



Department  
for Education

# **North and Mid Hampshire Area Review**

**Final report**

**January 2017**

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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 area is served by 4 sixth-form colleges, (Alton College, Peter Symonds College, Queen Mary's College and The Sixth Form College Farnborough) and 2 general further education colleges (Basingstoke College of Technology and Farnborough College of Technology) together with a specialist land based provider, Sparsholt College.

The local steering group was chaired by Peter Mucklow, the Sixth Form College Commissioner, and supported by a representative nominated by the Further Education (FE) College Commissioner. The steering group met on 5 occasions between May 2016 and October 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 Hampshire County Council, Enterprise M3 Local Enterprise Partnership (LEP), the Regional Schools Commissioner, and representatives from 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.

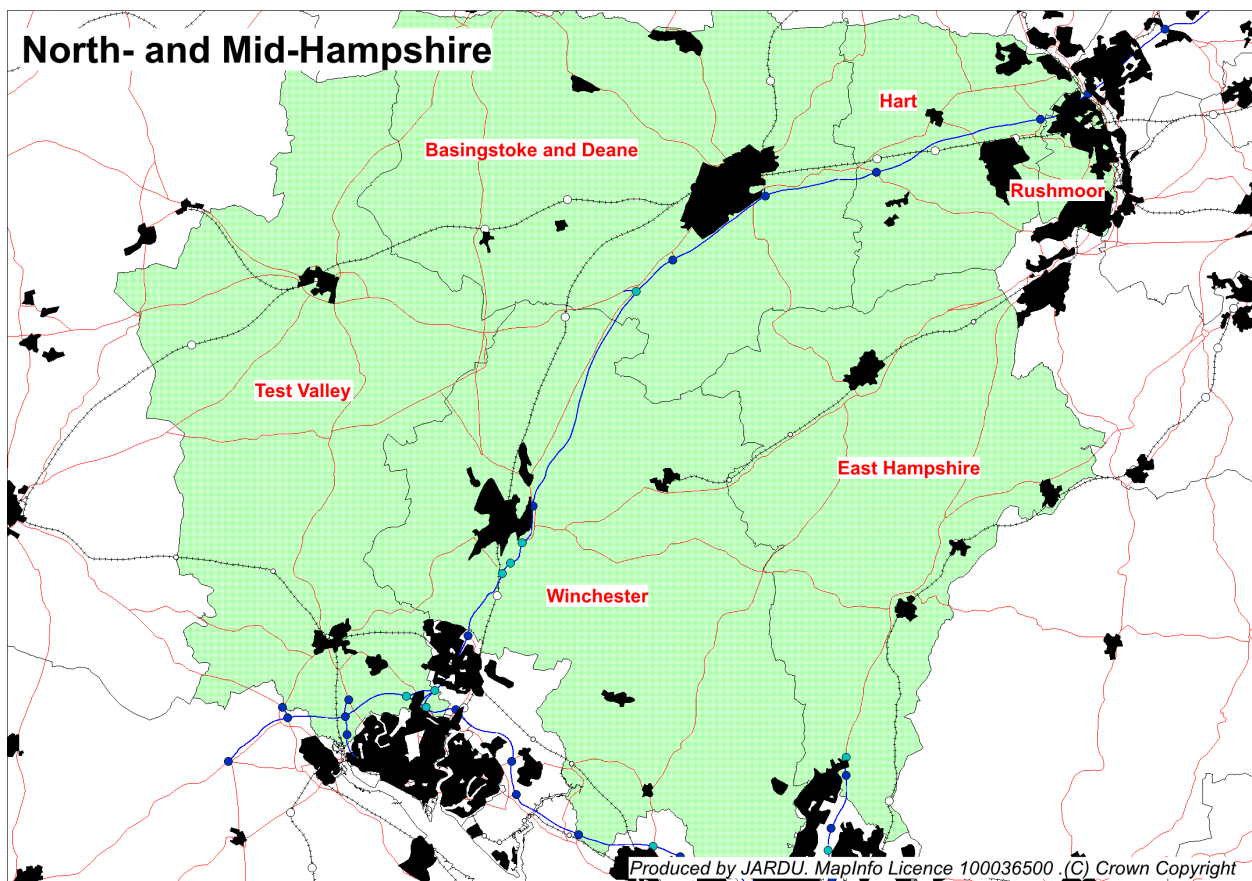
This area review's name was changed to *North and Mid Hampshire Area Review*, from *Hampshire Area Review* at steering group 5 to better reflect the geographic area it covers.

# The needs of the North and Mid Hampshire area

## Demographics and the economy

The North and Mid Hampshire area review covers the Basingstoke and Deane; East Hampshire; Hart; Rushmoor; Test Valley; and Winchester areas with a combined total population of nearly three quarters of a million people<sup>1</sup>

The area is illustrated on the map below:



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<sup>1</sup> ONS Local Authority Profiles – see data annex: Local socio-economic data.

The table below provides a snapshot of key demographic and economic data<sup>2</sup>, which has acted as a starting point for this review.

	<b>Basingstoke &amp; Deane</b>	<b>East Hampshire</b>	<b>Hart</b>	<b>Rushmoor</b>	<b>Test Valley</b>	<b>Winchester</b>	<b>Great Britain</b>
Total population (2015)	173,900	118,100	93,900	95,300	120,700	120,700	63,258,400
Population aged 16 to 64	63.4%	59.6%	61.1%	66.2%	60.4%	61.1%	63.3%
% with higher education qualifications <sup>3</sup>	40.0%	39.2 %	52.1%	25.5%	43.3%	53.8%	37.1%
Those formally qualified to level 2+	77.3%	78.3%	86.8%	65.6%	79.7%	84.5%	73.6%
Gross weekly pay £ of residents	622.6	579.0	708.1	518.0	603.1	647.8	529.6
Gross weekly pay £ by workplace	594.1	519.9	624.3	601.1	519.8	585.0	529.0
Out-of-work benefit claimants	0.8%	0.6%	0.4%	0.9%	0.6%	0.5%	1.8%
% of main benefit claimants	5.4%	4.4%	3.0%	6.1%	4.8%	4.1%	9.0%

<sup>2</sup> 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.

<sup>3</sup> Percentages relate to those aged 16-64.

