in scope of the review, including 3 in Leeds, were identified as:-

<b>Local Authority Area</b>	<b>College</b>	<b>Type</b>
Bradford	Bradford College	General FE
	Shipley College	General FE
Calderdale	Calderdale College	General FE
Kirklees	Greenhead College	6 <sup>th</sup> Form
	Huddersfield New College	6 <sup>th</sup> Form
	Kirklees College	General FE
Leeds	Leeds City College	General FE
	Leeds College of Building	Specialist FE
	Notre Dame Sixth Form College	6 <sup>th</sup> Form
Wakefield	NEW College Pontefract	6 <sup>th</sup> Form
	Wakefield College	General FE

- 3.1.5 A total of 5 steering group meetings took place between November 2015 and June 2016 supplemented by a series of stakeholder meetings, college visits and additional informal meetings to develop and appraise options for change.

#### 3.2 Option Analysis

- 3.2.1 The review was informed by stakeholder views and a detailed analysis of evidence covering local economic and educational need; the current post-16 provision in the area; the college estates in the area; and the financial position of each institution. These were considered against a number of local and national measures and benchmarks on quality and financial efficiencies.

3.2.2 The review considered a range of long term structural options for the colleges to provide the best prospect of delivering the review objectives. Options considered included rationalisation of curriculum, closures of institutions, mergers, collaboration and shared services, and academisation of sixth form colleges.

3.2.3 Four nationally-agreed criteria were used to assess the options under consideration:-

- meeting the needs of current and future students and employers
- feasibility and financial sustainability
- raising quality and relevance of provision, including better outcomes
- achieving appropriate specialisation.

### 3.3 Review Recommendations

3.3.1 The West Yorkshire Review concluded in June 2016 and the report was published on 29 Nov 2017. It includes 13 recommendations in total with those relevant to Leeds summarised below:-

- **Leeds City College** to remain as a stand-alone institution focusing on the education and skills needs of Leeds. Leeds City College will have a role to play in enabling action on the recommendation for Shipley College. Shipley, Keighley and Craven colleges are to progress a three way merger to form a single Aire Valley College. This requires Leeds City College to release its Keighley campus to Shipley College and Craven College subject to due diligence and financing. In addition, Leeds City College and Leeds College of Building will explore the potential for collaboration, which may lead to a federation in the future.
- **Leeds College of Building** to remain as a stand-alone institution focusing on the specialist construction technical education needs of the communities and businesses it serves locally, regionally and nationally. While remaining as stand-alone institutions, Leeds College of Building and Bradford College are to develop a joint venture to deliver construction training to learners in the Bradford area utilising the skills and expertise of both colleges. In addition, Leeds City College and Leeds College of Building will explore the potential for collaboration, which may lead to a federation in the future.
- **Notre Dame Sixth Form College** to remain as a stand-alone sixth-form college. The college will explore conversion to academy status and hopes to make a decision by the end of 2016, once the implications for Catholic sixth-form colleges are clear.

3.3.2. The review recommendations also made provision for all the colleges to commit to creating a joint venture, building on the existing West Yorkshire Colleges Consortium.

3.3.3. The college governing body is responsible for deciding whether to accept the review recommendations in relation to their institutions. However, the guidance on the review process makes clear the Government expectation that public funding will only be provided to institutions that take action in light of the review's findings to ensure that they are resilient and able to respond to future funding priorities.

3.3.4. The Secretary of State retains powers to intervene in colleges where there are substantial concerns that the institution is being mismanaged or significantly underperforming. The Government expects the funding agencies, LEPs and national partners only to fund or support institutions that have taken action to ensure they can provide a good quality offer to learners and employers, which is financially sustainable for the long term.

### **3.4. Implementation**

3.4.1. The area review guidance states that as implementation of the review should deliver long-term savings, colleges should be able to fund any short term investment required. Colleges impacted by substantive review recommendations but unable to fund the change required can apply for funding from a restructuring facility. Applications must be submitted within 6 months of the review concluding and funding will take the form of loans on commercial terms covering a proportion of the total costs identified. The restructuring facility will only be available until March 2019 and funding for waves 1 and 2 largely provided by March 2017.

3.4.2. Colleges exploring academy conversion will be subject to the application process and agreement by the Sixth Form College Commissioner and the Regional Schools Commissioner.

3.4.3. Detailed monitoring of implementation will be undertaken by the funding agencies and will be overseen by the National Steering Group, which reports to the Minister for Apprenticeships and Skills and includes the FE and Sixth-Form College Commissioners alongside officials from Government departments.

3.4.4. A Strategic Skills Group will be convened locally to oversee and support the delivery of the area review recommendations and issues including:-

- Higher level technical education
- The opportunity for Apprenticeship growth
- Areas of specialisation and the potential for an Institute of Technology
- Careers, information advice and guidance and employer/education links and
- The alignment of curriculum with current and future demand in economic priority areas.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

4.1.1 The review process was undertaken within a national framework set by Government which made provision for input by local stakeholder including local authorities, businesses and students.

### **4.2 Equality and diversity / cohesion and integration**

4.2.1 The review process considered the needs of all protected equality characteristics groups.

### **4.3 Council policies and best council plan**

- 4.3.1 The work of the steering group and the review recommendations will support the sustainability of the local skills infrastructure in the longer term. This aligns with and will support the achievement of the Best Council Plan 2016-17 priorities around supporting economic growth and access to economic opportunities, supporting communities and raising aspirations, providing skills programmes and access to employment opportunities. It will also support the achievement of the Council's ambitions to build a Child Friendly City by helping to improve the achievement and progression of young people.

#### **4.4 Resources and value for money**

- 4.4.1 There are no financial implications for the Council arising from this report.

#### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 There are no specific implications arising from this report. This report is subject to Call-in.

#### **4.6 Risk management**

- 4.6.1 The review aims to secure a sustainable and high quality college sector across West Yorkshire. Implementation of the review recommendations will be monitored at local and national level. The Government's review process, the restructuring facility and the introduction of the insolvency regime for colleges is part of the legal framework provided to protect the interest of learners and public funds.

### **5. Conclusions**

- 5.1 A total of 13 recommendations were made by the steering group, the most significant being the creation of a new Aire Valley college through the merger of Keighley, Shipley and Craven colleges. This has implications for the Leeds City College Group which currently includes Keighley College. The review recommendations remain subject to due diligence and financing.
- 5.2 No structural changes were proposed to the colleges based in Leeds reflecting the fact that significant restructuring had already taken place to form Leeds City College in 2009 and the specialist role of Leeds College of Building which has both a regional and national profile. Continued collaboration will be pursued by the colleges building on their existing joint work and with the West Yorkshire Colleges joint venture offering savings and efficiencies through a collective approach to procurement and shared services and the identification of new income streams.
- 5.3 The important role played by higher skills in raising productivity is recognised and both colleges have benefitted from Local Growth Skills Capital Funding to improve the quality of their estate linked to the provision of technical and high level skills in priority sectors. The review recommendations also recognise the importance of having a coherent FE offer with the city to facilitate local progression routes from school and accessibility by young people studying at level 2 and 3.
- 5.4 The purpose of the area based review was to put local colleges on a stronger financial footing whilst also enabling them to better meet the economic and educational needs of students and employers for the long term. The LEP, the

Combined Authority and local authorities will need to continue to drive and support change and assess how the implementation of the recommendations is contributing to local economic performance.

## **6. Recommendations**

- 6.1 Executive Board is asked to note the outcome of the West Yorkshire Area Based Review of Post 16 education and training.

## **7. Background documents<sup>1</sup>**

- 7.1 There are no background documents.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.