



Department
for Education

Cheshire and Warrington Area Review

Final Report

November 2016

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Background

In July 2015, the government announced a rolling programme of around 40 local area reviews, to be completed by March 2017, covering all general further education and sixth-form colleges in England.

The reviews are designed to ensure that colleges are financially stable into the longer-term, that they are run efficiently, and are well-positioned to meet the present and future needs of individual students and the demands of employers. Students in colleges have high expectations about standards of teaching and learning and the extent to which their learning prepares them to progress further, to higher education or directly into employment.

The local steering group was chaired by Sir David Collins, the Further Education (FE) Commissioner. The steering group met on five occasions between January 2016 and July 2016, and additional informal meetings also took place to consider and develop options in greater detail. Membership of the steering group comprised each college's chair of governors and principal, representatives from Cheshire and Warrington Local Enterprise Partnership, the three local authorities (Cheshire East, Cheshire West and Chester, and Warrington), the Regional Schools Commissioner, and representatives from the former Department for Business Innovation and Skills (BIS), the Skills Funding Agency (SFA), the Education Funding Agency (EFA), and the Department for Education (DfE).

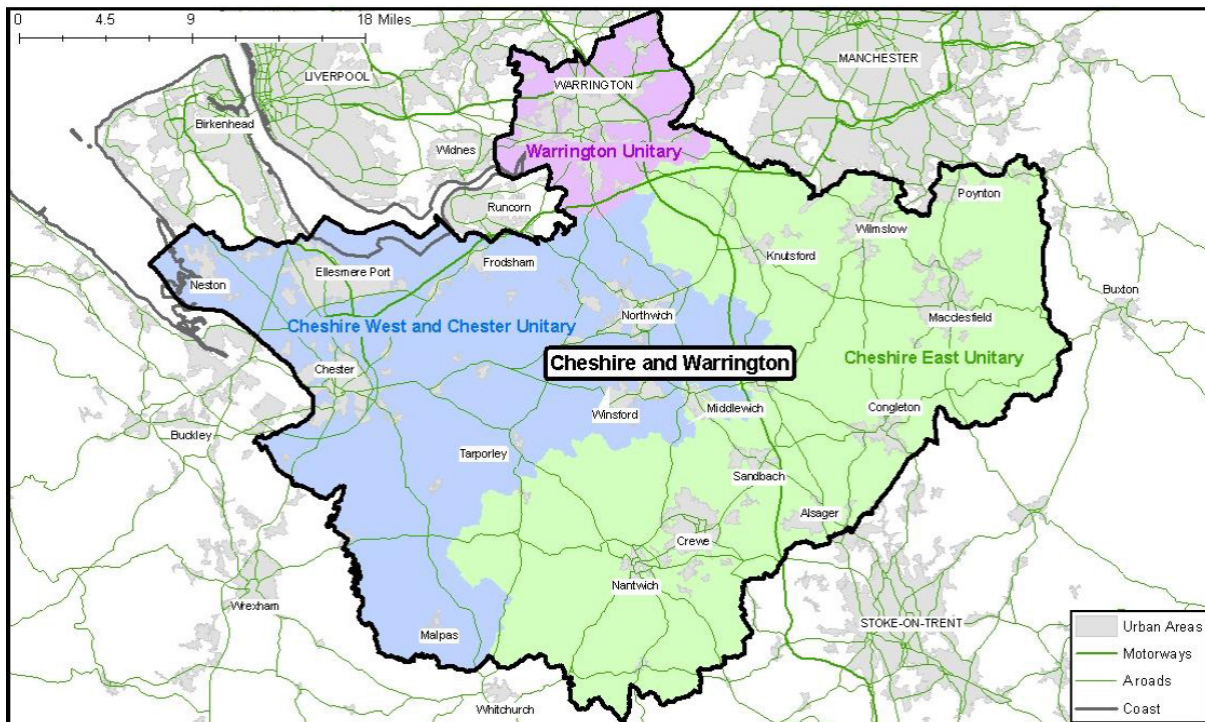
Visits to colleges and support throughout the process were provided by staff from the FE and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and papers used by the steering group. JARDU also led on consultations with local stakeholders.

The needs of the Cheshire and Warrington area

Demographics and the economy

The Cheshire and Warrington area review covers the three local authorities of Cheshire East, Cheshire West and Chester and Warrington, with a total population of about 900,000 people¹.

The area is illustrated on the map² below:



1 ONS Local Authority profiles – see data annex – Local socio-economic data

2 Cheshire East Local Economic Assessment 2011

The table below provides a snapshot of key demographic and economic data³, which has acted as a starting point for this review.

	Cheshire East	Cheshire West and Chester	Warrington	Great Britain
Total population (2015)	375,400	333,900	207,700	63,258,400
Population aged 16 to 64	60.5%	61.8%	63.2%	63.3%
% with higher education qualifications ⁴	38.5%	39.8%	42.1%	37.1%
Those formally qualified to level 2+	75.1%	76.6%	78.8%	73.6%
Gross weekly pay £ of residents	£536.60	£527.80	£545.60	£529.60
Gross weekly pay £ by workplace	£487.70	£486.00	£510.50	£529.00
Out-of-work benefit claimants	1.1%	1.4%	1.8%	1.8%
% of main benefit claimants	8.3%	10.5%	10.2%	11.8%
Jobs density ⁵	0.92	0.86	1.03	0.82
Total workplace units:	21,085	15,885	9,165	Average for the North West
Micro ⁶	85.6%	83.0%	80.6%	82.1%
Small	11.8%	13.9%	14.8%	14.2%
Medium	2.3%	2.6%	3.7%	3.0%

³ ONS Local Authority Profiles – see data annex – Local socio-economic data. Please note that ONS update the data set on a regular basis and that the data included relates to the point at which the report was written.

⁴ Percentages relate to those aged 16 to 64

⁵ Job density relates to the level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. The job density for the North West region as a whole is 0.78, which is slightly below the national average.

