Department for Education

Thames Valley Area Review

Final report

November 2016

Contents

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 (HE) or directly into employment.

Nine colleges located across the Thames Valley took part in the review.

The local steering group was chaired by Sir David Collins, the Further Education (FE) Commissioner, and supported by a representative nominated by the Sixth Form College Commissioner. The steering group met on 5 occasions between January and May 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 Thames Valley Berkshire Local Enterprise Partnership, Buckinghamshire Thames Valley Local Enterprise Partnership, Oxfordshire Local Enterprise Partnership, the South East Midlands Learning and Enterprise Partnership, and the 8 local authorities (Bracknell Forest Council, Buckinghamshire County Council, Oxfordshire County Council, Reading Borough Council, Slough Borough Council, The Royal Borough of Windsor and Maidenhead, West Berkshire Council and Wokingham Borough Council). Membership also included the Regional Schools Commissioner, and representatives from the former Department of 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.

Background

The needs of the Thames Valley area

Demographics and the economy

The Thames Valley area review covers the 8 local authorities of Bracknell Forest Council, Buckinghamshire County Council, Oxfordshire County Council, Reading Borough Council, Slough Borough Council, The Royal Borough of Windsor and Maidenhead, West Berkshire Council and Wokingham Borough Council, with a total population of about 2m people[1]. It includes the 2 cities of Oxford and Reading, and a number of major towns (Slough, Maidenhead, Windsor, Henley-on-Thames, High Wycombe, Newbury, Aylesbury, Wokingham and Bracknell).

The area is illustrated on the map below[2] (but does not include Milton Keynes):

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1 ONS Local Authority Profile – see data annex: Local socio-economic data

2 Map of the Thames Valley area

The table below provides a snapshot of key demographic and economic data[3], which has acted as a starting point for this review.

	Bracknell Forest Council	Reading Borough Council	Slough Borough Council	The Royal Borough of Windsor and Maidenhead	West Berkshire Council	Wokingham Borough Council	Buckinghamshire County Council	Oxfordshire County Council	Great Britain
Total population (2015)	119,000	161,700	145,700	147,700	156,000	160,400	528,400	677,800	63,258,400
Population aged 16 to 64 (2015)	65.5%	67.5%	65.1%	61.7%	62.1%	62.0%	61.5%	63.9%	63.3%
% with higher education qualifications[4]	38.4%	45.5%	37.3%	50.6%	50.0%	48.8%	48.2%	57.1%	37.1%
Those formally qualified to level 2+	78.1%	77.3%	69.7%	84.4%	82.0%	87.7%	80.8%	80.8%	73.6%
Gross weekly pay £ of residents	£586.40	£566.60	£540.20	£694.50	£599.80	£679.20	£610.60	£578.40	£529.60

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3 ONS Local Authority Profiles – see data annex. 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

	Bracknell Forest Council	Reading Borough Council	Slough Borough Council	The Royal Borough of Windsor and Maidenhead	West Berkshire Council	Wokingham Borough Council	Buckinghamshire County Council	Oxfordshire County Council	Great Britain
Gross weekly pay £ by workplace	£613.30	£593.00	£593.60	£640.50	£636.30	£675.10	£588.10	£575.70	£529.00
Out-of-work benefit claimants	0.8%	1.3%	1.4%	0.7%	0.7%	0.6%	0.8%	0.6%	1.8%
% of main benefit claimants	6.6%	9.2%	9.6%	5.6%	6.6%	4.9%	6.6%	6.4%	11.8%
Jobs density[5] (2014 data)	0.89	1.04	0.92	0.98	1.07	0.86	0.83	0.95	0.82

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 south-east as a whole is 0.85, which is slightly above the national average.

	Bracknell Forest Council	Reading Borough Council	Slough Borough Council	The Royal Borough of Windsor and Maidenhead	West Berkshire Council	Wokingham Borough Council	Buckinghamshire County Council	Oxfordshire County Council	Great Britain
Total workplace units:									**Average for the South East**
Micro[6]	85.6%	81.6%	82.2%	86.9%	84.7%	87.1%	87.8%	83.6%	84.8%
Small	11.0%	14.5%	12.9%	10.6%	12.4%	10.3%	10.1%	13.3%	12.3%
Medium	2.7%	3.3%	4.1%	2.1%	2.5%	2.1%	1.9%	2.6%	2.5%
Large	0.7%	0.6%	0.8%	0.4%	0.5%	0.5%	0.2%	0.4%	0.4%

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6 Micro-businesses have a total of 1-9 workers; small businesses have 10-49 workers (2015 data).

The key points to note are:

- according to the latest Index of Multiple Deprivation data[7], Wokingham, Oxfordshire, Windsor and Maidenhead are among the least deprived areas of the country
- all of the local authority areas have levels of pay, both for residents and workplaces that are above the national average
- earnings of residents are highest both by workplace and residence in The Royal Borough of Windsor and Maidenhead and in Wokingham. The lowest paid residents for the area are living in Slough, although based on workplace pay; Slough-based jobs have relatively high earnings. Jobs in Oxfordshire and Buckinghamshire have the lowest salaries but are still well above the national average
- the Thames Valley as a whole has a lower level of benefit claimants, than national and regional figures. This reflects the fact that there is a buoyant labour market in the area, with more jobs than applicants. Levels are however highest in Slough and Reading than in any of the other areas
- residents across the Thames Valley overall have markedly higher levels of education (including higher education) than is the case nationally, with the exception of Slough, where the percentage of residents with formal qualifications to NVQ level 2 and above is lower than the national average and only just above the national average for those with higher education qualifications. Bracknell Forest residents are also less likely to have higher education qualifications
- Berkshire has a slightly higher level of larger businesses operating in the area than is the case in Buckinghamshire or Oxfordshire
- the level of job density, while close to the national average in Buckinghamshire, is higher than the national average across the rest of the Thames Valley, but particularly so in Slough and West Berkshire, indicating that there are more jobs than applicants.