	Basingstoke & Deane	East Hampshire	Hart	Rushmoor	Test Valley	Winchester	Great Britain
Jobs density <sup>4</sup>	0.80	0.79	0.89	0.85	0.96%	1.26%	0.82
<b>Total Workplace Units:</b>							<b>Average for the South East</b>
Micro <sup>5</sup>	85.0%	86.7%	88.5%	80.7%	84.0%	83.3%	85.2%
Small	11.6%	11.5%	9.4%	15.1%	13.1%	13.6%	12.0%
Medium	2.9%	1.6%	1.9%	3.6%	2.7%	2.7%	2.4%
Large	0.5%	0.1%	0.3 %	0.6%	0.2%	0.4%	0.4%

Key points are:

- the workforce is growing, but ageing; the percentage of those aged over 65 is forecast to grow by 30.8% from 2010 to 2020, whilst the percentage of those aged 16-64 is set for a modest growth of 3.9%; this is slower than regional or national rates. The changing demographics emphasise the importance of investing in skills to support older workers to stay in the workforce.<sup>6</sup>
- 92% of the resident population is classed as 'White British'<sup>7</sup>
- the 16 to 64 population of East Hampshire, Test Valley and Winchester are broadly comparable to the national picture. Basingstoke and Dean have the highest proportions of 16 to 64 year olds while Hart and Rushmoor have the lowest
- there is significant polarisation in attainment of qualifications: Winchester and Hart are more than 15% higher than the national rate for higher level qualifications and over 11% higher at level 2. However, Rushmoor is below the national rates by 11.6% for higher levels qualifications and 13.3 % below at level 2
- this is a relatively affluent area: weekly gross pay of residents, with the exception of Rushmoor, is above, and in several cases significantly above, the national average

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4 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 of 0.82.

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

6 [Enterprise M3 LEP Skills and Employment Strategy](#)

7 [Hampshire County Council 2011 census](#)

- the high level of employment is demonstrated by job density above the national average for all areas except Basingstoke and Dean and East Hampshire; rates of out of work and main benefit claimants are below the national average and significantly so in some areas
- the employment rate for all Hampshire is high at 81% compared to the national rate of 74.1% whilst the level of unemployment (March 2015) is low at 3.6% compared to the national rate of 5.1%
- the local youth unemployment rate (16 to 24) is relatively low at 9.4% compared to 12.6% across the south-east region and 14.3% nationally
- the size of companies within Hampshire broadly mirrors the distribution of company size nationally.

## Patterns of employment and future growth<sup>8</sup>

Across the Enterprise M3 LEP area higher-skilled jobs are forecast to grow in the greatest volume and at a high rate. Service-intensive jobs, whilst smaller in overall numbers, have also grown and are expected to continue to show growth. The overall number of middle-skilled and labour-intensive jobs is projected to fall slightly.

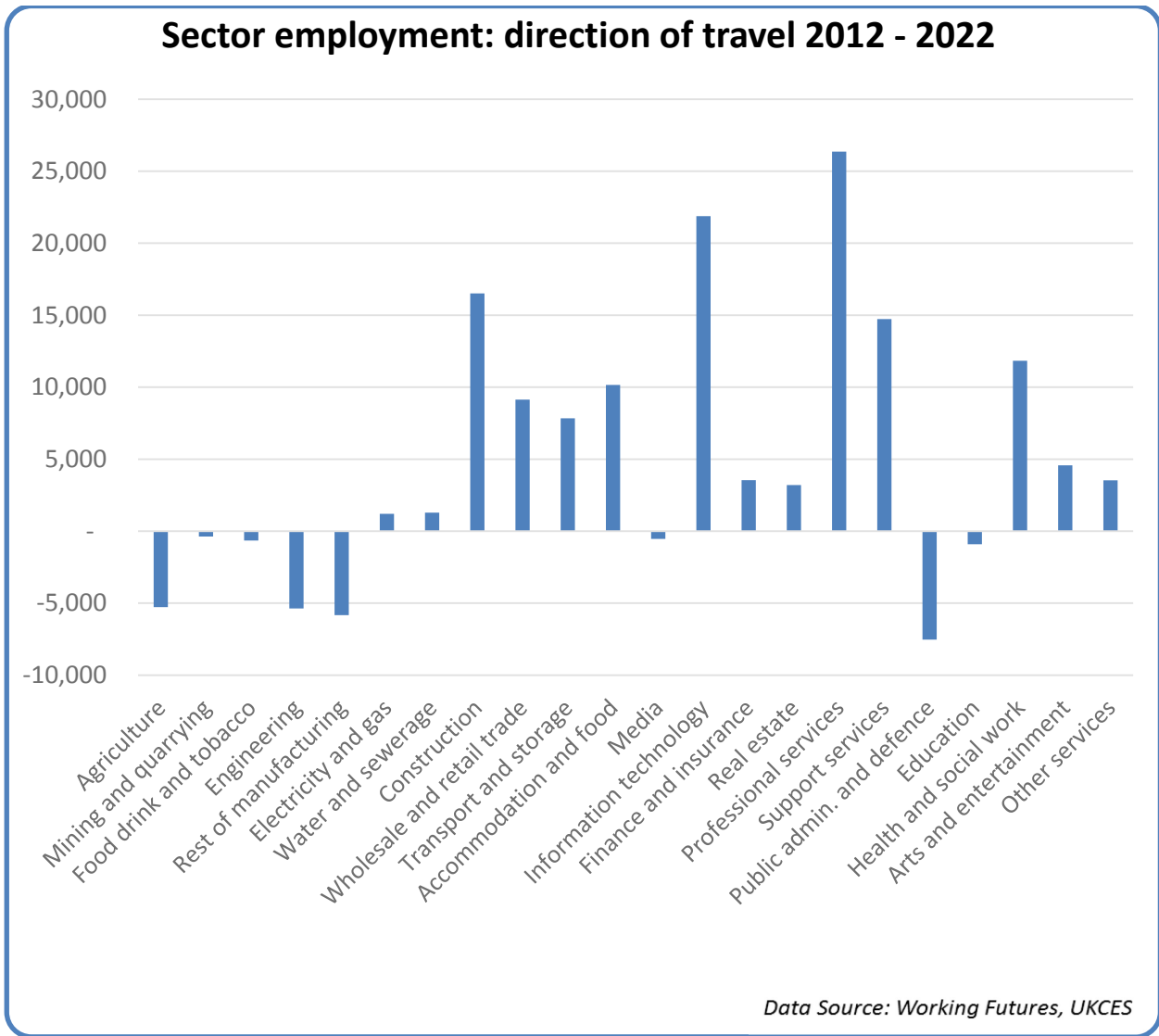
Replacement demand in the Enterprise M3 LEP area (jobs created by people retiring or leaving the labour force) will contribute over 5 times as many jobs openings as net job growth over the next decade.