⁶ Micro-businesses have a total of 1 to 9 workers; small businesses have 10 to 49 workers; medium have 50 to 249; large have 250+ (2015 data).

	Cheshire East	Cheshire West and Chester	Warrington	Great Britain
Large	0.3%	0.3%	0.7%	0.5%

The key points to note are:

- of the 39 LEP areas, the Cheshire and Warrington LEP is ranked 22/39 against the index of multiple deprivation⁷
- there are more residents qualified to level 2 and more who have higher education qualifications than the national and North West figures
- earnings of residents are higher than in the region as a whole and only in Cheshire West and Chester are they lower than the national figure
- out of work and main benefit claimants for all three local authorities are below national levels
- job density is higher in all three local authority areas than nationally, with Warrington having more jobs than working age residents. Warrington workplaces also have higher weekly pay levels
- as with most areas, the vast majority of workplace units are micro or small but Warrington has an above average proportion of large businesses compared with the region as a whole.

Patterns of employment and future growth

Cheshire and Warrington encompasses large rural areas, market towns and major sites of industry and technology. The area has high levels of employment compared to regional and national benchmarks, with significant employment in manufacturing, especially high value manufacturing, while public sector organisations comprise a much lower than average proportion. As a result, the area generates £23bn in gross value added (GVA), the sixth highest GVA per head in England of the 39 LEPs⁸.

Whilst over 65,000 residents work in Greater Manchester and the Liverpool City Region, Cheshire and Warrington is a net importer of labour, with the largest inflows of workers travelling from Flintshire, Wirral and Stockport⁹.

⁷ DCLG Index of Multiple Deprivation – see data annex: Deprivation.

⁸ ONS, Regional Economic Analysis, GVA for Local Enterprise Partnerships, released 19 Feb 2015

⁹ CWLEP, Cheshire and Warrington Matters – A Strategic and Economic Plan for Cheshire and Warrington

The Cheshire and Warrington LEP has identified that replacement demand caused by an ageing population is the main driver of future labour requirements in Cheshire and Warrington (230,000 jobs by 2025)¹⁰. This is a significant sector issue for manufacturing (35% of the workforce are 50+); public administration, education and health (33% of the workforce are 50+) and transport and communication (27% of the workforce are 50+).

Four key drivers of future economic growth form the basis of the LEP's priorities:

- Atlantic Gateway – growth sites from Deeside to Merseyside, including the West Cheshire and Warrington areas, planned to generate over 100,000 new jobs in total
- Northern Gateway Development Zone – capitalising on HS2, a strategy to create 120,000 new jobs by 2040
- Science Corridor – capitalising on existing strengths, requiring STEM-related skills for high value added roles in sectors such as life sciences, food and chemicals
- Energy – further development of this concentration of energy-related employment.

Also significant in terms of growth are the financial and professional services sector, forecast to generate over 9,000 net additional jobs by 2025 and ICT (1,200 new jobs over the same period).¹¹

LEP priorities

The Cheshire and Warrington LEP's 'Skills Conclusion' report, produced for the area review, identified seven key priorities:

- higher volumes of high quality degree level technical activity should be delivered through FE, and skills infrastructure must develop the capacity to deliver much higher volumes of degree apprenticeships
- the supply of a range of STEM (and ICT) skills is critical to the success of the key sector and transformational projects. Demand is particularly significant for level 3+ skills. FE specialisation should respond to this by developing, delivering and communicating high quality technical pathways up to and including higher level skills in STEM (and ICT), through the development of one or more Institutes of Technology
- FE infrastructure needs to address existing unmet skills needs in the LEP growth sectors
- the spatial distribution of skills infrastructure should target and serve the places with concentrations of low skills and worklessness. This skills offer should integrate well with other relevant services. The area review should maintain or increase the

¹⁰ Cheshire and Warrington LEP Area Based Review of Further Education "Skills Conclusion"

¹¹ CWLEP Skills Strategy

percentage of Cheshire and Warrington residents that can access further education within 30 minutes by walking/public transport

- in order to service forecast levels of replacement demand across all occupational areas, the skills infrastructure across Cheshire and Warrington needs to deliver a broad curriculum offer to young people (with pathways to at least level 3) and a broad curriculum offer to adults (to at least level 3)
- the skills infrastructure in the Cheshire and Warrington LEP area must be capable of delivering the curriculum areas (including employability/transferable skills) identified as priorities by the Employer Skills Board and as priorities in the three local authorities
- the Cheshire and Warrington skills infrastructure should have the capacity (including industry standard equipment and industry experienced staff) to support off the job training to at least level 3 across a broad range of apprenticeship standards/frameworks.

Feedback from LEP, employers, local authorities and students

Feedback from LEP representatives, local authority representatives and employers drew attention to the need to:

- ensure sufficient, high quality college provision for all young people within an acceptable travel distance
- increase partnership working between schools and colleges and between colleges and employers
- encourage colleges to provide high quality technical subjects that can progress learners into higher level skills and into productive skilled employment
- increase the amount of higher level skills provision
- ensure that college provision truly reflects the skills needs of the local area both for the present and the future workforce
- ensure joined up provision to target communities in disadvantaged wards
- give consideration to transport infrastructure should provision be withdrawn from a college.

Employers who were working with the colleges reported positive, productive relationships with them. In the main, they had confidence in students having the right level of skills and experience to meet their needs. However, in certain sectors, including healthcare and engineering/maintenance, employers have reported that students lack some of the skills they require.

There was consensus from employers that colleges need to engage more with local employers although they recognised that this has to be a two-way relationship.

Common themes in feedback from employers included a need for better employability skills, improved careers advice with work experience and clear links between curriculum and careers.

As part of each area review there was engagement with students coordinated by the National Union of Students (NUS). Where the NUS submitted a report on the views of students these are available on [NUS connect](#).