Patterns of employment and future growth

Commuting in and out of the area is common, with fast transport links to Heathrow and London. Information from Thames Valley Berkshire LEP[8], the area closest to London, indicates that of the 448,700 working age residents, 303,700 live and work in the LEP area, but 144,700 commute out and a further 118,100 individuals commute into the area to work. Commuting runs both to and from London, Buckinghamshire, Oxfordshire, Surrey and Hampshire. Buckinghamshire, being only 45 minutes from London and 40 minutes from Heathrow, is also part of the London commuter belt, as is Oxfordshire, although further out.

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7 DCLG Index of Multiple Deprivation – see data Annex: Deprivation

8 Information from Thames Valley Berkshire LEP

The LEPs for the Thames Valley review area[9] forecast significant growth in jobs and productivity and there is already a buoyant labour market, with very low rates of unemployment where employers find it difficult to recruit in some areas of business.

Across the Thames Valley, the pattern of employment is changing and the LEPs demonstrated the patterns of growth and shrinkage in local key sectors. Growth in information technology and professional services dominates.

The LEPs identified a number of existing skills gaps in the area, especially around STEM and digital skills, and there is a clear need to up-skill local residents to be able to respond to the expected high surge in demand from employers over the period to 2022.

Evidence presented by the LEPs engaged in the review indicates a broad range of areas for future jobs growth (as shown below), but the common thread across many of those is the need for a focus on digital technologies and STEM-based higher level technical skills to support job creation in a wide range of areas from the creative industries and professional services to advanced manufacturing. There is a clear trend in needs away from the middle-skilled and labour-intensive roles towards new high-skilled and service-intensive jobs, although there will continue to be replacement demand in some sectors for skilled trades.

For the Thames Valley area, the leading sources of employment growth[10] are:

- Thames Valley Berkshire LEP: information technology (+26,000), professional services (+13,000) and support services (+5,000)
- Oxfordshire LEP: professional services (+4000), support services (+4000) and information technology (+4000)
- Buckinghamshire Thames Valley: professional services (+4000), information technology (+2000), construction (+2000) and support services (+2000).

There are predicted to be a high number of job openings, with jobs in relatively high concentration in the area (2012 to 2022) in jobs relating to digital technologies, life sciences, sales, creative industries and education.

In terms of jobs, Berkshire has a very strong digital technologies specialism, and, linked to this, a sales specialism. It also has a life sciences specialism, although not to the same extent as Oxfordshire. Buckinghamshire has a creative specialism and a sales and digital technologies specialism (although not to the same extent as Berkshire).

Oxfordshire has a science specialism and an education specialism. It also has a creative specialism, although to a lesser extent than that of Buckinghamshire.

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9 Information provided by Thames Valley Berkshire LEP, Buckinghamshire LEP, Oxfordshire LEP and South East Midlands LEP.

10 Local Enterprise Summary Reports for each LEP area

LEP priorities[11]

Key sectors across the Thames Valley Area are slightly different for each of the 3 areas, although there are some that are common to 2 or more.

Priorities for the Berkshire, Buckinghamshire and Oxfordshire areas jointly are:

- digital technology and the information economy
- life sciences
- care
- hospitality and tourism
- education.

Additional priorities for Berkshire are:

- construction
- energy and the environment
- logistics
- professional and business services
- food and drink.

Additional priorities for Buckinghamshire are:

- professional and business services
- high performance technologies/space
- creative industries
- retail.

Additional priorities for Oxfordshire are:

- construction
- energy and the environment
- logistics
- high performance technologies/space
- creative industries
- retail
- advanced engineering.

The Thames Valley has a high performing economy with its highest growth forecast in high skill sectors and job roles. The challenge is that the area's labour market is constrained by more vacancies than applicants and a predicted high level of job creation, which is likely to exacerbate recruitment difficulties. There is some commonality of key sectors and job

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11 Information provided from skills plans by Berkshire Thames Valley LEP, Thames Valley Buckinghamshire LEP, Oxfordshire LEP and South East Midlands LEP

specialisms across the Thames Valley, but some specialisms are stronger in certain areas such as:

- digital technologies – Berkshire
- creative industries – Buckinghamshire
- life sciences and space – Oxfordshire.

There is a £278.5m Growth Deal investment[12] across the Buckinghamshire Thames Valley (BTV), Thames Valley Berkshire and Oxfordshire LEP areas by 2021, creating at least:

- 30,000 new jobs
- 15,600 new homes.

Most of the growth in key sectors will generate jobs that require high and medium level skills. STEM skills remain in high demand. There is an ongoing need for skills in STEM subjects at all levels, particularly at level 3 and above.

