



Department
for Education

Cumbria 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, including apprenticeships.

The Cumbria area review covers the Cumbria County Council and Cumbria Local Enterprise Partnership (LEP) area. The area is served by one sixth-form college, (Barrow Sixth Form College) and 4 general further education colleges (Carlisle College, Furness College, Kendal College and Lakes College West Cumbria). There is also a land based college campus situated in Penrith, Newton Rigg, which is part of Askham Bryan College. Cumbria County Council also delivers some further education (FE) provision.

The local steering group was chaired by the Sixth Form College Commissioner, Peter Mucklow, and supported by a representative nominated by the Further Education Commissioner. The review steering group met on 5 occasions between April and September 2016, and additional informal meetings also took place to consider and develop options in greater detail. Membership comprised each college's chair of governors and principal, representatives from Cumbria LEP, the local authority, the Regional Schools Commissioner, and representatives from the Skills Funding Agency (SFA), the Education Funding Agency (EFA), and the Department for Education (DfE).

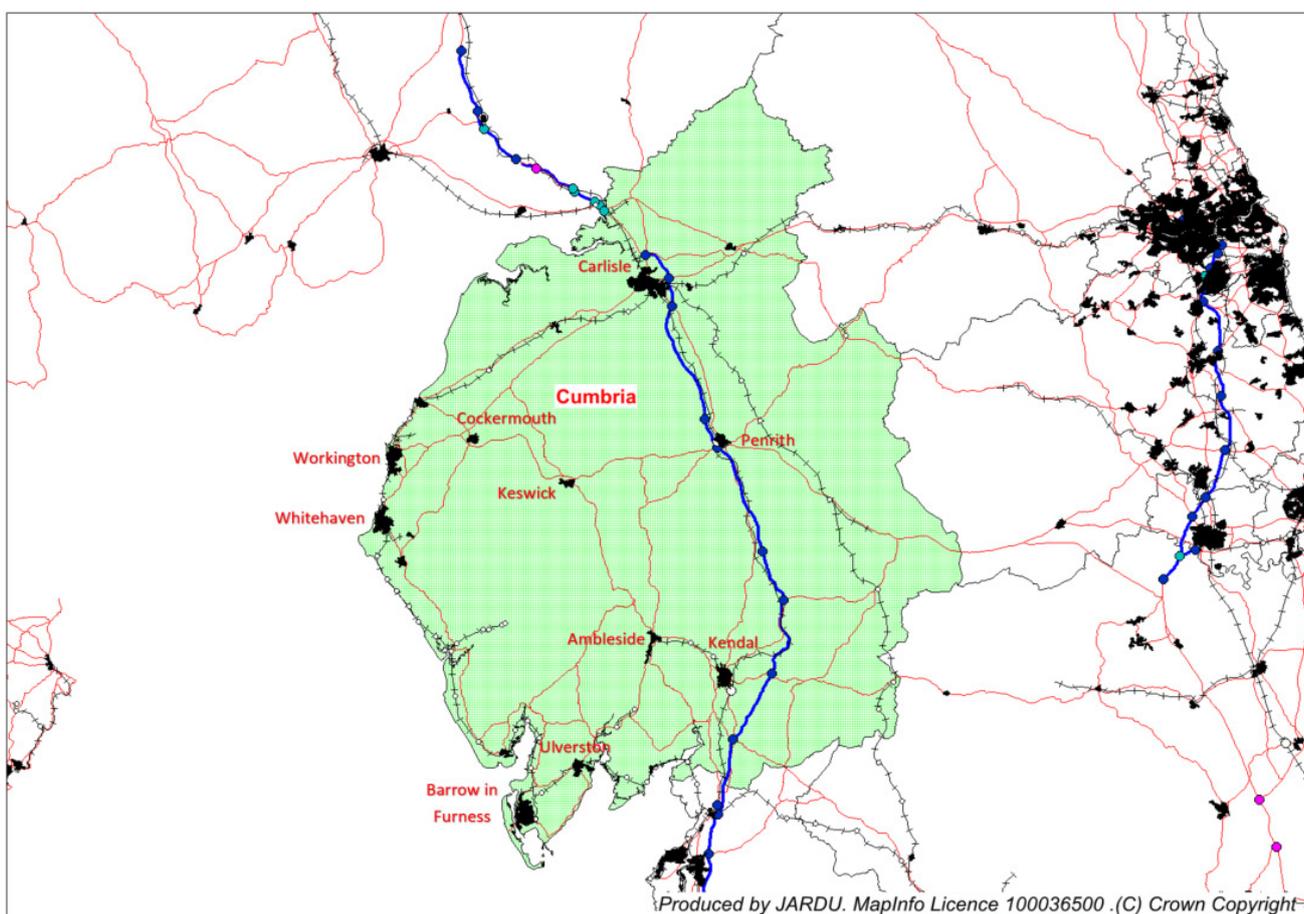
Visits to colleges and support throughout the process were provided by staff from the FE and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and papers used by the steering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

The needs of the Cumbria area

Demographics and the economy

The Cumbria area review covers one local authority area with a total population of around 500,000 people¹. The area comprises 48% of the land mass of the north-west region and is predominantly rural, however there are pockets of diverse and complex economic activity including world-class engineering, manufacturing and energy companies, high quality food and drink companies as well as a unique tourism offer. The county's size and the dispersed nature of its population presents challenges including the transport links for work and learning.