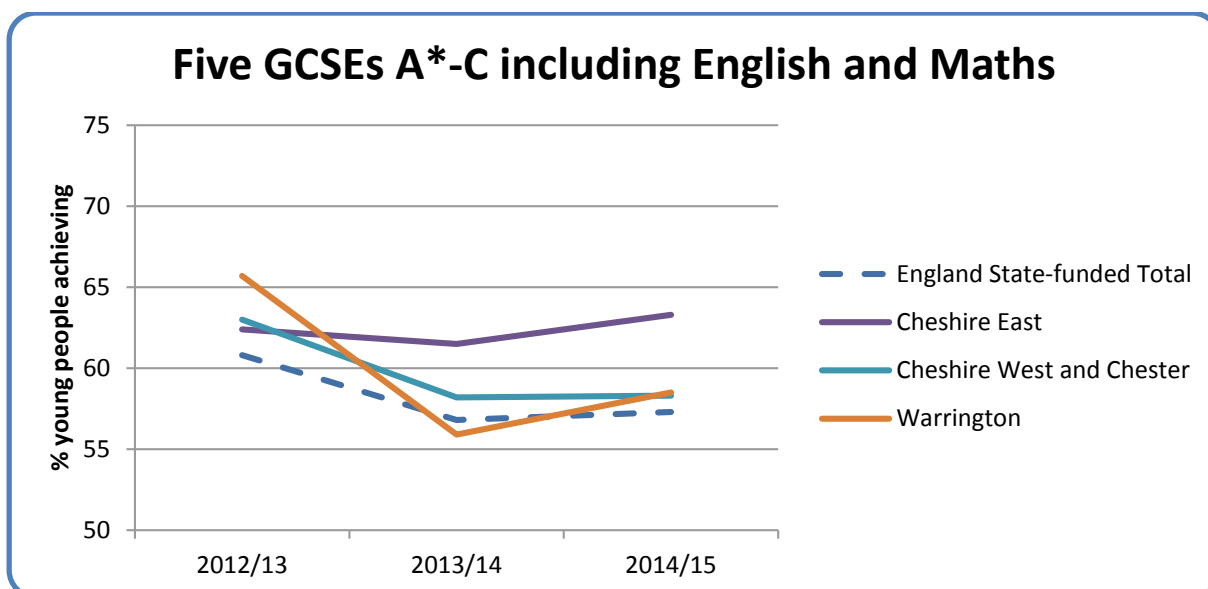
The quantity and quality of current provision

The steering group considered information provided by each local authority about population projections, focusing on the changes in the number and needs of young people aged 16+.

In Cheshire and Warrington, the number of young people aged 16 to 18 is declining, with an expected 9% fall between 2015 and 2019 (from 34,400 to 31,300)¹². The 16-18 population is then forecast to grow by around 12% over the following six years to 2025.

Performance of schools at Key Stage 4

The recent trend in GCSE pass rates for 16 year old school pupils completing year 11 across the three local authorities is illustrated below¹³.



In 2014 to 2015, the overall performance of schools at year 11 (key stage 4) within the review area is above the national average¹⁴ with two of the local authorities showing an improving picture.

Schools with sixth-forms

Area reviews of post-16 education and training institutions are predominantly focused on general FE and sixth-form colleges in order to ensure there is a high quality and financially

¹² ONS sub-national population projections – see data annex – Population projections

¹³ School Key Stage 4 results – see data annex. Local authority and total (state-funded sector) figures covering achievements in state-funded schools only.

¹⁴ In 2013 to 2014 a change in how the GCSE performance of schools was defined led to a drop in the overall numbers of students achieving 5 GCSEs A*-C, including maths and English.

resilient set of colleges in each area of England. Schools with sixth-forms have the opportunity to seek to opt in to a review if the local steering group agrees.

The underpinning analysis for the review included current post-16 provision in the area made by schools with sixth-forms. Regional Schools Commissioners and local authorities have had the opportunity to identify any issues with school sixth-form provision, and feed these into the review. We expect Regional Schools Commissioners to take account of the analysis from area reviews in any decisions they make about future provision.

There are currently 36 funded schools with sixth-forms in the review area, including 10 local authority maintained and 26 academies. This includes 1 free school and 2 studio schools. Most school pupils in the age range 16 to 18 are enrolled on A level courses.

Overall funded student numbers in mainstream school sixth-forms decreased by 2% in the 3 years 2013/14 to 2015/16 with a total of 7,830 young people funded in a mainstream sixth-form setting in 2015/16¹⁵. School sixth-forms in the area vary in size but using as a guide, for illustration purposes only, the application threshold of 200 for new school sixth-forms in academies, there are 15 school sixth-forms (including local authority maintained and academies but excluding special schools) that were funded below that figure in 2015/16. The majority of schools with sixth-forms were graded by Ofsted as good or better.

Schools responding to the review consultation mentioned there were a good variety of colleges offering technical, agricultural, academic and mixed courses. They also highlighted the importance of improving quality and becoming financially sustainable. They commented on the issue of transportation costs for pupils attending colleges some distance from home and highlighted the importance of colleges engaging and collaborating with schools.

