

Do mergers work?

An analysis of college performance before and after mergers

1. Introduction

1. A total of 47 colleges that have merged between August 1996 and April 2000 have been considered in this analysis.
2. The impact of colleges merging on retention rates, achievement rates and student numbers has been studied.
3. Inspection grades before and after mergers have taken place for these colleges have also been considered.

2. Key Findings

- On average, retention rates have remained constant before and after mergers have taken place. Retention rates for full-time students at colleges before merging averaged at 86.9%, compared with the latest figure for the merged colleges which is 86.2%. Retention rates for part-time students before mergers averaged at 83.6% compared with the latest figures available for these colleges which average at 83.3%. The size of colleges and the time since the merger took place bear little comparison with changes in retention rates.
- Overall achievement rates have fallen slightly at colleges that have merged. Achievement rates prior to merger averaged at 75.2%, whilst the latest figures show that the average achievement rate in colleges that merged between 1996 and 2000 is 73.8%. The size of colleges and the time since the merger took place bear little comparison with changes in achievement rates.

- Student numbers vary significantly between colleges before and after mergers take place. In 11 merged colleges, student numbers have risen since the merger, whilst in 12 merged colleges the number has fallen. If we include figures for Bilston College then on average student numbers have fallen by an average of 817 students, whilst figures excluding Bilston College show that average student numbers have increased by 781 students. Those colleges that merged four or five years ago are more likely to show an increase in student numbers than those who merged within the past year or two. Mergers between two large colleges are the most likely to show a decrease in student numbers after merging.
- A total of 51 inspections were considered in this analysis. 28 inspections of colleges before mergers and 23 inspections after mergers took place have been considered for this analysis. A few inspections were carried out by OfSTED inspectors, whilst most were carried out by the FEFC before April 2001. The average grade awarded for curriculum areas prior to mergers taking place was 2.42, compared with an average grade of 2.45 awarded to colleges after mergers have taken place. The average governance / leadership and management grade awarded before mergers took place was 2.39, whilst the average grade post-merger was 2.38.