In terms of the overall number of jobs, high-skill jobs are forecast to grow in the greatest volume and at a rate of 10% or more over the decade across the whole Thames Valley between 2012 and 2022. Service-intensive jobs, whilst smaller in overall numbers, have also grown (and are expected to grow) at a high rate. The overall number of middle-skill and labour-intensive jobs is projected to fall slightly going forward although replacement demand (to replace people who are retiring or leaving for other reasons) can be high in many middle skill roles (e.g. skilled trades). Growth is expected to be faster in Thames Valley Berkshire, reflecting the proximity to London.

Skills shortages and skills gaps[13] are more acute for employers in the Thames Valley than across England. Within the Thames Valley, skills shortages (such as, a lack of suitably skilled applicants to fill vacant posts) are most acute in Buckinghamshire. Skills gaps (such as, workers who employers believe to be not fully proficient) are most acute in Oxfordshire.

Feedback from LEPs, employers, local authorities and students

Feedback from LEP representatives, local authority representatives and employers consulted during the area review process draws attention to the need for:

- fundamentally improving the reputation and kudos of technical education skills as a route to work and closer alignment between the skills needed by employers and the supply of skilled people coming forward
- better work-readiness in young people. Colleges were considered to have an important role developing soft skills in all students, such as customer handling and

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12 LEP Strategic Economic Plans and Growth Plans

13 Local Enterprise Summary Reports for each LEP area

organisational skills, in addition to the core skills of literacy, numeracy and IT. Employers are concerned about the level of essential and soft skills displayed by young people. At lower skills levels, logistics/warehousing companies are concerned at lack of basic skills (literacy and numeracy) in applicants
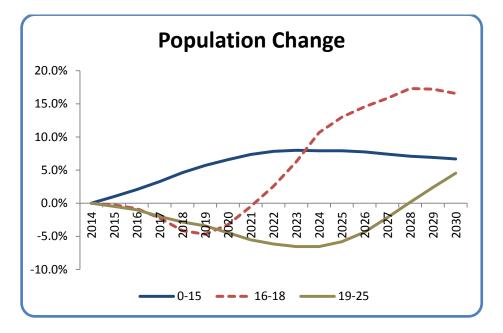
- growth in STEM-related skills, mainly at higher levels, to support the priority sectors, particularly relating to digital technologies, and a need to promote the status and value of STEM subjects to young people and prospective new entrants. Key areas include digital technology (software developers), STEM generally (for example engineering), also sales representatives and nursing

- Feedback is that FE colleges have an important role, particularly but not exclusively in the delivery of level 1 and 2 courses to post-16 students

- colleges to recognise the different training and workforce development requirements of large corporate organisations and small and medium enterprises (SMEs), and to plan delivery of their services accordingly

- more apprenticeships, with colleges and employers working to provide appropriate, high-quality apprentice vacancies and to ensure a ready supply of young people coming forward to fulfil the roles offered

- local information supplied by the local authorities confirms the above and indicates specific shortages in STEM for Wokingham and indicates that priority areas for Slough currently are information technology, telecommunications, construction, logistics, business services, leisure and hospitality

- there needs to be an increase in apprenticeship opportunities, especially at the higher level (NVQ 3, 4, and above) to create the trajectory to higher level skills that employers need and there is a focus on up-skilling local residents to take advantage of any new employment opportunities that result from any Heathrow expansion

- maths, English and language skills continue to be important alongside development of soft skills (confidence, team and communication) of lower skilled residents. It is also anticipated that there will be an increased demand for high needs provision for the 16 to 25 year olds with special education needs (SEN).

There was general agreement on the need to focus more on higher level skills, but also on the development of apprenticeships learning, with a trajectory towards providing more opportunities for higher and degree level apprenticeships to meet the needs of employers in the future. The Thames Valley area LEPs are undertaking assessment to determine the match of the current learning offer to job openings that they forecast so that they can identify the specific gaps. This work will be shared with colleges to support them in their curriculum planning.

Thames Valley Berkshire LEP has provided a summary proposal on an Institute of Technology and will continue to develop plans which have been factored into growth funding plans. All 4 LEPs would welcome the opportunity to discuss further the potential for more developments on Institutes of Technology.

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 numbers and needs of young people aged 16+. The diagram below shows the projected population change across the Thames Valley area for the 0-15, 16 to 18 and 19 to 25 age groups between 2014 and 2030.
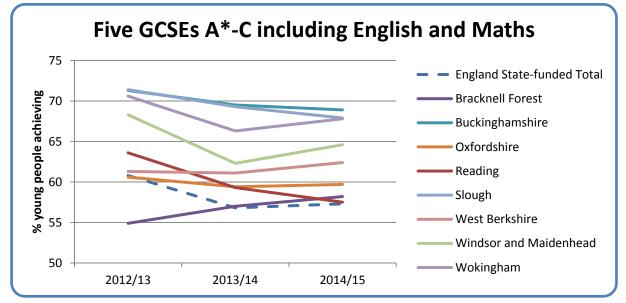
Population Change

Published ONS projections[14] indicate that the age 16 to 18 cohort across the Thames Valley is expected to fall by 4% between 2014 and 2019, and then increase by 22% between 2019 and 2028. The dip in the age 19 to 25 cohort is from 2014 to 2024, when it starts to recover. Information provided by the local authorities from their schools place planning work confirms the trends, showing local variations where the rate of growth will be higher, for example in North Buckinghamshire.

