



Department
for Education

Sussex Area Review

Final report

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Contents

Background	4
The needs of the Sussex area	5
Demographics and the economy	5
Patterns of employment and future growth	7
West Sussex, Brighton and Hove	7
East Sussex	8
LEP priorities	8
Feedback from LEPs, employers, local authorities and students	9
The quantity and quality of current provision	11
Performance of schools at Key Stage 4	11
Schools with sixth-forms	12
The further education and sixth-form colleges	13
The current offer in the colleges	14
Quality of provision and financial sustainability of colleges	14
Higher education in further education	16
Provision for students with Special Educational (SEN) and high needs	17
Apprenticeships and apprenticeship providers	17
Competition	18
Land based provision	18
The need for change	20
The key areas for change	20
Initial options raised during visits to colleges	20
Criteria for evaluating options and use of sector benchmarks	22
Assessment criteria	22
FE sector benchmarks	22
Recommendations agreed by the steering group	24
Northbrook College and City College Brighton and Hove	24
Chichester College	25
Plumpton College	25
Sussex Coast College and Sussex Downs College	26
Worthing College	27

Bexhill College	27
Brighton Hove & Sussex Sixth Form College	27
Varndean College	28
Central Sussex College	28
Development of a shared service offer	29
Conclusions from this review	30
Next steps	31

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.

Eleven colleges located across East and West Sussex took part in the review. The College of Richard Collyer at Horsham, although located in West Sussex, participated in the Surrey area review, principally because its learner catchment and collaborative links focused largely on Surrey rather than Sussex.

The local steering group was chaired by Sir David Collins, the Further Education (FE) Commissioner, and supported by a representative nominated by the Sixth Form College Commissioner. The steering group met on 6 occasions between October 2015 and May 2016, and additional, informal meetings also took place to consider and develop options in greater detail. Membership of the steering group comprised each college's chair of governors and principal, representatives from Coast to Capital Local Enterprise Partnership and the South East Local Enterprise Partnership, the 3 local authorities (East Sussex, West Sussex and Brighton and Hove), the Regional Schools Commissioner, and representatives from the former Department for Business Innovation and Skills (BIS), the Skills Funding Agency (SFA) the Education Funding Agency (EFA), and the Department for Education (DfE).

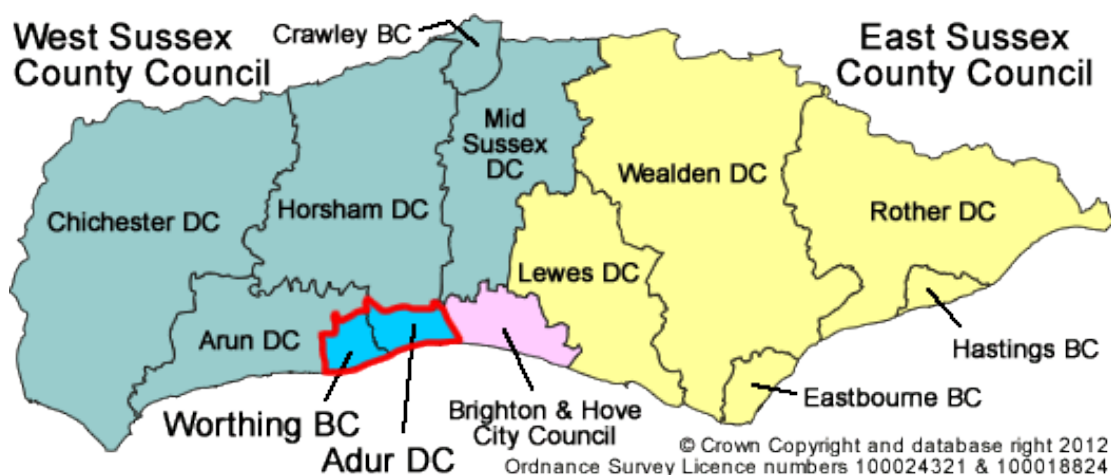
Visits to colleges and support throughout the process were provided by staff from the FE and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and papers used by the steering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

The needs of the Sussex area

Demographics and the economy

The Sussex area review covers the 3 local authorities of Brighton and Hove City Council, East Sussex County Council and West Sussex County Council, with a total population of about 1.66 million people. It includes the 2 cities of Brighton and Hove and Chichester, and a number of major towns (Bexhill, Crawley, Eastbourne, Hastings, Horsham, and Worthing). The population is largely concentrated on the south coast, and where the counties border with Hampshire and Surrey.