<sup>8</sup> [Enterprise M3 LEP Skills and Employment Strategy](#)



The graph below illustrates the changes in the job numbers in specific areas:



Across the Enterprise M3 LEP area, the top 3 growth areas are predicted to be: professional services; information technology and construction. The 3 sectors seeing the greatest decline are: engineering and other manufacturing; agriculture; public administration and defence. The predictions do not take into account local differences; policy influences on economic growth, infrastructure investments, inward investments and closures.

There are good rail and road links through the area particularly from the south-west towards the north-east giving good access into London. There is a high level of outward commuting of skilled people and a relatively low level of graduate retention within the area.

## LEP priorities<sup>9</sup>

The Enterprise M3 LEP identified the local priority sectors as:

- digital & ICT
- professional services
- aerospace & defence
- pharmaceuticals.

There are also a number of niche sectors important to the area including: satellite technologies; 5G communications; cyber security; advanced materials and nano-technology; advanced aerospace and automotive; photonics; animal health; computer games and entertainment technologies.

## Feedback from LEPs, employers, local authorities, students and staff

Feedback from LEP and local authority representatives consulted during the area review process drew attention to the following:

- the local economy has a value of £36 billion with a gross value added per head of population of £25,233 (6.2% above the national rate)<sup>10</sup>
- the Enterprise M3 LEP identified that the area is a leading digital economy in the United Kingdom, with 8,500 businesses contributing to 7.4% of all Enterprise M3 jobs. However, 23% of Enterprise M3's small and medium enterprises (SMEs) lack basic digital skills. Businesses identify lack of science, technology, engineering and maths (STEM) skills as a particular problem, particularly higher level skills. There are also significant shortages among professional and associate professional<sup>11</sup>, the development of entrepreneurialism, innovation and business development skills, which are vital for economic growth
- SMEs account for 99.7% of business and they find it difficult to recruit and retain skilled staff, citing issues such as: small recruitment budgets; access to HR expertise; lack of brand recognition; and being less able to 'recruit on potential' and train. Competition from other employers, rather than a local lack of skills, was a significant issue
- the percentage of the workforce in Hampshire in the 50-64 year olds age band is 4.6% above the national figure, which implies an aging workforce

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<sup>9</sup> [Enterprise M3 LEP Skills and Employment Strategy](#)

<sup>10</sup> [ONS 2013](#)

<sup>11</sup> [ONS Standard Occupational Classification \(SOC\) Hierarchy](#)

- there is significant housing and industrial development planned across Hampshire including western Basingstoke and Whitehill and Bordon.

In response to the area review, employers identified the following areas requiring further development:

- the number of regularly unfilled vacancies and the lack of information available to students about apprenticeship opportunities
- greater involvement of employers with local school and colleges in the development of programmes and curriculum at all levels, including higher apprenticeships and other programmes, where they could support options such as summer internships or work experience placements. Improving responsiveness of colleges to employer needs and business requirements through employer partnerships
- ensuring starting points for college programmes and courses are sufficiently flexible to meet employers' business needs for various times during the year
- development of college programmes that ensure students have the attributes employers look for in a trainee, apprentice or employee, for example: positive working attitude; drive; determination; motivation; reliability; customer centric-approach to service delivery; appetite to learn and achieve professional qualifications; passion and desire to work in the chosen industry; flexible and co-operative approach to changing business needs; ability to work in a team; and able to handle varying workloads and pressures
- delivery of support for apprentices in all aspects of their programme and educating students beyond the textbook
- ensuring consistent teaching provision and management of the programme through timely marking of student assignments; progress reporting to the student and employer; and applying consistent assignment standards
- improved support from colleges for employers to better understand the benefits and implications of the employer levy.

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 colleges that took part in the review took primary responsibility for ensuring that their staff and union representatives had an opportunity to provide input throughout the review, which the steering group took into account. The Sixth Form College Commissioner held meetings with staff union representatives prior to some of the steering group meetings to enable them to feed their views into the review.

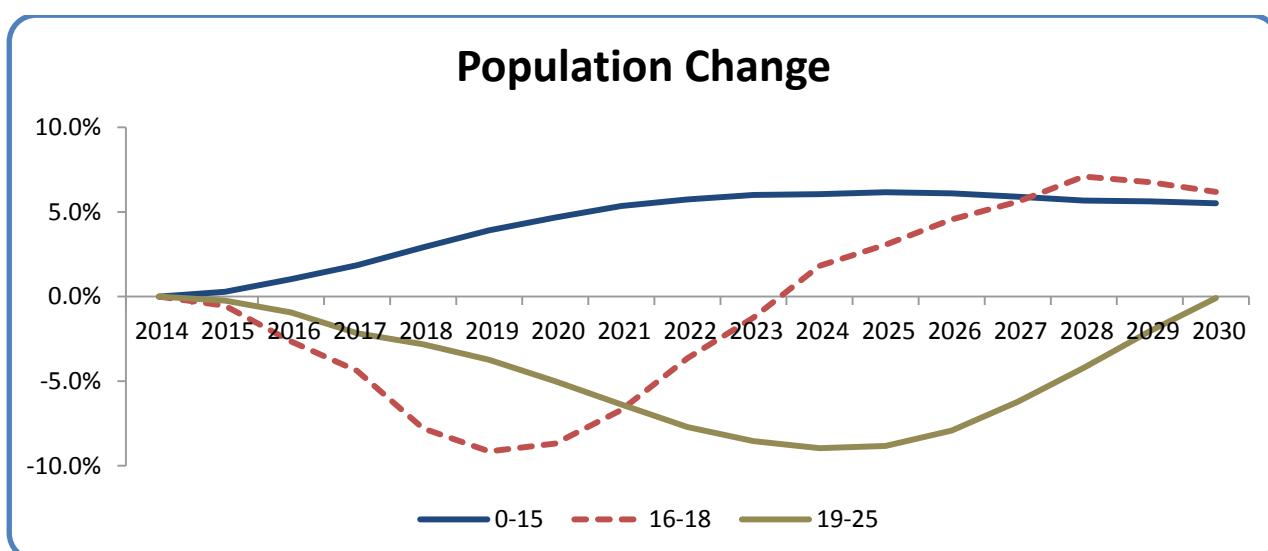
## The quantity and quality of current provision

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

In North and Mid Hampshire, the number of young people aged 16 to 18 in 2014 was 27,099<sup>12</sup> and the number is expected to decrease by 8% between 2015 and 2019, and then increase by 16% between 2019 and 2030<sup>13</sup>.