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14 ONS sub-national population projections – see data annex: Population projections

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 8 local authorities is illustrated below[15].

Five GCSEs A*-C including English and Maths

The overall performance of schools at year 11 (key stage 4) within the review area is generally above the national average. Bracknell Forest and Reading are close to the national average.[16]

This positive picture of GCSE results, coupled with future growth of young people, reinforces the need for significant provision for post-16 at levels 2, 3 and above, either based in the classroom or in the workplace. The short-term demographic decline in the area suggests that colleges will need to consider carefully the implications of this in putting forward plans for growth.

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 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.

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

16 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.

There are currently 118 funded schools with sixth-forms in the review area, including 30 local authority maintained and 88 academies. This includes 1 studio school and 3 university technical colleges[17]. 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 increased by 5% in the years 2013 to 2014 to 2015 to 2016, with a total of 25,452 young people funded in a mainstream sixth-form setting in 2015 to 2016[18]. 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 60 school sixth-forms (including local authority maintained and academies but excluding special schools) that were funded below that figure in 2015 to 2016.

Between them the schools and colleges appear to offer sufficient post-16 A level places to meet needs identified by the local authorities as the numbers in the age 16 to 18 cohort starts to rise again towards the end of the decade.

Performance is however variable and there are some poor learner outcomes that need to be addressed. At the time of the review, around 76% of schools and academies in the area were either good or outstanding, 19% were graded as requires improvement and one school received an inadequate rating. Five had yet to be inspected.

Schools responding to the review consultation mentioned the importance of accessibility and transport if young people are to have a choice of high quality academic and technical education options at age 16+. They commented on the range of productive relationships with colleges and the strength of many school/college partnerships which were in place, and there was also general approval of the wide technical education offer available across the colleges. Some comment was made on the need for better mapping of possible progression routes, which would help and inform learners who might benefit from consolidation in provision. There was some suggestion, also, on the need for more technical SEN provision that provided progression routes for learners.

The further education and sixth-form colleges

Nine colleges (a sixth-form college and 8 general FE colleges) participated in this review.
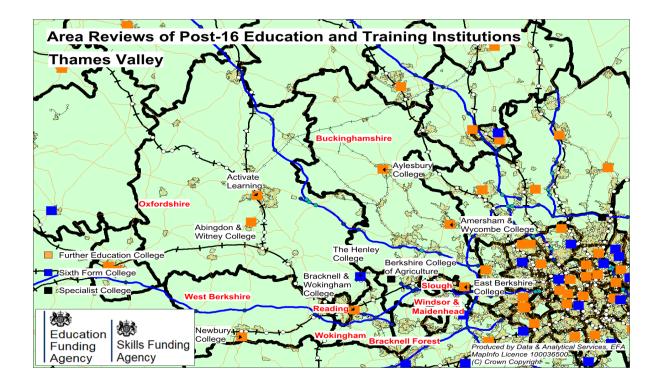
- Abingdon and Witney College
- Activate Learning
- Amersham and Wycombe College
- Aylesbury College

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17 EFA allocations – see data annex: 16-19 funding.

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

- Berkshire College of Agriculture
- Bracknell and Wokingham College
- East Berkshire College
- Newbury College
- The Henley College.

The locations of the colleges are 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 the 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 colleges jointly receive Education Funding Agency (EFA) funding of around £91m[19] for 2015 to 2016 for around 17,500 students aged 16 to 18 and a further £32.5m of apprenticeships and adult funding from the Skills Funding Agency[20]. Most of the colleges also earn income from commercial work and higher education delivery.

Overall for this area, the EFA is funding places for those aged 16 to 18 to a total of £215m in 2015 to 2016; the majority of funding goes to mainstream schools, with some to special schools and other training providers.

The largest providers of an A level offer among the colleges are The Henley College, East Berkshire College and Activate Learning. With the large numbers of schools operating across the area, there is significant competition for A level learners, particularly in rural areas. Outcomes for learners are variable in some areas, and The Royal Borough of Windsor and Maidenhead has expressed dissatisfaction with the quality and breadth of the A level offer available to their residents and would welcome positive competition in the area which might stimulate better outcomes for their residents.

The general FE colleges offer a wide range of classroom-based and work-based technical education for post-16 students, with an offer in health and social care, public services, engineering, construction, ICT, hair and beauty, hospitality and catering, sport, arts and media, and business management all attracting students. Many of these colleges have strong links with local employers, which are active in supporting colleges with work placements, and in partnering on apprenticeship delivery. In some cases, colleges offer commercial short courses to employers.

All the general FE colleges offer foundation courses in maths, English and English for Speakers of Other Languages (ESOL).

Oxfordshire County Council transferred delivery of adult learning to Abingdon and Witney College. There is a strong opportunity to explore collaboration with Ruskin College to achieve a more coherent adult offer with well-developed progression routes across the whole of Oxfordshire.

There are already some areas of specialisation, particularly around the land based offer for example, where Berkshire College of Agriculture and Abingdon and Witney College (which both offer land based provision) are considering how collaboration might improve and extend the offer, including through progression routes to higher level technical programmes. Similarly, East Berkshire College has some specialisms around construction and computing which provide an opportunity to focus on developing progression routes beyond level 3.