The area is illustrated on the map below:



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

The table below provides a snapshot of key demographic and economic data², which has acted as a starting point for this review.

	Cumbria	Great Britain
Total Population (2015)	498,000	63,258,400
Population aged 16-64	60.5%	63.3%
% with Higher Education Qualifications ³	31%	37.1%
Those formally qualified to Level 2+	74.2%	73.6%
Gross weekly pay ££ of residents	£498.30	£529.60
Gross weekly pay ££ by workplace	£497.70	£529
Out-of-work benefit claimants	1.5%	1.8
% of main benefit claimants	8.2%	8.7%
Jobs density ⁴	0.89	0.82
Total workplace units:	Cumbria	Average for the North West
Micro ⁵	84.4%	82.6%
Small	13.3%	14.4%
Medium	2.0%	3.0%
Large	0.3%	0.5%

² 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.

³ Percentages relate to those aged 16 to 64.

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 north-west region as a whole is 0.78%, which is slightly below the national average.

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

The key points to note are:

- according to the latest Index of Multiple Deprivation data⁶, Barrow in Furness and Copeland are the most deprived areas within the county. Of the 39 LEP areas, Cumbria is ranked 15th of 39 in relation to overall deprivation
- throughout the review, members of the steering group emphasised the relative isolation of large parts of the area, and the challenges of access to education and training in terms of the cost and availability of public transport
- the percentage of people aged 16-64 with a higher education qualification is below the national average
- nearly three-quarters of the population aged 16-64 across the area are qualified with a formal level 2 qualification (equivalent to 5 GCSEs at grades A*-C), and this is slightly higher than the national average
- levels of pay of residents (and when calculated according to workplace) are below the national average
- the predominance of smaller businesses, with few large employers.

Patterns of employment and future growth

The majority of Cumbrian residents work within Cumbria. A small proportion (5.5%) travel outside of the county.⁷

Across all areas of Cumbria, most people work within the district in which they reside, from 90% in Carlisle to 70% in Allerdale. There are 3 main cross-boundary travel to work areas in Cumbria: between Allerdale and Copeland, between Barrow-in-Furness and South Lakeland, and between Allerdale, Carlisle and Eden. There is relatively little movement between Copeland and Barrow-in-Furness, despite their proximity⁸.

Replacement demand in Cumbria is estimated at 66,500 jobs between 2016 and 2021 inclusive. In excess of 40% of all replacement demand jobs are expected to be at level 4 and above. Over the same period, it is estimated that approximately 7,300 new jobs will be created in the nuclear sector, largely as a result of the new build programme at Moorside.

Over the same period, an estimated 6,500 new jobs will be created through general (non-nuclear) economic growth and other infrastructure schemes. Between 2016 and 2021 inclusive, an estimated 80,300 jobs may therefore need to be filled in Cumbria.⁹

⁶ DCLG Index of Multiple Deprivation – see data annex: Deprivation

⁷ [2011 Census](#)

⁸ ONS Location of Usual Residence and Place of Work – see data annex: Travel to Work

⁹ [Cumbria Skills Investment Plan](#)

LEP priorities

The LEP's vision for Cumbria is to have one of the fastest growing economies in the United Kingdom (UK), in an energised and healthy environment. The strategic economic plan conveys the local economic partnership's ambition for 2024, which includes creating 15,000 additional full-time equivalent jobs, boosting Cumbria's economy by £600 million more than current predictions, supporting local planning authorities to deliver 30,000 new homes, raising skills levels and reducing skills gaps.