The following chart shows the expected cohort change in all Hampshire by 2030, this trend is reflected in the review area. The population trajectory reflects the increasing number of 0-15 year olds and therefore leads to a longer term increase in the number of 16-18 population between 2023 and 2030.

## Number of young people in Hampshire



## Performance of schools at Key Stage 4

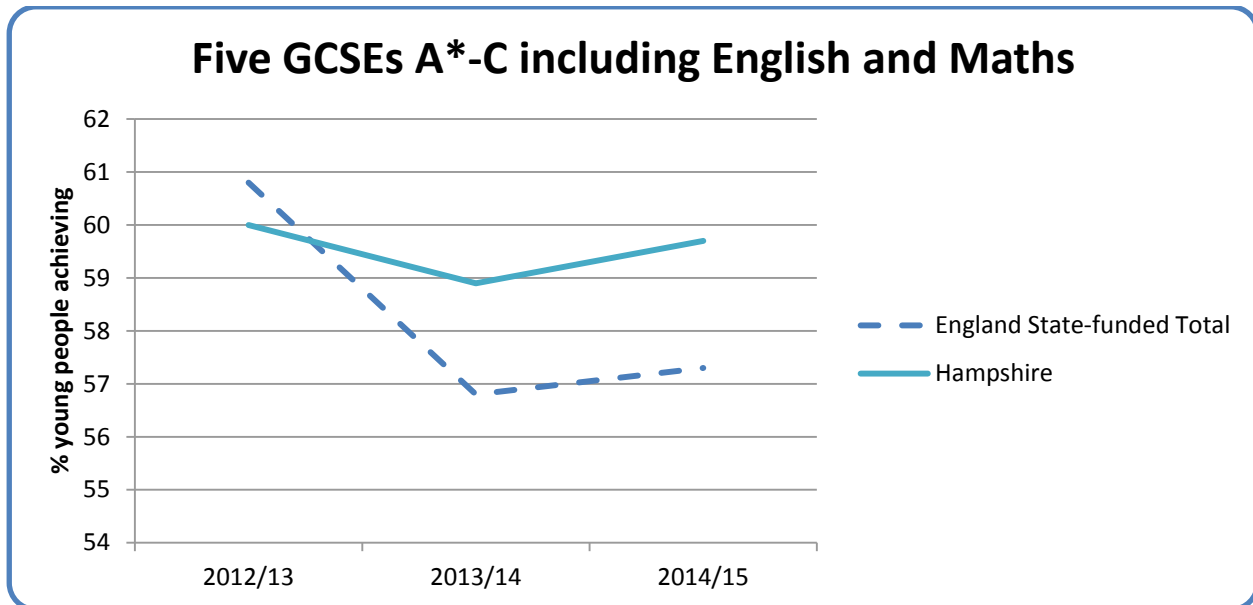
The recent trend in GCSE pass rates for 16 year old school pupils completing year 11 across all of Hampshire is illustrated overleaf<sup>14</sup>.

<sup>12</sup> [Hampshire County Council 2011 census](#)

<sup>13</sup> ONS sub-national population projections – see data annex: Population projects

<sup>14</sup> School Key Stage 4 results – see data annex. Local authority and total (state-funded sector) figures covering achievements in state-funded schools only.

The overall performance of schools at year 11 (key stage 4) in the review area has been above the national average from 2013 to 2014<sup>15</sup> and are almost level with the average in the south-east.



## Schools with sixth-forms

Area reviews of post-16 education and training institutions are predominantly focused on general further education 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 provided 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. Regional Schools Commissioners take account of the analysis from area reviews in any decisions they make about future provision.

There are currently 6 academies and one local authority maintained schools with sixth-forms in the North and Mid Hampshire review area. Most school pupils in the age range 16 to 18 are enrolled on A level courses.

There are also 9 special schools with post-16 provision.

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<sup>15</sup> In 2013 to 2014, a change in how the GCSE performance of schools was defined led to a drop in the overall numbers of young people achieving 5 GCSEs A\*-C including maths and English.

Overall funded student numbers in mainstream school sixth-forms increased by 3.7% in the 3 years 2013 to 2014 to 2015 to 2016 with a total of 2,169 young people funded in a mainstream sixth-form setting in 2015 to 2016<sup>16</sup>. 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 is one school sixth-form that is funded below that figure in 2015 to 2016<sup>17</sup>. Most of the schools with sixth-forms in the review area are judged by Ofsted as being good or better, however 2 are judged as requiring improvement.

Schools responding to the review consultation identified that students in the area were well-served with a variety of engaging and appropriate courses on offer. However, they raised concerns at the increased risk of colleges reducing teaching hours and the possible barriers to participation for vulnerable and disadvantaged young people attending large colleges. The schools also noted the need to offer a range of learning environments in the area, including through small training providers and school sixth-forms to best meet the diverse needs of students. They also identified a need for post-16 provision in the area to remain geographically accessible as many students and adult learners are reliant on public transport.

## **The further education and sixth-form colleges**

Four sixth-form colleges and 3 general further education colleges participated in this review.