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19 EFA Allocations – see data annex: 16-19 funding

20 SFA Allocations – see data annex: Adult funding

Amersham and Wycombe College also has a specialism in the screen industry and Berkshire College of Agriculture has a recognisable specialism in public services.

The LEPs recognise there may be gaps in the delivery of skills to meet the needs identified by LEPs and local authorities as future priorities. An example of this is expected growth in the logistics sector. Also, numbers of those qualified in some areas such as construction are probably significantly lower than the likely level of demand from the scale of infrastructure projects in the Thames Valley area, combined with the pull from London for such skills. However, in some industries, such as construction, where employers import staff from outside the area, an increase in colleges' provision locally may not lead to employers changing recruitment patterns.

There are gaps in higher level skills where, in some areas, there are few courses being delivered by the colleges and other providers that meet the local needs. Creative and cultural, and logistics are 2 of those sectors, and the throughput on ICT-based skills at high levels is likely to be insufficient to meet demand. However, past offers by colleges in response to these identified needs, for example a foundation degree in logistics, generated limited take-up. This suggests that the demand from both learners and employers is currently not aligned with the forward view of the LEPs. The colleges and LEPs recognised that it would be worth exploring opportunities to improve the quality and breadth of information, advice and guidance that students receive, including as they progress through school.

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[21]	EFA allocations (2015 to 16)[22]	SFA allocations (2015 to 16)[23]	Total college income 2014 to 2015[24]
Abingdon and Witney College	Good (January 2014)	£9,752,676	£5,708,519	£18,756,000
Activate	Good (December	£28,817,659	£10,099,644	£53,160,000

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21 Ofsted – see data annex: College Inspections

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

23 SFA allocations – see data annex: Adult funding

24 College accounts academic year 2014 to 2015. See data annex: College accounts

College	Most recent overall Ofsted grade[21]	EFA allocations (2015 to 16)[22]	SFA allocations (2015 to 16)[23]	Total college income 2014 to 2015[24]
	2013)			
Amersham and Wycombe College[25]	Requires Improvement (November 2014)	£7,775,822	£2,484,726	£15,107,000
Aylesbury College	Good (May 2013)	£6,435,923	£2,816,402	£13,655,000
Berkshire College of Agriculture	Good (June 2015)	£8,278,222	£848,789	£12,694,000
Bracknell and Wokingham College	Good (November 2013)	£5,207,710	£2,831,899	£12,655,000
East Berkshire College	Good (February 2013)	£12,389,661	£5,569,411	£22,226,000
Newbury College	Good (January 2015)	£4,013,856	£1,857,128	£8,536,000
The Henley College (SFC)	Good (May 2016)	£7,953,350	£1,070,709	£11,746,000

Where a college was subject to a financial notice of concern or a financial notice to improve, this factor was taken into account in the assessment of options for structural change in the review. Amersham and Wycombe College, Berkshire College of Agriculture and Bracknell and Wokingham College are all subject to financial notices of concern issued by the Skills Funding Agency.

Generally, colleges in the review area are in good condition and have reasonable space and running cost efficiency. 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

25 Amersham and Wycombe College were re-inspected just after the end of the review in June 2016 and were assessed as inadequate.

instances where rationalisation or further investment might be considered further during implementation.

Higher education in further education[26]

Progression of young people to higher education across the review area is variable. Buckinghamshire, Windsor and Maidenhead, Wokingham and Oxfordshire (along with neighbouring Surrey), had the highest participation in the south-east over this period. Reading residents had a significantly lower rate of progression to higher education, with Bracknell Forest slightly above that and Slough and West Berkshire resident progression rates in the middle of the 2 groups.

The universities of Oxford, Reading and West London, together with Buckinghamshire New University, Cranfield University and Oxford Brookes University offer the majority of higher education provision in the area. The National Film and Television School and Ruskin College in Oxford also offer a small amount of HE provision. The universities in the area generally have a national rather than local catchment. The FE colleges all have a portfolio of higher education, but the largest higher education (HE) providers among the FE colleges are Activate Learning (with almost 500 HE students) and Abingdon and Witney College (with just over 300). The main specialist areas for the HE offered in FE are linked to the local skills needs: computer science is critical, as is engineering and technology and there are significant numbers of agriculture-related courses included in the HE offer.

Several of the colleges are already developing plans for growing particular areas of higher education provision related to priority areas, but the LEPs will continue to work with colleges on identifying potential for developing progression routes to higher education in areas where there might be demand.

Provision for students with Special Educational (SEN) and high needs[27]

In 2015 to 2016, the EFA funded 1,687 places across the 8 authorities in maintained special schools, special academies, non-maintained special schools, general FE colleges, sixth-form colleges and specialist post-16 institutions. The general FE and sixth-form colleges deliver a total of 841 EFA funded places between them, plus additional local authority directly-funded places. The largest college providers are Abingdon and Witney College, Activate Learning and Newbury College.

Representation to the area review was received from parents in the Wokingham/East Reading area. They expressed concern that there is no local provision for those with

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26 HEFCE POLAR 3– see data annex: Higher education progression

27 EFA Allocations – see data annex: 16-19 funding: High needs

profound learning needs once they leave school in the Wokingham Borough. This can result in some young and vulnerable adults being placed in respite care facilities which are generally used by much older clients, residential care, or required to travel to Newbury, which is over an hour drive. Wokingham Borough Council is keen to ensure that more appropriate, accessible provision is developed that also provides value for money.