Cumbria's Strategic Economic Plan¹⁰ identified 4 key economic drivers:

- advanced manufacturing growth: Cumbria has a rich industrial heritage and a highly regarded manufacturing sector. Two of the UK's largest industrial sites are located in the county, the nuclear industry at Sellafield in West Cumbria and the submarine shipyard operated by BAE Systems at Barrow-in-Furness, while food manufacture is very important to Carlisle. Production units operated by multinational companies can be found throughout the county
- nuclear and energy excellence: the nuclear industry is one of Cumbria's key assets, with a hard-won global reputation for excellence and innovation. Sellafield is Europe's most complex nuclear site and employs around 10,000 people, with thousands more in the supply chain in market-leading local companies
- vibrant rural and visitor economy: the majority of Cumbria's businesses and its resident population are located in rural areas, and as such the county's rural economy is diverse and multi-sectoral. The rural nature of Cumbria is one of its defining features, boasting magnificent land and seascapes and tremendous resources. The Lake District National Park attracts millions of visitors each year and is widely recognised as one of the most scenic areas of England. The west of the county has a stunning coastline that presents opportunities for economic growth, while the north of the county hosts a significant part of Hadrian's Wall and the historic city of Carlisle
- strategic connectivity of the M6 corridor: in the UK and Eire context, North Cumbria is at the geographical centre for distribution and redistribution. Logistics and agri-related businesses are thriving along the M6, with Carlisle hosting Eddie Stobart, a large and important employer in the logistics and distribution sector. Other leading businesses include the H&H Auction Mart at Rosehill (the largest mart in England), AW Jenkinson in Penrith (a national distributor of timber products) and Houghton Parkhouse in South Lakeland (a leading agricultural haulage manufacturer).

¹⁰ [Cumbria Strategic Economic Plan](#)

Feedback from LEP, employers, local authorities and students and staff

Feedback from the LEP, employers, schools, local authority/district council representatives and independent training providers consulted during the area review process drew attention to the need for:

- all schools, providers, and employers to work together in a joined-up and collaborative manner to deliver the skills required in the area
- provision to remain distributed effectively so learners (and employers) can access high quality provision within a reasonable travel-to-work / learn distance, both in terms of cost and distance. Students expect access to regular, affordable transport in order to access their education
- access to clear and correct information and guidance. Generally, schools and providers were supportive of the current information, advice and guidance arrangements in the review area. However, students stated there was a need for advice and guidance to be improved throughout both schools and colleges in Cumbria to help students make better choices
- recognising the declining population in the area and the creation of new jobs in manufacturing and nuclear industries, the area requires a vibrant skills strategy to retain and attract people into Cumbria.

Employers cited positive and productive relationships with the FE colleges in their area.

Cumbria Skills Investment Plan 2016-2020¹¹ highlights the growth areas over the next 5-10 years, and there is clear awareness of the need to meet the demand that this growth will generate. These growth areas are in STEM areas and also operational, engineering, scientific and project delivery skills shortfalls.

Barrow in Furness Borough Council referenced the role of Furness College as a key partner in the Furness Economic Forum and that the college is working within the context of increased skilled manufacturing jobs and investment in the area.

The University of Cumbria stated that the area of STEM and the specialisms in each college around engineering provide the opportunity to work collaboratively in partnership focusing on STEM development and delivery in Cumbria post 16 through to and including higher education and higher level skills. The university suggested that further collaborative working with the college and independent training providers to respond to the skills gap facing Cumbria and to meet the Cumbria LEP skills plan was crucial to promote Cumbria as a place to stay and progress in education and training at higher skill levels, as well as attract families and young people into the county.

¹¹ [Cumbria Skills Investment Plan](#)

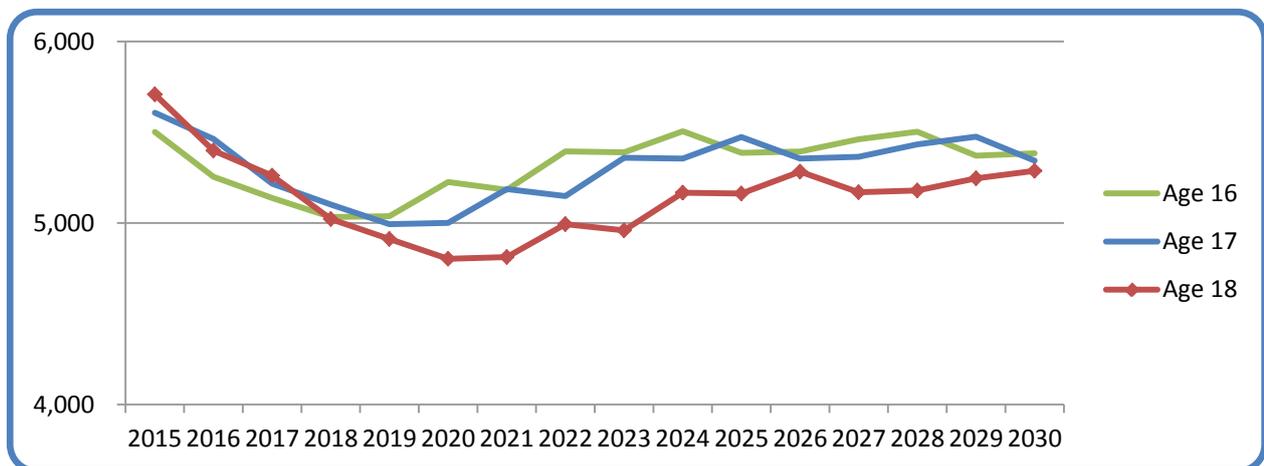
As part of each area review there was engagement with students coordinated by the National Union of Students (NUS). Where the NUS submitted a report on the views of students these are available on [NUS connect](#).