The area is illustrated on the map below¹:



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

	Brighton and Hove	East Sussex	West Sussex	Great Britain
Total population (2015)	285,300	544,100	836,400	63,258,400
Population aged	(70.6%)	(57.9%)	(59.5%)	63.3%

¹ [Map of the Sussex area](#)

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.

	Brighton and Hove	East Sussex	West Sussex	Great Britain
16 to 64 (2015)				
% with higher education qualifications ³	48.7%	31.2%	38.5%	37.1%
Those formally qualified to level 2+	80.4%	70.3%	76%	73.6%
Gross weekly pay ££ of residents	£546.60	£527.70	£552.70	£529.60
Gross weekly pay ££ by workplace	£514.60	£479.9	£520.90	£529
Out-of-work benefit claimants	1.4%	1.4%	1.0%	1.9%
% of main benefit claimants	11.1%	11.6%	8.6%	11.8%
Jobs density ⁴	0.81	0.69	0.86	0.82
Total workplace units:				Average for the South-East
Micro ⁵	84.9%	85.9%	84.5%	84.8%
Small	12.6%	12.0%	12.7%	12.3%
Medium	2.2%	1.9%	2.4%	2.5%

3 Percentages relate to those aged 16 to 64

4 Job density - 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.

5 Micro-business have a total of 1 to 9 workers; small businesses 10 to 49 workers (2015 data)

	Brighton and Hove	East Sussex	West Sussex	Great Britain
Large	0.3%	0.2%	0.4%	0.4%

The key points to note are:

- according to the latest Index of Multiple Deprivation data⁶, Hastings, Eastbourne, Brighton, Littlehampton and Crawley all contain pockets of deprivation, but overall Sussex is a prosperous area. Of the 39 LEP areas, the South East LEP (of which East Sussex is only one component part) is ranked 23 to 39⁷ and Coast to Capital LEP 33/39 in relation to overall deprivation
- earnings of residents are consistently higher when compared to averages in local workplaces, which reflects a pattern of commuting to better-paid jobs in other parts of the south-east
- West Sussex outperforms East Sussex on these major economic indicators. East Sussex has higher levels of benefit claimants, fewer jobs, and lower pay than its neighbour. People in East Sussex are less well qualified. Both counties have a population which is older than the national average
- Brighton and Hove stands out as distinctly different from the rest of Sussex. It has a younger population, and higher levels of education (including higher education) than either of the two adjacent local authority areas.

Patterns of employment and future growth

Commuting in and out of the area is high. Brighton and Hove, with fast transport links to Gatwick and through to London ‘exports’ over 37,000 workers and ‘imports’ nearly 32,000⁸. Coast to Capital LEP⁹ reports that over 200,000 people leave their area to work, with 62% commuting to Great London. Others may travel to other parts of the region, for example to Chichester or Crawley.

West Sussex, Brighton and Hove

The area of Greater Brighton comprises the districts of Brighton and Hove, Mid Sussex, Adur (which includes Shoreham), Worthing and Lewes. It forms the basis for the City Deal¹⁰

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

7 Where 1 = most deprived

8 ONS Commuting in the UK – see data annex: Travel to work

9 ONS 2011 Census data

10 Greater Brighton City Deal

approval in March 2014. It builds on the success of the Adur and Worthing district employers in engineering, manufacturing and pharmaceuticals, and Brighton as a hub of creative, culture and media businesses and an attractive centre for new businesses to start up.

Employment north of Brighton, supported by good transport links is relatively buoyant. Starting in Croydon and ending in Brighton, the Gatwick Diamond and Manor Royal¹¹ is already supporting clusters of major employers in advanced manufacturing and engineering, aviation aerospace and defence, environmental technologies, food and drink, financial services and life sciences, health technology and medical. The geography of the diamond includes the West Sussex districts of Crawley, Mid-Sussex and Horsham and through and down to Brighton and Hove and has at its heart Gatwick Airport, a major source of direct and indirect employment in the region.

In other parts of West Sussex, not as directly accessible to Greater London, employment patterns are different. For example, in Chichester, public sector jobs, health, education, and retail are major sectors of employment.