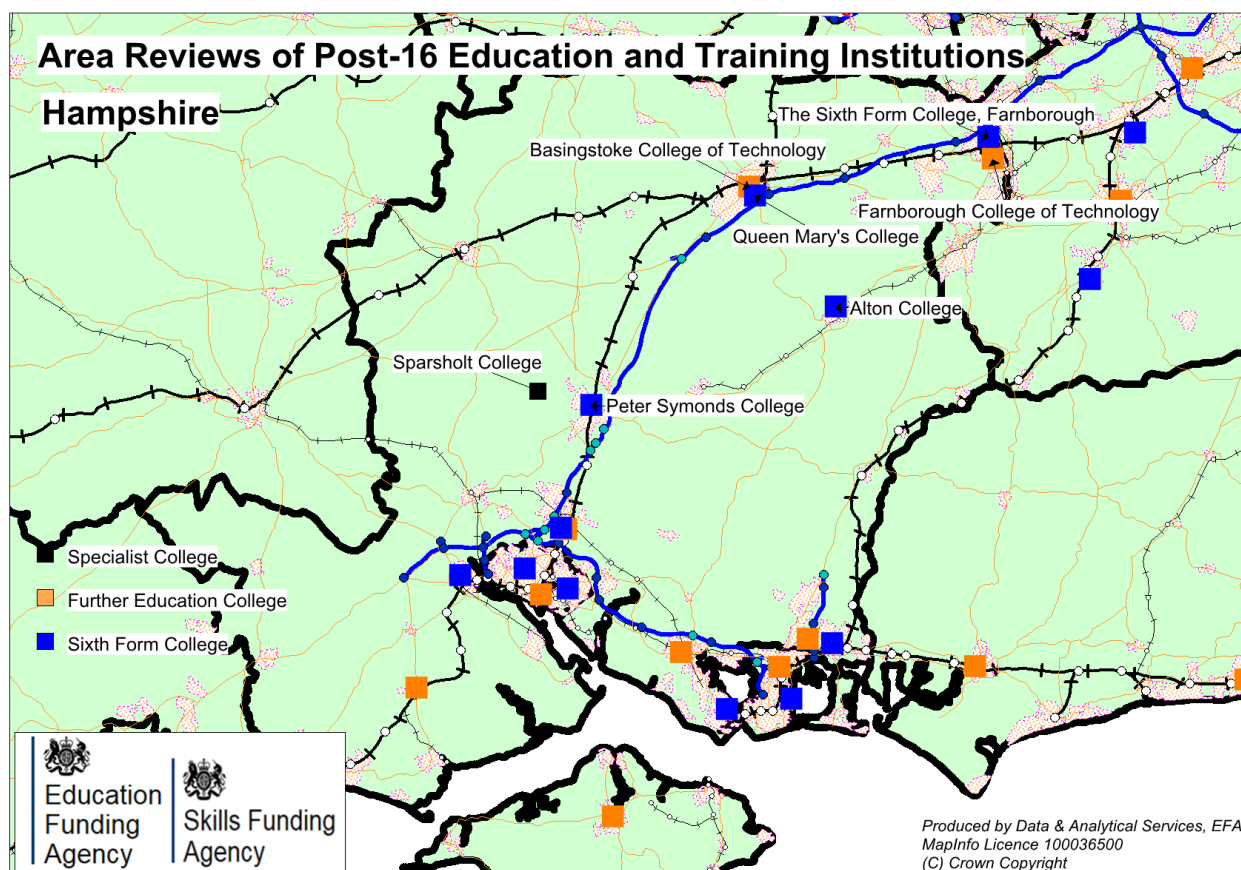
- Alton College
- Basingstoke College of Technology
- Farnborough College of Technology
- Peter Symonds College
- Queen Mary's College
- Sixth Form College Farnborough
- Sparsholt College.

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<sup>16</sup> 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.

<sup>17</sup> EFA Allocations – see data annex: 16-19 funding

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 3 general further education colleges offer a broad range of technical provision across all sector subject areas, including foundation learning; maths and English, apprenticeships to 16-18 year olds and to adult students, and some have developed higher education provision in response to local demand.

The 4 sixth-form colleges offer a wide range of A levels and some offer a limited range of classroom-based technical courses to students in the age range 16 to 19.

The colleges in the review area have a combined turnover of £124m.

Basingstoke College of Technology offers broad technical programmes in 13 of the 15 sector subject areas, predominantly at levels 1 to 3, with some higher education and level 4, 5 and 6 provision, which is planned to grow.

Farnborough College of Technology offers a broad range of technical programmes across all 15 sector subject areas, although provision in a number of these is small, 41% of provision is level 3 with 30% at level 2 and 11% at level 1. Additionally, there is a significant higher education offer at level 4 and above.

Sparsholt College is a specialist land based college and the Sparsholt site delivers provision that is predominantly agriculture, horticulture and animal management. Sparsholt offers a wide range of programmes include higher education (HE). The Andover College campus of Sparsholt is a tertiary college, providing programmes in all 15 sector subject areas, including some part-time adult provision.

Alton College provides a range of general A levels and a number of technical programmes from entry level to level 5 across many sector subject areas, including engineering. Alton College also provides foundation degree and access to HE courses in collaboration with Portsmouth University.

Peter Symonds College's programmes are predominantly A level programmes with a small, but growing, BTEC and level 2 offer as well as HE.

Queen Mary's College provides general education from pre-entry level to level 3, with most provision at level 3, of which 75% is A level programmes.

Sixth Form College Farnborough provides predominantly A level programmes but an increasing technical offer.



## 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 <sup>18</sup>	EFA allocations (2015 to 2016) <sup>19</sup> (£million)	SFA allocations (2015 to 2016) <sup>20</sup> (£million)	Total college income (2014 to 2015) <sup>21</sup>
Alton College	Outstanding (Sep 2009)	£8.6	£0.16	£9,930,000
Basingstoke College of Technology	Good (May 2016)	£8.7	£4.90	£18,310,000
Farnborough College of Technology	Outstanding (Nov 2011)	£8.2	£2.47	£17,091,000
Peter Symonds College	Outstanding (March 2008)	£15.8	£0.38	£21,070,000
Queen Mary's College	Good (January 2016)	£9.9	£0.18	£12,256,000
Sparsholt College	Good (Feb 2014)	£14.41	£3.43	£28,244,000
Sixth Form College Farnborough	Outstanding (May 2007)	£16.32	£0	£17,131,000

Overall, the conditions of all the college buildings in the review are good. Some colleges have higher average space per student than others, but this does not necessarily indicate

18 Ofsted – see data annex: College inspection reports

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

20 SFA allocations – see data annex: Adult funding

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

they are over-spaced. Each college has unique circumstances and constraints regarding their estate. The area review has highlighted some instances where rationalisation or further investment might be considered further during implementation.