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 about population projections, focusing on the changes in the numbers of young people aged 16+.

The number of young people in Cumbria is declining in the medium-term, with a projected low point below 15,000 in 2019, and then rising to 2030¹².

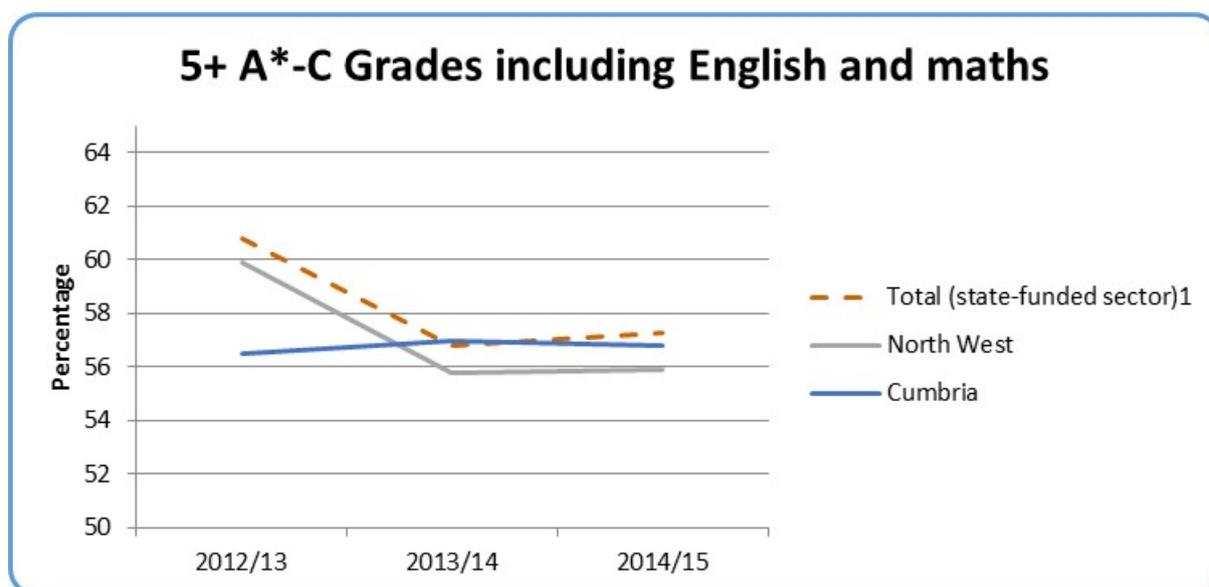


The dip in numbers of young people over the period 2017 to 2020 suggests that all post-16 providers will need to make a cautious local assessment of the potential for overall growth in provision during this period.

12 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 Cumbria is illustrated below¹³.



The overall performance of schools at year 11 (key stage 4) in Cumbria has been close to the national averages (of between 55% and 60%), with a slight improvement between 2012 and 2015. In 2014 to 2015 GCSE performance was above the north-west average and half a percentage point below the national average¹⁴.

These results reinforce the need for significant provision at level 2 (classroom or in the workplace) for 16 year olds, with opportunities to progress to level 3 when they have achieved the required GCSEs or their equivalent.

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 made by schools with sixth-forms. The Regional Schools Commissioner and the local authority 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.

¹³ Local authority and total (state-funded sector) figures covering achievements in state-funded schools only.

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

There are currently 26 funded schools with sixth-forms in the review area, including 7 local authority maintained, 17 academies, a free school and a university technical college. The majority of schools' students in the age range 16 to 18 are enrolled on A level courses.

Overall funded student numbers in mainstream school sixth-forms have decreased slightly in the 3 years from 2013 to 2016 with a total of 4,711 young people funded in a mainstream sixth-form setting in 2015 to 2016¹⁵. Sixth-forms in schools generally offer an academic (A level) curriculum, and the subjects of science, maths and English remain popular A level choices. A number of schools offer BTEC programmes alongside the A level offer. School sixth-forms in the area vary in size and using as a guide, for illustration purposes only, the application threshold of 200 for new school sixth-forms in academies, half of the 26 schools (including local authority maintained and academies but excluding special schools) were funded below that figure in 2015 to 2016. Eight of the 26 schools are funded for a cohort of fewer than 100 pupils.