East Sussex

The pattern of employment in East Sussex¹² (including the centres of Eastbourne and Hastings) in many respects is different. Construction, the public sector, and real estate and health are over-represented when compared with the national picture and the sectors of ICT, manufacturing and financial services are currently under-represented. Despite being relatively close to Greater London, rail links between Eastbourne, Hastings and the central part of the south-east are slow.

Significant growth in employment is expected within East Sussex as a result of major capital projects to improve transport and housing. The LEP has identified 12 corridors of growth across its footprint. These include Hastings, Newhaven and Eastbourne, where there are plans to construct new homes. Realisation of these housing plans will have material implications for post-16 education and training in schools, colleges and in the workplace.

LEP priorities

Coast to Capital LEP¹³ (which covers Croydon, parts of Surrey, West Sussex, Brighton and Hove) has identified creative digital and IT, advanced engineering and manufacturing, health and life sciences (including medical technologies), environmental technology and

¹¹ Summary information from Coast to Capital Strategic Economic Plan. Gatwick Diamond and Manor Royale is one of the country's largest Business Improvement Districts, based in Crawley

¹² South East LEP Growth Deal and Strategic Economic Plan

¹³ Coast to Capital Economic Assessment

business and professional services as its priority sectors. These 5 arose from a wider analysis to determine which sectors had a clear local concentration, demonstrated a potential for future growth, and had the reputation and research infrastructure to support new developments. More people with higher level technical and managerial skills are required in most of these sectors to drive growth. Coast to Capital's analysis highlights increased workloads for other staff as the major negative impact of skills shortages, but also identifies issues relating to competitiveness and export potential, including the impact on quality, costs, and the development of new products and services.

Also important and requiring a focus on the development of skills and progression pathways are the visitor economy and health and care due to the high numbers of people they employ across the region. The visitor economy is of particular importance to West Sussex.

In Brighton, Hove and Lewes, Coast to Capital LEP is keen to see significant growth in the numbers of people with technical skills in digital/IT. The area already has a high percentage of jobs in this sector and there are niche businesses in sub sectors such as computer consultancy and advertising. Specific areas of need include computer security and cloud computing (including technical skills in networking and infrastructure). The recently announced Newhaven Enterprise Zone, which sits in the Lewes District, will increase demand for occupations related to low carbon and environmental technologies, advanced manufacturing and marine engineering and potentially some design technology.

The South East LEP (which covers Essex, Kent and East Sussex) has 6 core priority sectors¹⁴. These include all those identified by Coast to Capital, with the addition of transport and logistics (sea and air) and the visitor economy. The LEP has identified specific priority areas for East Sussex which are manufacturing and engineering, agritech, medtech, tourism, creative and digital media, professional and business services, construction, and low carbon technologies. Niche growth priorities include winemaking and artisan brewing, and specific equipment manufacturing for science and engineering. The LEP is keen to grow higher level skills, but also to tackle numeracy, literacy and to improve employability skills.

Feedback from LEPs, employers, local authorities and students

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

- fundamentally improving the reputation and kudos of technical skills as a route to work

- closer alignment between the skills needed by employers and the supply of people coming forward. In Brighton, this specifically includes graduates who have not qualified in the right disciplines to gain employment locally at graduate level. Elsewhere, employers are keen to see colleges become more responsive to skills gaps and employers' needs
- better 'work-readiness' in young people. Colleges were considered to have an important role developing 'soft' skills in all students, such as customer handling and organisational skills, in addition to the core skills of literacy, numeracy and IT
- growth in higher level skills, particularly STEM-related, to support the priority sectors. In this context there is a need for advanced engineering, and to promote the status and value of STEM subjects to young people and prospective new entrants. The University of Chichester is currently broadening its range of degree-level options in STEM, and plans to work in partnership with local FE colleges
- support for people who are furthest from the labour market or who are under-employed, particularly in the Brighton area, and those for whom English was not a first language or who have high needs. There were worries more broadly about the dangers of a two-tier economy, with people trapped at entry-level and in low level employment without the means to progress
- colleges to recognise the different training and workforce development requirements of large corporate organisations and small and medium enterprises (SMEs), and to plan delivery of their services accordingly
- more apprenticeships, with colleges and employers working to provide appropriate, high-quality apprentice vacancies and to ensure a ready supply of young people coming forward to fulfil the roles offered. Both LEPs have identified the need for growth in 'technical' apprenticeships in their priority sectors
- colleges to continue to support sectors which were major employers, but not necessarily areas of growth (for example, health and care and the rural economy)
- colleges to ensure that they had sufficient finance to continue to upgrade their IT infrastructure, develop new areas of work at higher levels, and to invest in the professional development of their staff. This implies the need for colleges to maximise efficiency of their operations, and to carefully review their financial health going forward
- East Sussex County Council expressed a particular need to improve the outcomes for learners in the county, especially at level 3 and provided information on gaps in agricultural areas or in some geographic areas at levels 1 and 2 where learners currently are not willing to travel.