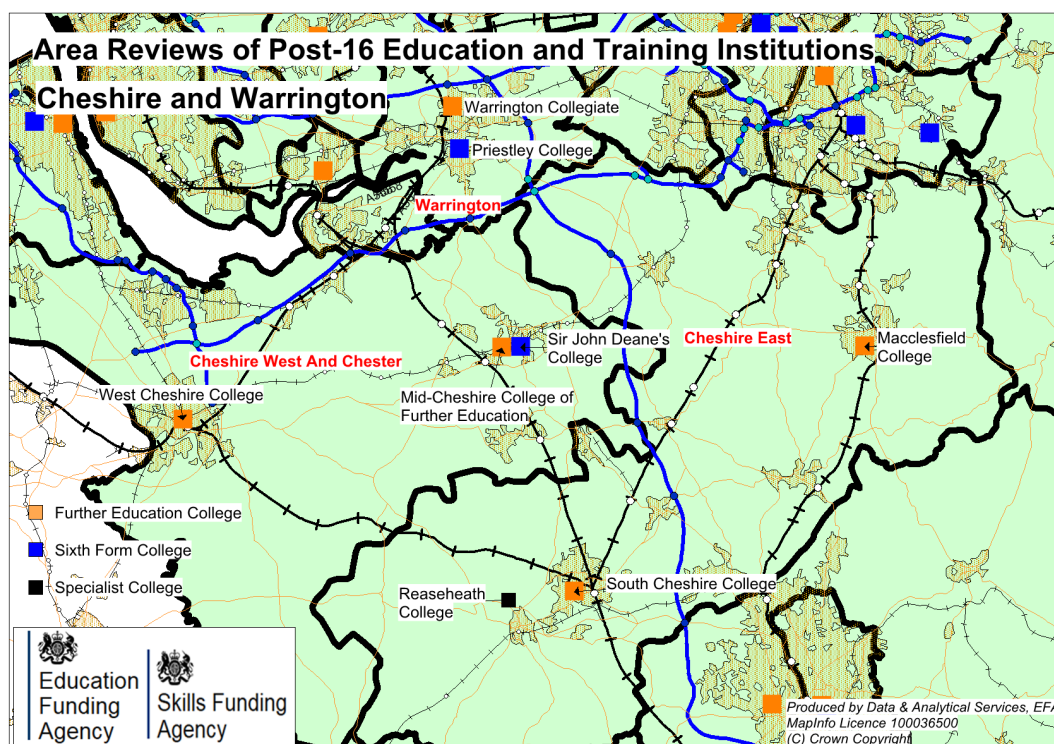
The further education and sixth-form colleges

Eight colleges (2 sixth-form colleges and 5 general further education colleges and a specialist land based college) participated in this review.

- Macclesfield College
- Mid Cheshire College
- Priestley Sixth-Form College
- Reaseheath College (specialist land based)
- Sir John Deane's Sixth-Form College
- South Cheshire College
- Warrington Collegiate
- West Cheshire College.

¹⁵ EFA allocations – see data annex: 16 to 19 funding. Where part of a local authority is in the review area, that local authority has been included in the school sixth-form data.

The location of these colleges is shown below:



Part of the area review process involved a visit to each college by specialist further education and sixth-form college advisers who report to the respective Commissioners. The advisers met with governors, senior managers and staff, and reviewed a wide range of documents and data relating to each college's current range and quality of provision, their track record in attracting students, and their overall financial health. Through a data sharing protocol between members of the steering group, the information from each of these visits was shared with colleges and has informed the evidence base to the steering group for this review.

The current offer in the colleges

The 2 sixth-form colleges offer a wide range of A levels (around 40 subjects). Most courses are based on students having achieved 5 GCSEs at A* to C or better at entry. South Cheshire College also offer a broad range of 28 A level subjects. Macclesfield and West Cheshire Colleges deliver small numbers of A levels.

Priestley College offers a wide range of technical classroom based provision especially at level 2 and 3 and many students mix technical and academic qualifications. Sir John Deane's College also has a significant community learning programme for adults.

There are several large school sixth-forms competing successfully for post-16 A-level students, mainly in the Warrington, Macclesfield/Wilmslow and Chester areas.

The 5 general FE colleges offer a broad range of technical education provision for both young people and adults, including foundation learning, apprenticeships, and some higher education (HE) provision.

The highest volumes of technical courses offered are in the following areas:

- arts, media and publishing
- business administration and law
- engineering and manufacturing technologies
- health and social care
- ICT
- languages, literature and culture
- leisure, travel and tourism
- preparation for life and work
- retail and commercial enterprise
- science and mathematics.

In addition:

Macclesfield College is the only FE provider of aerospace engineering in the north-west and attracts learners from a wide geographical area for this provision. It has also developed its technical offer by opening a hub in conjunction with two schools.

Mid Cheshire College has a STEM centre where it delivers the Technical Baccalaureate.

Reaseheath College offers specialist land based provision (including agriculture, animal care and veterinary science, horticulture and forestry) and also engineering and manufacturing provision.

In terms of travel to learn, Warrington Collegiate and Priestley College make their offer to a largely similar area across Warrington. Priestley also draws students from Halton and St Helens. Sir John Deane's College draws students from across Cheshire whilst Reaseheath College's recruitment is regional and to some extent national for some provision. The remaining 4 colleges recruit mainly from their immediate surrounding areas.

Quality of provision and financial sustainability of colleges

The following table provides a summary of the size and quality in each of the colleges:

College	Most recent overall Ofsted grade ¹⁶	EFA allocations (2015 to 16) ¹⁷	SFA allocations (2015 to 16) ¹⁸	Total college income ¹⁹
Macclesfield College	Requires Improvement (May 2016)	£5,030,000	£1,433,534	£8,954,000
Reaseheath College	Good (June 2013)	£11,825,000	£1,936,855	£29,441,000
South Cheshire College	Good (Feb 2016)	£11,726,000	£2,110,001	£20,352,000
Mid Cheshire College	Inadequate (Jan 2016)	£5,980,000	£2,855,807	£12,683,000
Sir John Deane's College	Outstanding (Feb 2008)	£6,491,000	£107,517	£7,830,000
West Cheshire College	Inadequate (Sept 2015)	£9,008,000	£5,329,826	£21,508,000
Priestley College	Outstanding (Mar 2007)	£9,730,000	£141,615	£10,662,000
Warrington Collegiate	Requires Improvement (Jan 2016)	£6,912,000	£5,687,038	£17,853,000

16 Ofsted – see data annex: College inspection reports

17 EFA allocations – see data annex: 16 to 19 funding

18 SFA allocations – see data annex: Adult funding

19 College accounts academic year 2014 to 2015 data – see data annex: College accounts

Where a college was subject to a notice of concern or a notice to improve this was a factor which was taken into account in the assessment of options for structural change in the review. Mid Cheshire College, Warrington Collegiate and West Cheshire College are subject to notices of concern issued by the Skills Funding Agency.

Overall, the condition of college buildings is relatively good. Some colleges have higher average space per student than others, but this does not necessarily indicate being over-spaced. Each college has unique circumstances and constraints regarding estates. The area review has highlighted some instances where rationalisation or further investment might be considered further during implementation.