Performance of school sixth-forms varies. Eight of the sixth-forms of Cumbrian schools had results in 2014 to 2015 which were below average at A level when compared with schools results nationally. The majority of schools with sixth-forms were graded by Ofsted as good or better.

Schools responding to the review consultation mentioned the variety of good quality provision available in their respective localities, both academic and technical education. Travel times, travel costs and availability of transport to access some providers were highlighted as significant barriers to student choice. As with the views from other stakeholders, schools reported that maintaining and developing collaboration and joined up progression routes was essential.

The further education and sixth-form colleges

One sixth-form college and 4 general further education colleges participated in this review. These colleges were:

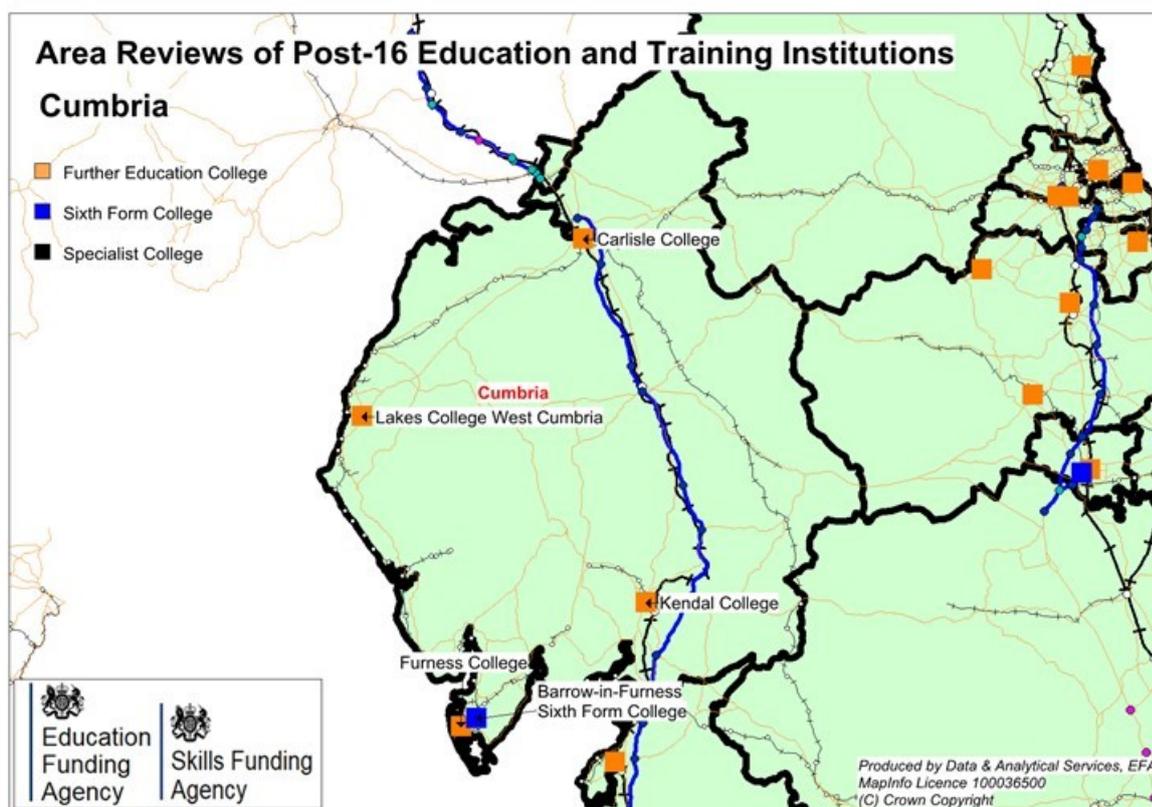
- Barrow Sixth Form College
- Carlisle College
- Furness College
- Kendal College
- Lakes College West Cumbria.

During the review the merger of Barrow in Furness Sixth Form College and Furness College took place, seeing the dissolution of the sixth-form college. This had the agreement of the

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

Sixth Form College and FE College Commissioners and was recognised as being necessary by the steering group.

The location of colleges is illustrated below:



Part of the area review process involved a visit to each college by specialist further education and sixth-form advisers employed by the government. 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 for this review.

The current offer in the colleges

Barrow Sixth Form College offered a broad sixth-form curriculum of 27 A levels and 3 GCSEs. It also offered Cambridge technical qualifications at level 2, 90% of students study at level 3 and 10% study at level 2.

The 4 general further education colleges offer a broad range of technical education, including foundation learning, maths and English, apprenticeships to 16-18 year olds and to adult students, and have developed higher education up to level 7 in response to local demand. All these colleges offer technical courses in health and social care, construction, engineering, sport, IT and business subjects.