Bracknell Forest Council recognised the opportunity to address the limited availability of post-19 provision for students with complex needs. And Berkshire local authority recognised similar opportunities to address provision for students with profound, severe and moderate learning difficulties. The local authorities wish to support an improvement in appropriate progression pathways for these learners to support them to move into adulthood or on to adult social care packages.

Buckinghamshire County Council has embarked on a special educational needs and disabilities (SEND) review in 2016 to inform the local SEND priorities for the future and expected to communicate outcomes from its review in due course.

All the local authorities and colleges in the review area formed a working group as part of the area review to scrutinise the issues around high needs and particular gaps in provision. Colleges developed recommendations in the context of this information and how they will respond to the identified needs. Some developments may be dependent on the future availability of capital funds to support implementation.

The steering group acknowledged that structural changes taking place as a result of the review should not disadvantage post-16 students with SEN or high needs.

Apprenticeships and apprenticeship providers

In 2014 to 2015, 25,938 Thames Valley residents learnt through an apprenticeship route. This has been a declining picture over the past 3 years, although age 16 to 18 participants have increased[28].

Of the colleges, Activate Learning has the largest contract for apprenticeships with around 2,500 in training. Aylesbury College, Bracknell and Wokingham College, East Berkshire College, Abingdon and Witney College and The Henley College are all funded for a substantial numbers of apprentices. There are a number of other learning providers delivering small numbers of apprenticeships to residents in the area. Additionally, it is possible that some learners are accessing apprenticeships provision through jobs in London given the commuting pattern described earlier. The implementation of the apprenticeship

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28 Number of apprenticeships by provider and LA – see data annex: Apprenticeships.

levy[29] presents an opportunity for the colleges to develop further and maintain even better relationships with employers.

Overall, the most popular frameworks are business, health and care, engineering and manufacturing, hospitality and hairdressing.

There are relatively small numbers of local residents taking a traineeship, but these are a vital stepping stone to apprenticeships for those who are not yet work ready or have English and maths grades that do not yet allow them to access the opportunities they want. This pattern may change in 2017, with the introduction of the apprenticeship levy.

Land based provision

Landex, the sector organisation that represents a significant number of colleges which deliver land based sector provision, has prepared a report for 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.

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.

Overall in the Thames Valley, the rate of take-up of land based courses (other than apprenticeships) has declined annually between 2012 to 2013 and 2014 to 2015 for all age groups. Apprenticeship recruitment saw a significant dip in 2013 to 2014, but numbers recovered in 2014 to 2015.

The review area includes 2 key providers of land based courses: Berkshire College of Agriculture and Abingdon and Witney College and 80% of local residents accessing land based provision do so in the area at one of the 2 colleges.

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

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 4 LEPs and the 8 local authorities set out their priorities that provision in the area should:

- focus on the development progression routes to higher level skills in key sectors such as digital/IT, life sciences, creative, professional/financial, education
- increase the delivery of apprenticeships, especially higher level and degree apprenticeships
- increase the development of STEM-based provision to support all priority sectors.
- increase the work-readiness of all learners
- develop more appropriate and accessible SEND provision for students with high needs, especially across Berkshire.

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:

- the need to grow apprenticeships to contribute to the government's target of 3 million by 2020, with a trajectory towards providing more opportunities for higher and degree level apprenticeships to meet the needs of employers in the future to resolve issues around the shortage of people with higher education in technical and specialist areas
- a general agreement on the need to focus more on higher level skills, with progression to higher education, particularly in areas around digital technologies, life sciences and advanced engineering
- the need to develop more suitable and accessible provision for high needs learners in areas where this is not currently easily available
- the importance of securing the longer-term wider financial viability of colleges across the area through actions to improve efficiency.

Initial options raised during visits to colleges

During their visits, advisers reported that all colleges had given thought to potential strategic options in advance. 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 (including mergers, federations and joint venture companies) primarily to reduce management and back-office costs, strengthen quality of provision and curriculum planning, or share the costs of investment in new areas of work (for example, expanding. apprenticeships, increasing commercial income or developing international markets)
- discussions between colleges about the case for specialisation. Concerns were expressed about not weakening access to provision, including at lower levels, for residents living in more rural areas, especially in an area where there are complex travel patterns
- the development of higher level technical skills and higher level apprenticeship programmes to meet the needs of the local jobs market
- the case for remaining stand-alone, where student numbers had increased despite growing competition and underlying finances were sufficiently strong to withstand policy and funding changes
- developing appropriate provision for addressing local authority and parent identified provision for high needs learners to meet the growing demand and potential gap.

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 F[30] (revised March 2016).