Higher education in further education²⁰

Progression of young people to HE across Cheshire and Warrington is relatively high, with 43% of Cheshire East residents participating in HE and around 36% in both Cheshire West and Chester and Warrington.

The University of Chester is located in the review area, delivering substantial provision in subjects allied to medicine and business and administrative studies, amongst others. Residents also access HE provision from Manchester Metropolitan University, which has a campus in Crewe.

The general FE colleges in the review area all deliver some HE provision, with Macclesfield College and Reaseheath delivering the largest volumes. Engineering and technology, agriculture and related subjects and business and administrative studies account for over 60% of the HE provision delivered by FE colleges.

Provision for students with Special Educational (SEN) and high needs²¹

In 2015 to 2016, the EFA funded 688 post-16 high needs places across the 3 authorities in colleges, special schools and specialist post 16 institutions. Colleges delivered 348 funded places between them. The colleges delivering the highest numbers of funded places were South Cheshire College, Warrington Collegiate and Reaseheath College.

There are currently 5 special schools resourced to offer 16-19 education for a wide variety of students and 1 special school commissioned to provide places for 6 students in year 12 who are not yet ready for FE provision.

²⁰ HEFCE POLAR 3– see data annex: Higher Education Provision

²¹ EFA Allocations – see data annex: 16 to 19 funding

These schools offer education to SEND students with statements of special educational needs or education health and care plans. Within each school there are specialisms of developing pathways for students with particular needs.

There is also the David Lewis Centre, an independent provider specialising in autism, epilepsy and associated disabilities.

During the review, local authorities emphasised the importance of ensuring sufficient and accessible high quality college provision for all young people within an acceptable travel distance, especially those who may be more vulnerable and requiring additional support to access training and work.

Apprenticeships and apprenticeship providers

In 2014 to 2015, Warrington Collegiate and West Cheshire College had the largest contracts for apprenticeships of the colleges, each with around 1,500 in training. Mid Cheshire College and Reaseheath College also deliver significant numbers of apprenticeships²². Independent training providers, including larger national companies, deliver apprenticeships across the area, with over 1,300 new enrolments in 2014 to 2015.

Overall, the most popular frameworks delivered by the colleges are administration, accounting and finance, manufacturing technologies and health and social care. This pattern may change in 2017, with the introduction of the apprenticeship levy²³.

Land based provision

Landex, the sector organisation that represents a significant number of colleges which deliver land based provision, prepared a report for area review steering groups on the mix and balance of land based provision across the country, the key deliverers of this and the importance of that provision to the sector and the economic development of the country.

The strategic importance of the industry environmentally to food and water security in the future is set out. The land based and agri-tech industries have an ageing workforce and an increasing need for workers who can apply scientific and technological skills in a land based environment. And, while agriculture and land based engineering have relatively small provider bases compared to their significance to the industries they serve, there may be risk with loss of provision in either area.

²² Skills Funding Agency. See Data Annex: Apprenticeships

²³ 'Apprenticeship levy and how it will work' on gov.uk

Nationally, apprenticeships in the land based sector have been slow to grow and there is a low rate of progression to level 4 and above among students who go into employment in the sector after completing a level 2 or level 3 programme.

Reaseheath College, based in Nantwich, specialises in land based technical provision at all levels, and the largest areas of land based provision include agriculture, animal care and veterinary science, and horticulture and forestry, with significant numbers in classroom-based technical courses. While the college offers apprenticeships also, the numbers here are lower, following the national pattern.

The need for change

Area reviews are intended to ensure that the further education sector has a strong and sustainable future – in terms of efficiency of operation, quality of provision, and the responsiveness of courses to the needs of individuals and employers.

At the start of the review the LEP set out their priorities that provision in the area should address the following points:

- higher volumes of high quality degree level technical activity should be delivered through FE, and capacity must be developed to deliver much higher volumes of degree apprenticeships
- the supply of a range of STEM and ICT skills is critical to the success of the key sector and transformational projects
- the need to address existing unmet skills needs in the LEP growth sectors
- ensure the skills infrastructure targets and serves the places with concentrations of low skills and worklessness
- a broad curriculum offer needs to be delivered to young people and adults to service forecast levels of replacement demand across all occupational areas
- skills infrastructure must be capable of delivering the curriculum areas identified as priorities
- capacity must be available to support off the job training to at least level 3 across a broad range of apprenticeship standards/frameworks.

The key areas for change

Taking the preceding points into account, the key issues in relation to this review, and deliberated during steering group meetings, are:

- resolving the weak performance, both in finance and quality, of West Cheshire College, and seeking to ensure that all colleges in Cheshire and Warrington are on a strong, sustainable financial footing
- the urgent need to improve quality at all colleges which are inadequate or require improvement based on the most recent Ofsted inspections, to good or above. These are Macclesfield College, Mid Cheshire College, Warrington Collegiate and West Cheshire College
- growing apprenticeship provision and responding to the points raised by the LEP and employers in relation to higher level skills, work-readiness and careers guidance, ensuring a good match between skills needs, job opportunities and future growth sectors
- greater collaboration between colleges to bring efficiency of operations, for example. However, it was seen as important to balance this against providing sufficiently well for students living in rural communities

- opportunities for academisation of sixth-form colleges and the benefits that would accrue.

Initial options raised during visits to colleges

During their visits, advisers reported that all colleges had given considerable thought to potential strategic options in advance of the review. In some cases, this meant informal discussions with neighbouring colleges and stakeholders to canvas views and to assess the potential level of support for change.