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

The quantity and quality of current provision

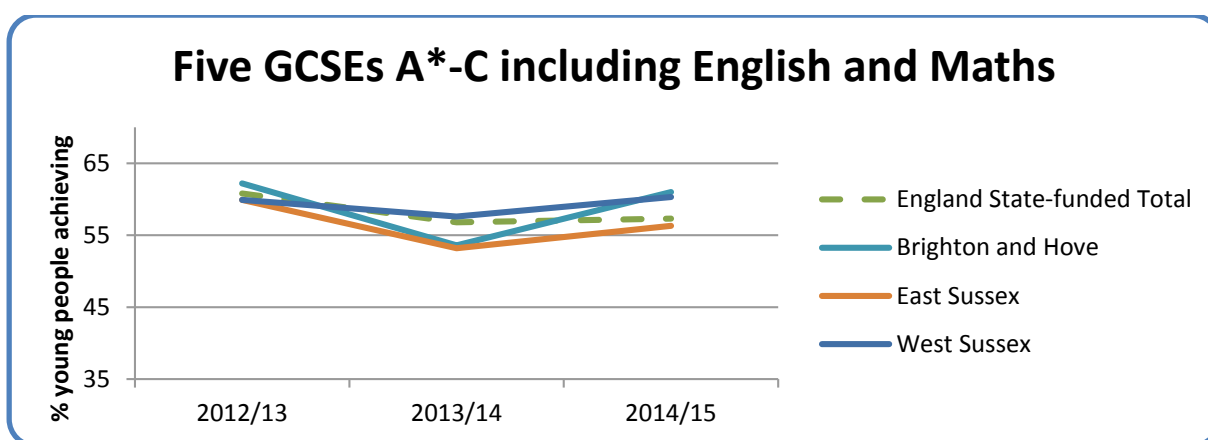
The steering group considered information provided by each local authority about population projections, focusing on the changes in the number and needs of young people aged 16+.

In East Sussex, the estimates of the numbers of young people aged 16 to 19 is declining, with the low point reached in 2021, after which numbers will increase. In West Sussex and Brighton and Hove, secondary school numbers will reach their low point by 2018 and will then increase year-on-year to at least 2031. This growth will start to filter through into post-16 by 2019¹⁵.

However, these figures do not take account of population due to housing growth. The continuing prosperity of the south-east as a whole, and plans to improve infrastructure in East Sussex, outlined above, may mean that the upwards trajectory of young people aged 16 to 19 in the area increases at a faster rate beyond 2020.

Performance of schools at Key Stage 4

The recent trend in GCSE pass rates for 16 year old school pupils completing year 11 across the 3 local authorities is illustrated below ¹⁶.



The overall performance of schools at year 11 (key stage 4) within the review area is generally at or the above the national average, with regard to attainment of 5 GCSEs, A*-C, including English and maths, except in East Sussex, where it is below the average.¹⁷ The 3 local authorities all show an improving picture.

¹⁵ ONS sub-national population projections – see data annex: Population projections

¹⁶ School Key Stage 4 results – see data annex. Local authority and total (state-funded sector) figures covering achievements in state-funded schools only

¹⁷ In 2013 to 2014 a change in how the GCSE performance of schools was defined led to a drop in the overall numbers of students achieving 5 GCSEs A*-C, including maths and English.

This improving picture of GCSE results, coupled with future growth in numbers of young people, reinforces the need for significant post-16 provision at level 2 and 3 (based either in the classroom or in the workplace). The short-term demographic picture in East Sussex, with fewer 16 to 18 year olds, suggests that colleges will need to consider carefully the implications of this in putting forward plans for growth.

Schools with sixth-forms

Area reviews of post-16 education and training institutions are predominantly focused on general 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. Regional Schools Commissioners and local authorities have had the opportunity to identify any issues with school sixth-form provision, and feed these into the review. We expect Regional Schools Commissioners to take account of the analysis from area reviews in any decisions they make about future provision.