## Higher education in further education<sup>22</sup>

Progression of young people to higher education across the North and Mid Hampshire review area is variable. East Hampshire, Hart, Winchester authorities have high rates of participation (over 41%); Test Valley (36 to 41%); Basingstoke & Deane range (31 to 36%); and Rushmoor (28 to 31%), compared to a national progression rate of 32.6% in the United Kingdom<sup>23</sup>. The universities of Southampton, Portsmouth, Winchester, Southampton Solent and Bournemouth offer, in descending order, the greatest number of places to Hampshire residents.

The colleges in the North and Mid Hampshire review area offer a range of higher education provision, some directly funded by the HEFCE and some working in partnership with universities:

- Basingstoke College of Technology currently offers first degrees in partnership with the University of Winchester and Southampton Solent University
- Farnborough College of Technology has a relatively large undergraduate and postgraduate offer. It is an accredited college working in partnership with the University of Surrey. A new University Centre Farnborough opened in September 2016
- Sparsholt College offers degree and masters programmes validated by the University of Portsmouth
- Peter Symonds offers degrees validated in partnership with Middlesex and a number with Edexcel and the University of Greenwich
- Alton College provide foundation degrees in collaboration with Portsmouth University and access to HE courses.

Universities responding to the area review consultation identified a number of collaboration activities taking place between the universities and local colleges, such as HE staff supporting information, advice and guidance activities with colleges in schools and working in partnership to validate HE programmes.

The universities raised concern over the decrease in the number of students progressing to higher education study from within the whole of Hampshire whilst noting the proportion coming from surrounding areas has increased. They noted the need to improve careers

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<sup>22</sup> HEFCE POLAR 3 – see data annex: Higher education progression

<sup>23</sup> Derived from HEFCE POLAR 3 – see data annex: Higher education progression

information, advice and guidance to highlight the range of available progression routes and the advantages for young people of university education within Hampshire.

## **Provision for students with special educational needs and disability (SEND) and high needs<sup>24</sup>**

In 2015 to 2016 the EFA funded 181 high needs post-16 places in colleges in the review area. The EFA also funded 825 places across all colleges, special schools and specialist post-16 institutions in all Hampshire. Alton, Basingstoke College of Technology and Queen Mary's colleges received the larger numbers of EFA funded places within the review area.

Hampshire County Council confirmed through analysis of their data that:

- it delivered a total of 5,798 high needs places in 2015 to 2016 which included 747 places for 16 to 24 year olds. This represents a 15% increase of the number of places delivered across the whole of Hampshire since 2011
- variances between North and South Hampshire are due, in part, to the import of high needs students from surrounding authorities into Hampshire colleges, e.g. from Surrey and the Solent areas
- overall high needs provision is of good and high quality across the breadth of offer, including supported internship and independent living programmes
- there is an increasing high needs forecast from the current school SEND and high need provision.

One of the 2 independent specialist or specialist designated institutions responding to the area review consultation reported the complex and multiple physical difficulties (some also with learning difficulties) of their students with very high needs (typically requiring funding of £100k + per annum). The institution noted the positive collaboration with the local sixth-form college, Alton College, which supports its A level and other level 3 learners.

The steering group recognised that the area review outcomes should not disadvantage post-16 students with high needs or SEND. The steering group also agreed that existing arrangements for coordinating high needs provision were sufficient to manage the demand and planning for this provision.

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<sup>24</sup> EFA Allocations – see data annex: 16 to 19 funding: High needs

## Apprenticeships and apprenticeship providers

The large majority of North and Mid Hampshire young people aged 16 to 18 continue in full time education currently. Apprenticeships are offered by the 3 general further education colleges in the review area, the sixth form colleges do not offer apprenticeships.

In 2014 to 2015, 9,060 apprenticeship starts were delivered by providers in the review area, 3,510 were delivered by the colleges and 5,530 were delivered by independent training providers<sup>25</sup>. Apprenticeships are perceived as a significant growth area by many colleges, with ambitious targets in some cases.

Overall the most popular frameworks in the area are in manufacturing technologies; health and social care; administration; hospitality and catering; ICT practitioners; and business management.

Traineeship delivery is limited and less developed. These programmes are a vital stepping stone to apprenticeships for those who are not yet work ready or who do not have the required level of English and maths attainment.

The steering group recognised that development and increased collaboration was needed in apprenticeships delivery across the area. There are too few higher and degree apprentices currently to address the demand from identified key priority areas. A key focus for development is building and improving progression and retention through apprenticeships, and opening new pathways into higher apprenticeships. The introduction of the apprenticeship levy is an opportunity to encourage companies to establish and grow their own apprenticeship provision.

## 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.

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<sup>25</sup> Number of apprenticeships by provider and LA – see data annex: Apprenticeships

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.

Sparsholt College offers specialist land based provision in agriculture, horticulture, animal management, veterinary science, environmental conservation, and forestry.

The steering group recognised the importance of the provision delivered by the land based colleges and that although the provision they delivered had been considered in each area review, there should be a further opportunity to consider the broader scope of land based provision across the southern land based colleges and those with land based campuses. A themed land based dialogue will provide an opportunity for discussions across land based providers in the south of England to explore the potential for further collaboration and specialisms.

## 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 Hampshire County Council and Enterprise M3 LEP set out their priorities that provision in the area should:

- increase the work-readiness and employability of learners, particularly those in identified priority growth sectors
- focus on the development progression routes to higher level skills in key sectors such as digital/ICT, professional services, aerospace & defence, and pharmaceutical and for niche specialist areas
- increase the delivery of apprenticeships, especially higher level and degree apprenticeships
- increase the development of STEM-based provision to support all priority sectors.

## 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 focus on higher level skills, with progression to higher education, particularly in areas around digital/ICT, professional services, aerospace and defence and pharmaceutical, STEM and for niche specialist areas
- to grow apprenticeships to contribute to the government's target of 3 million by 2020
- to provide more opportunities for higher and degree level apprenticeships to meet the current and future needs of employers to resolve issues around the shortage of people with higher education in technical and specialist areas.