The types of options discussed were:

- formal structural change (mergers or federations) which, if well planned and carefully managed, were considered to have the potential to improve financial viability, address quality issues, and retain a good choice of subjects and options for students. Options raised at an early stage included consideration of whether all Cheshire and Warrington general FE colleges should merge, collaboration options involving University of Chester, a reconfiguration of college sites and the formation of new institutions
- the case for specialisation and rationalisation of the curriculum, to enable concentration of investment in capital facilities and in specialist staffing
- the possibility of developing shared services, particularly across the general FE colleges, mainly in the context of enabling savings in back-office costs
- the case for remaining stand-alone if a college could demonstrate long-term financial sustainability and the opportunity to contribute more effectively to the LEP's priorities
- conversion to an academy. This option is available primarily but not exclusively, to sixth-form colleges. By becoming an academy, a college is able to develop partnerships more easily with other schools in the area. In order to be approved, academisation proposals must be able to demonstrate how they will lead to strong links with schools, whether through joining or establishing a multi-academy trust (with other academies) or as a single academy trust collaborating with other schools in the area. Like other academies, sixth-form colleges which become academies would be eligible to receive reimbursement of their non-business VAT and would be classified as public sector bodies.

Criteria for evaluating options and use of sector benchmarks

Assessment criteria

In each area review, 4 nationally-agreed criteria are used for the process of assessment. These are:

- meets the needs of current and future students and employers
- is feasible and generates financial sustainability
- raises quality and relevance of provision, including better outcomes
- achieves appropriate specialisation.

FE sector benchmarks

To support rigorous assessment of proposals, particularly options leading to major structural change, DfE have developed a series of sector 'quality and financial indicators and related criteria'.

Financial benchmarks relate to delivering operating surpluses of 3% to 5%, ensuring borrowings stay below 40% of annual income (the maximum threshold set for affordability), staff costs of no more than 65% of total income (FE sector average) and a current ratio greater than 1. Financial plans were assessed for each option, including colleges seeking to stand alone, prior to consideration by the local steering group.

A number of other indicators are also taken into account by the steering group. These relate to the impact of proposed changes on quality of provision, on teaching efficiency, and how they actively support growth in apprenticeships and work at levels 4 and 5. Within proposals, overall levels of provision for high needs students should be maintained. New strategic plans need to be supported by LEPs and local authorities. Colleges may also need to review their senior staffing and their governance to ensure that they have the required skills, and the capacity to implement rapid change.

The assessment of options indicated that, based on the information available to the area review steering group, the colleges would move towards the benchmarks and indicators through successful implementation of options, and that the protected characteristics groups, including high needs students, would retain at least equal access to learning.

More detail about these benchmarks is contained in area review guidance Annex F²⁴ (revised March 2016).

²⁴ Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53

Recommendations agreed by the steering group

Seven recommendations were agreed by the steering group at their meeting in July 2016. These were:

- Sir John Deane's College to convert to an academy and form a single academy trust
- Priestley College to convert to an academy and form a multi-academy trust
- Reaseheath College to proceed with an immediate federation leading to a planned merger with North Shropshire College
- Reaseheath College to proceed with a federation leading to a planned group structure with the University of Chester
- the creation of a Cheshire General Further Education College, through the mergers of Mid Cheshire, South Cheshire, Warrington Collegiate and West Cheshire colleges with the final merger taking place no later than 1 January 2018. The debt position of the colleges would be considered urgently by the Transactions Unit of Government and all steps taken to try to ensure that this does not become a group liability for the future
- Macclesfield College Board to decide by no later than 21st October 2016 either to:
 - Merge with the Cheshire General Further Education College by no later than 1 August 2018 or:
 - Join the LTE Group on the equivalent basis to The Manchester College
- the formation of a new strategic forum involving the LEP, local authorities and colleges to monitor progress and provide oversight of the implementation of the review's recommendations, including addressing quality and the alignment of the curriculum with employer needs.

Each of these options is now outlined in more detail:

Sir John Deane's College

The preferred option for Sir John Deane's College is conversion to a single academy trust with the intention of developing formal partnerships with local high schools and primary schools.

A number of schools, all rated good or outstanding by Ofsted, have expressed an interest in working collaboratively with the college.

The plan is based on conversion being effective from 1 September 2017.

- in terms of meeting current and future needs, the aim will be to ensure the needs and aspirations of children and families across mid Cheshire and Cheshire are met and exceeded. The academy will provide an academic curriculum which reflects the requirements of employers with a focus on high level skills

- with respect to financial sustainability, the college has been consistently strong financially and will be able to benefit from opportunities to achieve cost savings through shared services
- in respect of quality of provision, the plan for this Ofsted rated outstanding college is to raise and maintain standards across the partnership through quality improvement measures including intervention strategies, and recruitment and development of first class teachers and leaders, with the aim of all partner schools becoming outstanding
- the college's specialisms will be supported by planning focussed on curriculum design, teaching specialisms and recruitment to difficult to recruit areas (mathematics, sciences).

Priestley College

Priestley College proposes to academise and form a multi-academy trust with Bridgewater and Penketh High Schools. The partners have worked with a number of other partner schools to develop the proposed structure and priorities for the trust. It is anticipated that within 12 months of the trust being formed at least a further 2 secondary schools and 5 primary schools will be seeking to become part of the group. These organisations have a mixed picture in terms of both quality of provision and financial robustness.

The partners have been working towards this for over 18 months, and see the earliest possible conversion date for the creation of the multi-academy trust as 1 April 2017, subject to no issues arising from due diligence.

- in terms of meeting current and future needs, the college plans to expand breadth of provision for years 7 to 11 including for example music, modern foreign languages, computing and technology. It will develop bespoke learning pathways for different sectors and provide access to specialist teaching in science, computing and modern foreign languages for the primary sector. Partnerships will be built between the multi-academy trust and local businesses to address skills gaps, including by facilitating provision of mentoring arrangements, work-experience schemes and apprenticeships. The Trust and partners will work with the LA to build relationships and ensure local businesses have a stake in education and a commitment to supporting and creating opportunities for young people
- with respect to financial sustainability, the college's strong financial health would be taken forward into the multi-academy trust where there are plans which include sharing staff across providers for minority subjects at each key stage, improving class sizes in post 16 provision, reducing teacher supply costs by creating a pooled cover service, combining services for computer services, estates, technicians and grounds maintenance, reducing duplication in financial management, personnel, payroll, insurance and legal services, and joint contracting
- in respect of quality of provision, this Ofsted outstanding provider would focus on closing achievement gaps for disadvantaged young people and boys in particular, by developing and sustaining a self-improvement system, sharing good practice,

developing best practice throughout transition stages and investing significantly in ongoing professional development

- the multi-academy trust's specialisms would be enhanced to include further development of all age designated and specialist provision for those learners with specific needs. This provision would ensure learners are able to access specialist facilities that may not be available at their base school/college, and the possible further development of specialist provision for high needs children on the autistic spectrum, with a residential offer, possibly located with a new primary free school.