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

Recommendations agreed by the steering group

Nine recommendations were agreed by the steering group at their meeting in May 2016. These were:

- Abingdon and Witney College to remain as a stand-alone college and focus on development of the offer. The college will, in the longer term, consider entering into a partnership with Ruskin College, Oxford and/or Berkshire College of Agriculture
- Activate Learning to remain as a stand-alone college, re-organise delivery internally to develop efficiencies, improve both the offer and learner outcomes, and continue with plans for growth through planned acquisitions, collaborative partnerships and wider deployment of shared group services
- Aylesbury College to embark upon a Type B merger with Amersham and Wycombe College to develop a single college for Buckinghamshire, improving the overall offer to learners and employers
- Berkshire College of Agriculture and The Henley College to pursue plans for a merger. If this does not go ahead, Berkshire College of Agriculture should explore collaboration with Abingdon and Witney College, which has the potential to develop an improved and sustainable land based offer
- East Berkshire College merger with Strode's College in Surrey (and to explore merger with Bracknell and Wokingham College in 2018)
- Bracknell and Wokingham College to remain as a stand-alone college at present and to explore merger with the East Berkshire/Strode's college group in 2018
- Newbury College to remain as a stand-alone college and focus on development of the offer to meet local need
- Berkshire local authorities to work collaboratively on the development of, and investment in, more suitable and accessible provision for high needs learners
- the LEPs in the Thames Valley area to develop their proposal for an Institute of Technology that will deliver high level technical learning in digital and STEM areas to support a wide range of employment sectors.

Each of these options are now outlined in more detail:

Abingdon and Witney College

To remain a stand-alone college and focus on development of the offer. The college will, in the longer term, consider entering into a partnership with Ruskin College, Oxford and/or Berkshire College of Agriculture.

- the Ruskin College partnership could allow development of a broader curriculum for all ages across the area that better meets local need and provides for improved progression opportunities to higher level skills. A partnership with Berkshire College of Agriculture could strengthen and extend the delivery of land based provision in the area. It is envisaged that by working together, the 2 colleges could secure strong provision particularly aimed at disadvantaged adults, who would otherwise not participate. This development would focus on drawing in new learners rather than competing with other providers
- Abingdon and Witney College's financial performance compares well with national benchmarks. The recent move of the Oxfordshire Adult Education Service delivery into its portfolio creates opportunities for the college to develop its provision
- both Abingdon and Witney College and Ruskin College, Oxford are graded by Ofsted as good
- a partnership between the 2 colleges would create a stable and viable institution with the potential for greater efficiencies and the development of better progression routes for learners.

Activate Learning

To remain as a stand-alone college, re-organise delivery internally to develop efficiencies and improve both the offer and learner outcomes and continue with plans for growth through planned acquisitions, collaborative partnerships and wider deployment of shared group services.

- Activate Learning has been building a diverse group structure through progressive mergers/acquisitions over a period of time prior to the development of recommendations sought through the area review. Further growth is envisaged along with further development of the shared group services offer to third parties. Activate Learning are currently undergoing a managed internal re-organisation to create employer-endorsed and sector-based faculties. This is intended to yield operating efficiencies. Faculties will give employers the opportunity to co-create curriculum and have shared ownership of ensuring students have a better line of sight to work locally
- Activate Learning was graded good by Ofsted in December 2013. It is the lead sponsor and founder of UTC Reading, which was judged outstanding in June 2015

and has also lifted its newly sponsored secondary school from special measures to good

- financial performance against benchmarks is predicted to improve over the next 2 years following the re-structuring work already done and as ongoing plans are embedded and efficiencies reap benefits
- in planning further collaborations/acquisitions the college is considering options that will help raise quality in the STEM provision across Activate Learning.

Aylesbury College and Amersham and Wycombe College

Aylesbury College to embark upon a Type B merger with Amersham and Wycombe College to develop a single college for Buckinghamshire, improving the overall offer to learners and employers. Amersham and Wycombe College will dissolve and merge with Aylesbury College.

- a single college for Buckinghamshire has significant support from the local authority and Berkshire Thames Valley LEP with the aim of meeting the broad needs of all local learners within this travel to learn area. An overall curriculum vision for the merger of the 2 institutions has yet to be developed, so further work is needed in partnership with the LEP and local authority
- Aylesbury College financial accounts indicate that it is in a reasonable financial position, but Amersham and Wycombe College is less so and has notices of concern issued by the Skills Funding Agency for both financial health and financial controls and the college is in administered college status following an intervention visit from the FE Commissioner in September 2015. Bringing the 2 colleges together will create a college which could move towards national financial benchmarks with significant improvements expected quickly as changes are implemented
- Amersham and Wycombe College had a requires improvement rating from Ofsted at the time of the review. The college was re-inspected just after the review and was rated as inadequate. A Type B merger would enable Aylesbury College to take the lead on implementing good practice and quality systems across all campuses with the aim of achieving good outcomes for all learners.

Berkshire College of Agriculture and The Henley College

To pursue plans for a merger.

- the colleges are 6 miles apart and have considerable crossover in recruitment area, so there is potential to provide a broader offer across the 2 colleges that will serve a wide geographical base. A merger would allow them to jointly develop apprenticeships and the HE offer plus some specialisms, both of which would continue to address the local authority and LEP identified priorities, provide significant savings in back office services, management and curriculum

rationalisation and move to deliver financial benchmark sustainability across the area in the medium term. Plans also included the development of specialist profound and multiple learning disabilities (PMLD) provision to address the local demand for provision for high needs students

- the initial financial assessment of the combination highlights a potentially stronger fit with benchmarks. Scale will create a larger, more capable organisation with increasing income and viability
- the Henley College's success rates show a rising trend over a 3-year period, and are generally around or above the national average and well above the FE benchmark, but still slightly below the sixth-form college benchmark, and value-added at A2 is relatively poor. Success rates for Berkshire College of Agriculture in 2014 to 2015 have continued to improve and are mostly above national averages.