In addition to these:

- apprenticeships, primarily at intermediate and advanced levels, are offered by all 4 colleges, with administration, engineering, construction trades, health and social care, and professional business well represented. Overall, the colleges delivering the largest number apprenticeships are Kendal College and Lakes College West Cumbria¹⁶.

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 ¹⁷	EFA allocations (2015 to 2016) ¹⁸	SFA allocations (2015 to 2016) ¹⁹	Total college income (2014 to 2015) ²⁰
Barrow Sixth Form College	Good (March 2015)	£2,446,099	£107,784	£3,977m
Carlisle College	Good (December 2009)	£5,520,881	£2,086,624	£12,562m
Furness College	Good (March 2015)	£5,022,661	£2,255,561	£14,244m
Kendal College	Outstanding (November 2010)	£4,019,681	£2,478,872	£9,819m
Lakes College West Cumbria	Requires improvement (October 2015)	£5,264,154	£3,824,242	£13,416m

Where a college was subject to a financial notice of concern or a financial notice to improve this was a factor which was taken into account in the assessment of options for structural

16 Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

17 Ofsted – see data annex: College inspection reports

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

19 SFA allocations – see data annex: Adult funding

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

change in the review. There were no colleges in Cumbria during the review subject to financial notices of concern issued by the Skills Funding Agency, however following the review, Carlisle College was assessed as being financially inadequate and in November 2016 was issued a notice of concern for financial health.

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

Higher education in further education²¹

Progression of young people to higher education (HE) across Cumbria is variable. Carlisle has the lowest level of participation at 27.7% and South Lakeland has the highest at 40.7%, compared to a national progression rate of 32.6% for the United Kingdom²².

The universities of Cumbria and Central Lancashire offer the majority of higher education in the area.

All of the 4 FE colleges have a portfolio of higher education. The main specialist areas for HE in FE are computer science, engineering and initial teacher training.

The colleges are developing higher level provision, both higher education and higher apprenticeship courses in order to respond to local skills demand.

Provision for students with special educational and disability (SEND) and high needs²³

In 2015 to 2016, the EFA funded 241 post-16 places across Cumbria in colleges, special schools and specialist post-16 institutions. Colleges delivered 134 funded places between them. The colleges delivering the highest numbers of funded places are Lakes College West Cumbria and Furness College. The specialist post-16 institution Beaumont College has 2 satellite sites in Cumbria (Barrow and Carlisle) which has grown learner numbers over the last two years.

The local authority has identified that the offer across the FE sector is not suitable for learners with more complex needs - in order to offer this type of specialist provision colleges would need to develop staffing and infrastructure, in partnership with care and health

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

22 Derived from HEFCE POLAR 3 – see data annex: Higher education progression

23 EFA Allocations – see data annex: 16 to 19 funding: High needs

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

Apprenticeships and apprenticeship providers

In 2014 to 2015, there were approximately 3,370 apprenticeships starts in the review area delivered by colleges²⁴. Lakes College West Cumbria had the largest contract for apprenticeships in 2014 to 2015. Kendal College has substantial numbers of apprentices in training. Gen II, an independent provider, delivers a large volume of apprenticeships and is the second largest provider of apprenticeships in the area, after Lakes College West Cumbria. Independent training providers, including larger national companies, deliver apprenticeships across the area.

Overall, the most popular apprenticeships for Cumbrian residents across all providers in 2014 to 2015 were business administration and law; engineering, manufacturing and technologies; health, public services and care; and retail and commercial enterprises.

The split between intermediate level and advanced level apprenticeships delivered by the colleges was around 50%.

The colleges' offer is also made in part or in totality through a sub-contracted route for a number of providers, for example CITB, JTL and most notably the significant delivery by Furness College for BAE, again highlighting the importance of the college sector in the apprenticeships offer within Cumbria. This pattern of apprenticeship delivery in the area may change in 2017, with the introduction of the apprenticeship levy²⁵.

Competition

With the exception of Furness College and Barrow in Furness Sixth Form College, the colleges in Cumbria operate in distinct geographic catchments, and there is limited direct competition between them. Overall there has been a decline in 16 to 18 year olds funded in the colleges between 2012 to 2013 and 2014 to 2015, with the steepest drop at the sixth-form college. Post-16 student numbers in Cumbrian schools remained broadly static over the same period.

The general FE colleges have all experienced declines in their Skills Funding Agency allocations.

²⁴ Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

²⁵ 'Apprenticeship levy and how it will work' on gov.uk

Land based provision

Landex, the sector organisation that represents a significant number of colleges which deliver land based 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.

Askham Bryan College has a land based college campus based in Penrith, Newton Rigg. The college has significant delivery across a range of land based provision including agriculture, animal management, veterinary nursing, equine, horticulture and game keeping and country side. The college also delivers a smaller amount of general further education. Engineering provision is geared to the agricultural industry and the college has recently introduced overhead line engineering. The college offers apprenticeships across all sector subject areas all of which are recruited and managed centrally through the York campus of Askham Bryan College.