Reaseheath College – planned merger with North Shropshire College

A proposal to work towards a merger between Reaseheath College and North Shropshire College within two years, with an interim federated structure by July 2016. This proposal has already been endorsed by The Marches and Worcestershire area review steering group.

This proposal builds on the land based specialisms of the two colleges. A merger is the preferred option and this is the ultimate goal. The plan is to achieve this initially through a formal collaborative structure with the aim of finalising a Type B merger as soon as is practically possible and preferably within a two year timescale no later than the end of the 2017/18 academic year, and potentially by the end of the 2016/17 academic year. This timescale towards merger will provide the opportunity for quality improvements at North Shropshire College to take full effect and also for the underlying financial issues faced by the college to be addressed.

- in terms of meeting current and future needs, the plans offer resources to consolidate and widen the HE offer, strengthen the employer focus, and develop increased apprenticeship provision to meet local, regional and land based national needs
- with respect to financial sustainability, the plan for a merger between one college which is financially strong (Reaseheath) and one that is financially weak, results initially in financial challenges but towards the end of the plan forecasts show a financially strong merged college. The colleges have significant capital activity underway and a planned associated capital disposal, both of which impact on the colleges finances. The college has identified the scope of a potential application to the Restructuring Facility including merger costs, pension and loan-related costs
- in respect of quality of provision, this is an opportunity to bring all provision up to the standard of Reaseheath (Ofsted good, North Shropshire inadequate). It will standardise and embed the mature systems at Reaseheath and also ensure that areas of good practice at both institutions are developed across the wider merged college
- each college has areas of specialism and specialist resources for example approaches to dairy farming serving the needs of different sectors of the industry

- The merger will provide the opportunity to plan the curriculum offer so that specialist resources are concentrated at an appropriate centre rather than duplicated.

Reaseheath College – planned group structure with the University of Chester

Reaseheath College has a long-standing relationship with the University of Chester and has been delivering University of Chester degree and foundation degree programmes for around seven years, as one of the university's first associate colleges. With around 800 foundation degree and degree students already studying on the campus at Reaseheath, there is an opportunity to work more closely together in the development of the further and higher education delivered at Reaseheath.

Both institutions have decided to explore a strategic alliance in the form of a federated group structure. The vision for this alliance is to deliver a sub-regional and regional skills strategy that meets the needs of employers and students in the current climate and in the future.

Further work is needed, but at this stage, the proposal is for the new structure to be based on a formal group structure relationship at governing body level, whereby the university would have representation on the Reaseheath Board of Governors and Reaseheath would have representation on the university council. This model would be supported by an underlying legal agreement, setting out the detail of the relationship. Each institution would remain autonomous and there is no intention to merge, but by coming together in a formal group structure, they can develop further their existing partnership to maximise benefits.

- in terms of meeting current and future needs, the proposal will maximise the delivery of and progression opportunities in apprenticeship programmes, including degree apprenticeships; build on the college's and university's existing provision to offer an alternative learning route to achieving qualifications whilst in full-time employment; and offer flexible progression routes from school, college and employment through to HE. It would combine FE and HE programme delivery to increase capacity and create progression routes from levels 2 – 7. There would be increased opportunities for companies to work with one or both institutions and offer greater scope to engage with the private sector, LEP and learners in aligning with priorities of the local area and region
- with respect to financial sustainability, the streamlining of two successful organisations would involve shared planning and design of curricula and future developments, with a key focus on being more cost effective, sustainable, flexible, and appealing to learners
- in respect of quality of provision, the proposed collaboration will create opportunities to enhance quality through aligning academic and technical education learning routes with recognised industry-wide quality, harnessing the institutions' distinct areas of subject excellence to create multi-sited, clearly-defined specialist centres, and

offering additional online learning opportunities to cater to widening participation target groups

- the college’s specialisms would continue to be aligned to the LEP priority sectors of food, agriculture, energy, automotive and engineering alongside other key strategic initiatives such as the Cheshire and Warrington Enterprise Zone, Cheshire and Warrington Energy Sector Report and proposed STEM Skills and Training Centres.

The creation of a Cheshire General Further Education College

The proposal is for Mid Cheshire, South Cheshire, Warrington Collegiate and West Cheshire Colleges to merge in a series of Type B mergers with the final merger taking place no later than January 2018. The sequencing and phasing of individual mergers within this overall timescale has been ratified by governing bodies.

Phase	Merger	By When
1	Type B merger between South Cheshire College and West Cheshire College, creating “The Cheshire College”	January 2017
2	Type B merger between The Cheshire College and Mid Cheshire College	August 2017
3	Type B merger between The Cheshire College and Warrington Collegiate	January 2018
4	Type B merger between The Cheshire College and Macclesfield College	Jan or Aug 2018

Governance and management structures have yet to be addressed but the establishment of a merger steering group with representation from all colleges is a priority and the intention is that the merger steering group would become the shadow board for the new institution.

The creation of a Cheshire General Further Education College is supported by the LEP and all 3 local authorities.