There are several developments of post-16 provision planned or proposed across the area, some within the scope of the review, and some outside. These developments need to be considered within the context for the review and include: a new 400 place school sixth-form near Alton in 2017; a new school sixth-form provision proposed for the Farnborough area; a proposed university technical college at Aldershot; and a 200 place Future Skills Centre at Bordon operated by Basingstoke College of Technology.

Additional drivers for change include a need to:

- improve educational participation and attainment for all groups across the area, particularly in those districts and areas where outcomes are below county and national averages
- promote skills development, education and training aimed at businesses to stimulate demand in workforce

- improve continuing professional development across all sectors building existing workforce capability beyond level 3 with a focus on level 4 and higher
- secure 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 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:

- Basingstoke College of Technology: a Basingstoke solution which would provide the most significant benefits to learners and employers in the local community. Their preferred solution included Alton College
- Farnborough College of Technology: the colleges in Farnborough explored the potential for partnership given geographical proximity but determined there was no clear rationale for a partnership. The college commenced an external options review covering colleges in the vicinity
- Sparsholt College: provisional discussions about cooperation with a number of the Hampshire colleges and specialist land based colleges in the south of England
- Alton College: remain a stand-alone college, cut costs and grow student numbers; closer collaboration, including possible partnership or merger, with a local general further education or sixth form college; possible academisation
- Peter Symonds College: remain as a stand-alone sixth-form college, but with strengthened partnerships; or become a single academy trust
- Queen Mary's College: diversifying income, streamline delivery, cost cutting, including the possibility of a limited company providing back office services; greater collaboration and cooperation with nearby sixth-form colleges; academisation
- Sixth Form College Farnborough: academising and forming a multi-academy trust; forming a Teaching School Alliance with local schools.

# 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<sup>26</sup> (revised March 2016).

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<sup>26</sup> [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 October 2016. These were:

- Sixth Form College Farnborough to convert to academy status
- Farnborough College of Technology to merge with Guildford College or to stand-alone as a general further education college
- Basingstoke College of Technology and Alton College to merge
- Queen Mary's College to convert to academy status
- Peter Symonds College to remain a stand-alone sixth-form college or convert to academy status
- Sparsholt College to remain a stand-alone institution. There will be an opportunity to further explore collaboration across the land based colleges in the south
- Hampshire County Council to lead work with all stakeholders including: colleges; schools; information advice and guidance providers; and other providers to develop information, advice and guidance.

Each of these options is now outlined in more detail.

### Sixth Form College Farnborough

The college will convert to academy status, establishing a trust incorporating schools with which the college already works. Independent, unbiased information, advice and guidance within schools and beyond will be a key focus of the academy. Continued close working and collaboration between the town's 2 colleges will be maintained. If conversion does not go ahead, then Sixth Form College Farnborough will stand alone and seek collaboration with other organisations. The Regional Schools Commissioner and Local Authority support the intended benefits the academy would bring.

- the academy will benefit the local community by improving the local quality of education and the cost effectiveness of delivery, contributing to the school improvement programme particularly those in the area judged to require improvement or with poor GCSE performance. The initial plan is to involve the college and local secondary schools, with the potential to include primary schools
- the college is in a strong financial position, approaching benchmarks and is judged as outstanding by Ofsted.
- Sixth Form College Farnborough is a specialist high quality sixth-form college provider, and intends to maintain its current profile of predominantly A level provision.

## Farnborough College of Technology

Farnborough College of Technology will pursue a merger with Guildford College<sup>27</sup> or stand alone as a general further education college. The college will continue to explore opportunities to expand its existing provision whilst also working towards a merger with Guildford College. A feasibility study is underway to examine financial and education aspects of the merger proposal in detail and identify the full scope for the potential merger. As well as effectively addressing LEP and local authority priorities, independent, unbiased information, advice and guidance within schools and beyond will be a key focus of the merger. The LEP supports the merger proposal and recognises that it will support the economic and geographic dynamics of the area and improve the offer to students and to the business community.

If the merger does not go ahead, then Farnborough College of Technology will remain as a stand-alone college and seek collaboration with other organisations.

- the college's growth strategy aims to provide local and regional communities with accessible high quality learning that addresses the LEP priorities. The college will continue to: explore strategic alliances with schools and Hampshire County Council; improve and increase learners' achievements; and improve progression to higher levels; develop higher education provision across the area with a focus on Aldershot
- the college is in a strong financial position, is close to financial benchmarks and exceeds some. They are judged as outstanding by Ofsted. Full financial analysis of the colleges' merged position has not yet been completed
- Farnborough College of Technology has specialisms in a range of technical provision, from level one through to higher education.

## Basingstoke College of Technology and Alton College

Basingstoke College of Technology and Alton College will merge to create a single institution serving the existing areas and disciplines of the current colleges. A feasibility study is underway to establish the merger timescale and explore the financial and education aspects in detail and consider the potential for federation ahead of merger. The merger will seek to ensure local need continues to be met. Independent, unbiased information advice and guidance within schools and beyond will be a key focus of the merger. The 2 colleges in Basingstoke (Basingstoke College of Technology and Queen Mary's College) will further develop collaborative arrangements.

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<sup>27</sup> [Surrey Area Review report](#) - During the earlier Surrey area review, Guildford College had agreed to a recommendation to explore partnership options and this planned merger is the result of that work

In the event that merger is not possible Basingstoke College of Technology will stand-alone and seek collaboration with other organisations and Alton College will seek alternative appropriate partner organisation/s including the possibility of becoming an academy.

- the merger will enable the colleges to enhance their curriculum offer and learner choice, expand apprenticeship and HE provision, jointly operate the Future Skills Centre at Bordon, improve financial efficiency and provide greater financial resilience. The A level provision at Alton will complement the technical provision at Basingstoke College of Technology offering a wider range of options to students. The 2 colleges will look to develop areas of joint expertise including engineering, HE and international opportunities as well as introduce new provision such as apprenticeships at Alton College. The merged college will have the capacity to deliver a wide curriculum across academic and technical areas
- Basingstoke College of Technology is in a strong financial position exceeding several of the financial benchmarks and judged good by Ofsted. Alton College needs to improve its future financial resilience, being below some financial benchmarks, and is judged outstanding by Ofsted. The merger will secure a stronger financial position overall.