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.

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 were:

- ensuring the work that has already commenced to resolve the position of Barrow in Furness Sixth Form College is completed. Whilst the college is financially weak and continues to see a fall in student numbers year on year, it is acknowledged that the quality of teaching and learning delivered by the college, the high achievement rates and the need to retain the provision is important for individuals and employers in the area. It should be noted that due to the urgency of the financial viability issues of the sixth-form college the merger with Furness College took place during the area review period
- resolving the position of Carlisle College which is financially weak and is not able to continue as a stand-alone college in the longer term. Carlisle is central to the development of logistics and distribution infrastructure within Cumbria and is associated with the airport and the future skills requirements. A high quality sustainable further education presence is important to address the needs of individuals and employers
- the significant higher level STEM skills demand for the developments within the nuclear industry and advanced manufacturing and engineering, associated with Sellafield and BAE Systems
- the requirement to have in place clear progression routes for young people leading to higher apprenticeships and degree level study. In addition, the need to retain young people within Cumbria on completion of their study to help meet the potential skills gap between the number of jobs there will be in the next 10 years and the number of people to fill those opportunities. The university, colleges and the LEP recognise the need to work collectively and collaboratively on strategies to meet the skills requirements of Cumbria
- the importance of securing longer term financial viability of colleges, across the area, through actions to improve efficiency
- the desire of stakeholders to consider fully a Cumbrian solution to the issues identified above alongside emerging options involving institutions from outside of the area.

Initial options raised during visits to colleges

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

The types of options discussed were:

- formal structural change (mergers or federations) which, if well planned and carefully managed, were considered to have the potential to improve financial viability, address quality improvement, and retain a good choice of subjects and options for students. Options raised at an early stage included consideration of whether all the Cumbrian colleges should merge, collaboration options involving the University of Cumbria, and more straightforward 2 college merger options, including colleges outside of the review area
- sharing services through a joint venture organisation – creating a legal partnership to maintain and develop the delivery of education and skills training in Cumbria which meets the needs of Cumbria, its young people, adults and employers, whilst maximising efficiency and securing long-term sustainability
- the case for one or more providers to remain stand-alone whilst ensuring the future sustainability of the provision.

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 F²⁶ (revised March 2016).

²⁶ [Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53](#)

Recommendations agreed by the steering group

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

- Lakes College West Cumbria and Carlisle College to merge
- Kendal College to stand-alone
- the merged college of Furness College and Barrow Sixth Form College to stand-alone
- joint venture between the colleges and the University of Cumbria
- LEP/LA led post-16 skills forum.

Each of these options is now outlined in more detail:

Lakes College West Cumbria and Carlisle College

Lakes College West Cumbria and Carlisle College to merge.

- during the area review, 3 merger options were considered for Carlisle College which all presented a number of key strengths – Lakes College West Cumbria, Newcastle College Group (NCG) and the University of Cumbria. All provided a strong financial option for the college. The proposal for merger with NCG demonstrated their track record for working with a number of colleges on delivery and expansion into higher education, including degree apprenticeships. The option of merger with the University of Cumbria demonstrated a commitment to strengthening local progression routes to level 4 and above, including apprenticeships and an enhanced coverage to economic priority sectors
- the recommended option for Lakes College West Cumbria and Carlisle College to merge will provide a large, financially sustainable and resilient general FE college benefiting from economies of scale and more resilient to longer term changes in policy and funding
- the merger provides the opportunity for Lakes College West Cumbria to benefit from Carlisle College's quality systems and improve the recent Ofsted grade from requires improvement to at least good. In addition, there is the opportunity to share quality improvement activity for HE and apprenticeship provision
- the proposed merger is underpinned by a collaborative approach to curriculum delivery across the two colleges, combining some specialist provision and specialist facilities, including meeting the needs of learners with more complex requirements. Shared management and oversight of curriculum areas will, in turn, enhance the opportunities available to increased number of learners across a wider geographical area with clear progression routes leading to higher apprenticeships and degree level study. It will address Cumbria's emergent skills and employment needs and in particular the requirements of STEM and nuclear in the west and advanced

manufacturing in the north and the visitor economy across the area. The merged college will build on existing collaborative work of the Cumbrian colleges and will continue to provide a sound basis for engagement with employers and the LEP, providing an interface for the colleges with key stakeholders and embracing and responding to the key economic demand for higher level skills in key industries

- the recommendation for a merged college provides a Cumbrian solution for the Cumbrian economy and Cumbrian people. This option has strong stakeholder support, particularly from the LEP, local authority and the University of Cumbria. The recommendation does not, however, preclude consideration of future merger/s as part of further consolidation of the FE sector in Cumbria, which could further support the aspirations for the area and its communities including a quality and sustainable FE infrastructure.