- in terms of meeting current and future needs, the merged college would offer FE provision for the whole of Cheshire and Warrington, providing opportunities to develop the curriculum to widen the range of learning provision and options for all learners. Area-wide curriculum planning would eliminate unhelpful competition and facilitate integrated planning including a strategic approach to address the needs of local employers. There would be scope to build on the strong apprenticeships provision in West and Mid Cheshire Colleges and Warrington Collegiate, and to improve progression to HE by building on existing links with HE institutions. The Cheshire General FE College would enable an area wide approach to address LEP

priorities and a clear, single route for employer and stakeholder engagement that identifies and responds effectively to the training needs of young people, adults, and employers, supported by targeted, strategic investment in infrastructure.

- with respect to financial sustainability, the new college would have a combined turnover of up to £79m. An application is planned to seek support from the Restructuring Facility to address the weak financial position of West Cheshire College in particular. There would be considerable scope for operational efficiencies, estate rationalisation and back office savings in both pay and non-pay costs across the colleges, which would impact positively on movement towards the financial benchmarks. These efficiencies would create opportunities for investment in the college infrastructure
- in respect of quality of provision, shared expertise would be applied to the improvements in quality required, with only South Cheshire College currently having an Ofsted inspection grade of good. This will need to be a key area for focussed improvement
- the college's specialisms would include the opportunity to develop further the offer across Cheshire and Warrington around LEP priorities, such as higher apprenticeships pathways and other technical education in engineering, logistics and STEM related subjects. It would also increase capacity to improve resources for learners and invest in specialisms such as hospitality and catering, tourism and business.

Macclesfield College

The Macclesfield College Board has made the decision that it would be in the best interests of the local area for the college to merge with another FE provider, in order to ensure that FE provision continues to be sustainable within Macclesfield. The Board is continuing to consider their merger options and will make a decision by 21st October 2016 to either:

- merge with the Cheshire General Further Education College by no later than 1 August 2018 or:
- join the LTE Group on the equivalent basis to The Manchester College.

The formation of a new strategic forum

A new strategic forum should be formed involving the LEP, local authorities, colleges and EFA/SFA to monitor progress and provide oversight of the implementation of the review recommendation, including addressing quality and the alignment of the curriculum offer with employer needs.

The aim will be to:

- help ensure that implementation progresses at pace and in a way that continues to align with the area's educational and economic needs

- enable co-ordination with other decisions taken locally particularly where these can support delivery of review recommendations – for example the allocation of capital investment and other discretionary funding streams
- allow a wider group of stakeholders to be engaged in responding to unexpected issues or developments affecting implementation, and support a co-ordinated response
- address quality issues across the area
- and provide a strong focus on aligning the curriculum offer to the local economy and labour market opportunities, supported by the regular sharing of economic information and intelligence between colleges, partners and employers.

Conclusions from this review

The purpose of area reviews is to put 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.

Throughout the review, colleges have worked closely with their LEP, local authorities and the review team, sharing detailed information about their performance and processes. Each local steering group member has been in a position to offer ideas for change, and make comments and assessments about others' proposals and plans for their area. The review team is grateful for the positive approach taken by all the local stakeholders involved in the review.

The issues arising from the area review, summarised in 'The need for change', will be addressed through:

- securing a viable future for the FE provision offered at West Cheshire College through resolution of the current debt position, while ensuring that all 5 general FE colleges in Cheshire and Warrington are on a strong and sustainable financial footing through a series of mergers
- greater collaboration between the colleges, improvements in quality and elimination of unhelpful duplication through the formation of the Cheshire General Further Education College.
- ensuring the sustainability of college sites in Cheshire and Warrington, securing local access for all learners to a broad range of provision at all levels, including to equip them to meet the demand for replacement labour
- a focus on improving or maintaining quality at all colleges through a series of mergers, collaborations and academy conversions, but in particular at those colleges assessed by Ofsted as inadequate or requiring improvement
- the academisation of both Sir John Deane's and Priestley Sixth Form Colleges and strengthening partnerships with schools to enable a coordinated focus on learner achievement within all phases of education, as well as a broader and improved STEM and ICT curriculum offer
- the strengthening of progression pathways to HE through Reaseheath's structural federation with University of Chester and the commitment of all colleges to improve performance and build stronger links with the HE sector
- a commitment through all general FE college options and recommendations to grow apprenticeship provision, and improve progression to higher level apprenticeships
- further development of designated and specialist provision for those learners with specific needs, such as that planned for the Priestley College multi-academy trust, to address the importance placed on accessible provision by the local authorities
- the formation of a new strategic forum between the LEP, the local authorities and the colleges to ensure that the curriculum on offer across the area is collaborative, of high quality, and that it meets the needs of learners and employers, including in

particular specialist technical skills and provision at levels 3 and 4 within priority sectors.

Next steps

The agreed recommendations will now be taken forward through recognised structural change processes, including due diligence and consultation.

Proposals for merger, sixth-form college conversion to academies, or ministerial approval, for example of a change in name, will now need intensive work by all parties involved to realise the benefits identified. Colleges will want to give consideration to making timely applications for support from the [Restructuring Facility](#), where they can demonstrate that the changes cannot be funded through other sources. Colleges exploring academy conversion will be subject to the application process and agreement by the Sixth Form College Commissioner and the Regional Schools Commissioner.

Primary responsibility for implementation of recommendations relating to individual colleges rests with those institutions. However, it will be important to understand how progress is going in the round in each area and each set of area review recommendations will be formally monitored at both national and local levels. As the [guidance](#) produced for LEPs and local authorities sets out all those involved in the local steering group will be expected to play their full part in ensuring that changes happen within the timescale agreed. In this context, LEPs and local authorities are expected to retain their focus on driving changes, and assessing how implementation of recommendations is contributing to local economic performance. The EFA and SFA, with oversight from the FE Commissioner and Sixth Form College Commissioner, will also be monitoring progress across all areas.

A national evaluation of the area review process will be undertaken to assess the benefits brought about through implementation of options. It will include quantitative measures relating to the economy, to educational performance, to progression, to other measures of quality, and to financial sustainability. This analysis will also take account of the views of colleges, local authorities, LEPs, students and employers about how well colleges are responding to the challenges of helping address local skills gaps and shortages, and the education and training needs of individuals.



Department
for Education

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Reference: DFE-00286-2016



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