## Queen Mary's College

The college will convert to an academy status, establishing a trust with schools locally, some of which have not historically performed well, with a focus on improving pre-16 attainment which will support the local post-16 provision. The terms of the trust will reflect the need to improve educational outcomes across Basingstoke secondary schools. Independent and unbiased information, advice and guidance will be a key focus of the academy. The 2 colleges in Basingstoke (Basingstoke College of Technology and Queen Mary's College) will further develop collaborative arrangements. In developing provision, due regard will be taken of provision already delivered locally. If conversion does not go ahead Queen Mary's College will stand-alone and seek collaboration with other organisations. The Regional Schools Commissioner and local authority support the intended benefits the academy would bring.

- the academy trust will be established during the current academic year, with additional schools joining later. The school improvement agenda for Basingstoke is a recognised local need which this academy will focus on addressing. The intention is to include key partners including Basingstoke Consortium, Basingstoke College of Technology and Hampshire County Council with the academy trust
- the academy trust arrangement with the schools will enable the college to further improve its financial resilience and move it towards the financial benchmarks. The college is judged good by Ofsted
- the college has specialisms in A level provision and some technical provision.

## Peter Symonds College

Peter Symonds will remain a stand-alone sixth-form college or convert to an academy. A feasibility study is currently underway to explore whether conversion to an academy is in the best interests of the college and the students it serves. Independent and unbiased information, advice and guidance is to be a key focus and accessible to young people and parents. The Regional Schools Commissioner and local authority support the intended benefits the academy would bring.

- the college has seen increasing funded student numbers, illustrating that students choose to attend this college from the local area and drawing students from further afield. The college considers the LEP and Hampshire County Council priorities when developing curriculum. The college will continue to support local schools to raise standards further and work with the Winchester Teaching Schools Alliance to help improve educational outcomes locally. If the conversion to academy is pursued the college will renew its focus on collaboration with local schools improvement, with additional financial investment into partnerships.
- the college is strong financially, approaching and in some cases exceeding financial benchmarks, and judged outstanding by Ofsted.
- this sixth-form college specialises in A level provision.

## Sparsholt College

Sparsholt College is a specialist land based college, with a campus in Andover and strong connections to the new national land based college. Sparsholt is to remain a stand-alone institution and develop wider collaboration across the specialist land based sector, focusing on efficiencies and collaborative provision. This will be supported by an end of area review discussion to consider options and potential for collaboration opportunities across land based provision. Sparsholt College will explore collaboration with other specialist, land based and general further education and sixth form colleges to identify opportunities to develop provision.

- the college will work with the LEP to ensure they respond to the needs of adults and employers, providing suitable learning at all levels to higher and degree level, including e-learning
- Sparsholt College is developing digital provision for the land based sector and sustainable technologies to support businesses in reducing their carbon footprint and costs
- the development of the college's curriculum through academic and technical routes will all address the priorities identified by the LEP and the local authority. The general further education colleges and some of the sixth-forms have strategic plans to develop apprenticeship provision, including to higher levels, work more closely with employers and develop understanding about the implications and impact of the employer levy

- Sparsholt College has an improved financial position, approaching and in some cases exceeding financial benchmarks, and is judged good by Ofsted.

There will be an end of area review discussion about collaborative opportunities for southern land based provision. Specialist land based colleges and general further education colleges that have a land based faculty or campus have been routinely included in area reviews. Sparsholt College raised the point that some options for land based provision in the south have not been explored because colleges delivering the provision were included in different area reviews in different waves including Sussex, Surrey, Thames Valley, Dorset and Hampshire. The themed land based dialogue will provide an opportunity for discussions across land based providers in the south of England to explore the potential for further collaboration and specialisms.

## **Hampshire County Council to develop information, advice and guidance**

Hampshire County Council will lead work with all stakeholders including: colleges; schools; information, advice and guidance providers; and other providers to ensure all school pupils receive unbiased, independent, individual education and careers guidance on the full range of options and provision available to them.

## 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 merger, of Alton College and Basingstoke College of Technology and the merger of Farnborough of Technology with Guildford College in Surrey, and the academisation of Queen Mary's College and Sixth Form College Farnborough extending the breadth and level of the curriculum and addressing some of the overlap and duplication of provision. Further collaboration by the colleges could continue to improve this
- the merger of Alton College with Basingstoke College of Technology enhancing both colleges' resilience to the impact of increased competition. It will also enable better delivery against priority areas of the LEP and local authority and support Basingstoke as a growth town, Whitehill and Bordon as a designated 'step-up' town and the development of the construction skills training at the Future Skills Centre at Bordon
- the conversion of Queen Mary's College and the Sixth Form College Farnborough to academies, maintaining and developing recruitment levels. Collaboration across the phases of education to understand local developments taking place and changing demand will be important, including by those responsible for overseeing it such as the EFA and SFA, LA and Regional Schools Commissioner
- the merger between Farnborough College of Technology and Guildford College Group supporting the strong economic linkages between key sectors in Guildford, Farnborough and the Blackwater Valley especially around digital technologies, professional and business services, aerospace and space, and advanced engineering
- Sparsholt College continuing to explore the development of wider collaboration focusing on potential efficiencies and collaborative provision as part of its future

strategy. The college will continue to lead the Mid and North Hampshire and Surrey colleges of the Enterprise M3 LEP to improve the adult skills agenda and develop the capability and capacity to work collaboratively within the LEP area. The college is collaborating with the LEP to deliver its 'Digital Strategy'<sup>28</sup>

- the 2 Basingstoke and 2 Farnborough colleges taking specific responsibility for working with schools in their areas to ensure that the structural changes planned improve, and do not limit, individuals' options at age 16+
- the Enterprise M3 LEP continuing to collaborate with partners to support the development of an improved information, advice and guidance offer, including provision of labour market information in terms of current and future employment and skills needs and development of other LEP led information, advice and guidance programmes including the Careers and Enterprise Company Enterprise Adviser Network<sup>29</sup> to schools, colleges and those responsible for providing information advice and guidance.

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<sup>28</sup> [Enterprise M3 LEP Digital Technologies Report 2015](#)

<sup>29</sup> [Enterprise Adviser Network](#)



## 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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