This was an option developed between the 2 colleges and was recommended due to its viability, the potential for development of a more coordinated joint local offer including to high needs students, and the lack of any detailed and viable alternatives to improve the financial resilience of the 2 colleges. The Henley College Corporation declined to pursue this option and wishes to remain stand-alone, and will be requested to provide information on its future plans to the Sixth Form College Commissioner to substantiate the validity of this position.

If this merger does not go ahead, Berkshire College of Agriculture will explore collaboration with Abingdon and Witney College. Late work on this option indicates that both colleges are willing and the financial assessment shows the potential for the development of a financially stable institution at sector benchmarks that can deliver a high quality offer. Plans are in the early stages. This partnership has the potential to develop an improved and sustainable land based offer.

East Berkshire College and Strode's College in Surrey

To pursue plans for a merger and to explore merger with Bracknell and Wokingham College in 2018.

- this will ensure the development of 2 strong A level centres in Egham and Windsor under the Strode's College brand, with specialisms in creative and STEM areas and the ability for students to progress to level 6 HE provision through alternate college routes. The Langley Campus, including a plan to focus on building the pathways from levels 1 and 2 into higher level technical skills aims, will be highly focused on responding to the needs of the local employment market and LEP agenda, and will be able to establish a critical mass focused on this and the apprenticeships agenda
- both colleges indicate they are currently strong financially, although Strode's College has experienced falling student numbers in recent years and needs to ensure sustainability and growth through partnership. Efficiency will be generated through the merger, including a reduction in the duplication of the offer

- East Berkshire College has an Ofsted good rating. Strode's College is currently graded as requires improvement by Ofsted although results are improving and the college is likely to be re-inspected in autumn 2016.

Bracknell and Wokingham College

To remain as a stand-alone college at present and to explore merger with the East Berkshire/Strode's College group in 2018.

- there is crossover in recruitment area between the 2 colleges and synergies in curriculum and priorities. Both wish to further develop apprenticeships and higher level apprenticeships, HE provision, and STEM-related provision and both have some specialisms that could be built upon to develop particular specialisms, adult and community learning and SEND for Bracknell and Wokingham College, and STEM for East Berkshire College. A merger could create opportunities for curriculum rationalisation and growth as well as back office services and management efficiencies. The merger offers the potential for joint development of specialisms and progression routes to higher level skills and a good level of potential savings has been identified through a recent feasibility study on this option
- the initial assessment of the colleges' financial performance indicates the merged college achieves all the individual financial indicators by 2017 to 2018
- both colleges have recent good grades from Ofsted
- there is a sound educational rationale for considering merger and the feasibility study into merger in early 2016 resulted in a positive picture. Based on that, both corporations have agreed that the results made this a feasible option to pursue.

Newbury College

To remain as a stand-alone college and focus on development of the offer to meet local need.

- the college has plans for the development of a STEM centre focusing on: electronics, robotic and electrical equipment to develop and design innovative industry approved engineering projects; supported with a research zone equipped with computers and printers, including 3D printers that have up to date industry standard engineering design and drawing software; and a facility supporting the production element of equipment for engineering. Plans are supported by employer demand. The college has also outlined plans to develop apprenticeships provision to meet local needs, and further plans to grow high needs provision to meet the emerging local needs identified by the Berkshire local authorities in particular
- this is a relatively small college, but initial financial assessment indicates that it meets the financial benchmarks

- the college has an Ofsted rating of good both overall and for learner outcomes. Success rates are high and improving. The college plans to grow high needs provision to become a regional centre of excellence. This meets a need expressed by the local authorities and this provision is currently graded by Ofsted as outstanding.

High needs provision

Berkshire local authorities to work collaboratively on the development of and investment in more suitable and accessible provision for high needs learners.

High needs provision was identified as an area where there are gaps in provision, most particularly across the Berkshire unitary authorities. While the colleges have worked with the local authorities to build high needs development into their plans for the future, this collaboration will need to continue between the colleges and local authorities. It will ensure that the local authorities provide specific information on need, and discussion about the funding of provision including potential access to capital for new development.

Institute of Technology

The LEPs in the Thames Valley area to develop their proposal for an Institute of Technology that will deliver high level technical learning in digital and STEM areas to support a wide range of employment sectors.

The 4 LEPs have already considered ambitions around the development of an Institute of Technology to support the growth of the digital sector and STEM-based sectors. Plans are in development and they will explore the opportunity to discuss these with government officials.

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:

- the development of progression routes from entry level through to higher education, particularly in the recommendations relating to the East Berkshire College/Strode's College merger and plans for development at both Abingdon and Witney College and Activate Learning
- proposals by the colleges to develop specialisms, particularly at levels 4 and 5, which will provide learners and employers with improved access to training, and address skills gaps and skills shortages in key sectors. These include a partnership between Berkshire College of Agriculture and Abingdon and Witney College on the development of a broad and sustainable land based offer; the Activate Learning plans for development around STEM subjects and the opportunities for development of progression routes through the East Berkshire College/Strode's College/Bracknell and Wokingham College merger
- growth in apprenticeships, in particular through the commitments made by East Berkshire College and Bracknell and Wokingham College, Berkshire College of Agriculture and Newbury College
- improved financial sustainability through cost savings identified as a result of internal restructures collaborations and mergers
- the development of significant new specialist provision to meet the requirements for high needs learners, across the review area and particularly in Berkshire.

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.

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