The Carlisle College Corporation declined to pursue this option and wishes to pursue an alternative merger, and will be requested to provide information on its future plans to the Sixth Form College Commissioner and Skills Funding Agency to demonstrate the viability of this.

Kendal College

Kendal College to stand-alone.

- the college has forecasted a strong financial position, based on a robust growth plan that was fully tested throughout the review. The college will continue to review its financial position following the area review. In the event that growth does not materialise as expected, the college will seek a merger partner which could be within the Cumbrian colleges' infrastructure or could include options with colleges in Lancashire or North Yorkshire
- the college's track record of delivering outstanding provision alongside evidence of strong LEP and local authority support and confidence in the detailed growth plans supports the stand-alone option for Kendal College, whilst recognising that the growth plans are demanding and ambitious
- in line with LEP priorities the college plans to increase the ratio of level 4 and above provision, including higher level apprenticeships. Currently learners can progress in-house from level 1 to level 5 in 6 sector skill areas and the college has introduced new and enhanced programmes to address shortages in LEP priorities.

Furness College and Barrow in Furness Sixth Form College

The merged college of Furness College and Barrow Sixth Form College to stand-alone.

- the merger took place during the area review on 1 August 2016. This merger was approved by the Sixth Form College Commissioner and Minister of State for Skills as an imperative to retain the high quality teaching, learning and achievement rates at the sixth-form college against a backdrop of declining financial health
- the financial sustainability of the newly merged college has been tested and is robust. This does not however preclude consideration of future mergers as part of further consolidation of the FE sector in Cumbria, which could further support the aspirations for the area and its communities including a quality and sustainable FE infrastructure
- the merged college maintains the technical and academic curriculum offer in Furness College alongside efficiencies in curriculum, staff deployment and management cost, securing longer term financial viability through improved efficiencies and reduction in costs
- the newly merged college has strong employer and stakeholder support, including from the LEP and LA, in addition to maintaining its unique partnership with BAE systems, particularly in the delivery of apprenticeships and higher level skills in STEM subjects.

Joint Venture Organisation

Form a legally constituted joint venture between the University of Cumbria, Carlisle College, Kendal College, Furness College and Lakes College, West Cumbria.

- the primary purpose of the joint venture organisation will be to support the implementation of the Cumbria Skills Investment Strategy, through coordinating responses to available funding streams. It will provide a common point of contact for employers who do not have established relationships with individual providers and who require support to determine skills training to meet the needs of businesses and help meet the skills gap in the county. A key goal will be to support the growth of traineeships, apprenticeships and higher degree apprenticeships through collaborative working, developing clear progression routes across all organisations into higher level education and training
- the joint venture will be a legal entity in order that it has the capability to hold direct contracts for funding and any future agreed shared services. The organisation will have an agreed constitution with an annual plan and clear business objectives with formal reporting arrangements to monitor progress against the plan and agreed objectives. It is proposed that the organisation will generate efficiencies through partnership working.

LEP / LA led Post-16 Forum

A post-16 forum will be set-up and led by the local authority and the LEP.

- the forum will complement the work of the joint venture organisation

- the forum will bring together the wider range of providers involved in delivery of post 16 education and training to develop and deliver clear strategies that respond to the concerns raised by a wider range of stakeholders with regard to ensuring that all young people have access to high quality information, advice and guidance; that provision at all levels and across all technical and academic routes is accessible to all, including those with complex needs and not limited by where a young person lives; and that there are clear progression routes to higher level skills which are again not limited by where an individual lives.

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

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

- securing a viable future for further education provision in Barrow, resolving the weak and unsustainable financial position of the Barrow in Furness Sixth Form College through merger with Furness College which had commenced prior to and was completed during the area review. The newly merged college is now in a strong position to retain high quality academic and technical education provision to meet the needs of learners and employers in the area
- securing a high quality, sustainable further education presence in the north and west of Cumbria. The proposed merger of Lakes College West Cumbria and Carlisle College will ensure that the provision delivered by Carlisle College is financially sustainable. In turn the quality of the provision delivered by Lakes College will improve provision through shared expertise across both colleges
- meeting the growing requirement for higher level skills from local employers in Kendal, through retaining strong further education provision partnership and collaborative working across the colleges and the University of Cumbria to develop and deliver a coherent strategy to deliver high level skills, particularly around STEM and apprenticeships that will have clear progression pathways for learners and will contribute to the local economy
- a Cumbrian wide solution, involving Cumbrian colleges and the University of Cumbria that meets the needs of stakeholders, particularly the LEP and the local authority.

Next steps

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

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

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

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



Department
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