There are currently 39 funded schools with sixth-forms in the review area, including 18 local authority maintained and 21 academies, over half of which are located in West Sussex. This includes a free school, a studio school and a university technical college. In addition there are 23 special schools designated as having post-16 provision¹⁸. Most school pupils in the age range 16 to 18 are enrolled on A level courses.

Overall funded student numbers in school sixth-forms increased by 5% in the 3 years 2013 to 2014 to 2015 to 2016, with a total of 8,431 young people taught in a sixth-form setting¹⁹. School sixth-forms in the area vary in size but, using as a guide, for illustration purposes only, the application threshold of 200 for new school sixth-forms in academies, there are 21 school sixth-forms (including local authority maintained and academies but excluding special schools) that were funded below that figure in 2015 to 2016. At the most recent inspection, 9 schools were graded by Ofsted as outstanding, 19 as good and 11 as requires improvement.²⁰

Schools responding to the review stakeholder engagement mentioned the importance of accessibility and transport if young people are to have a choice of high quality academic and technical education options at age 16+. They commented on the range of productive

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

19 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.

20 Ofsted – see data annex – School inspections

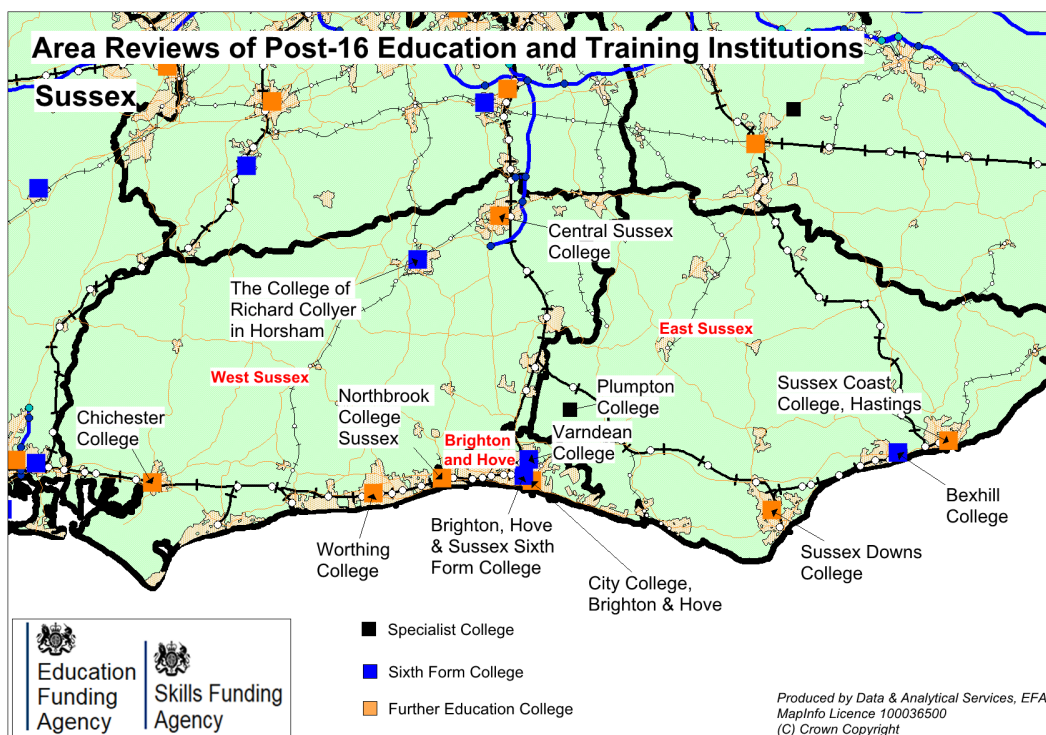
relationships with colleges and the strength of many school/college partnerships which were in place.

The further education and sixth-form colleges

Eleven colleges (3 sixth-form colleges, 7 general further education colleges and a specialist further education land based college) participated in this review.

- Bexhill Sixth Form College (based in Bexhill, East Sussex)
- Brighton, Hove & Sussex Sixth Form College (based in Brighton)
- Central Sussex College (with sites in Crawley, Haywards Heath and East Grinstead)
- Chichester College (with a main site in central Chichester, and land based provision 20 miles to the north-east, at Brinsbury)
- City College Brighton and Hove (with a main site in central Brighton)
- Northbrook College (based in Worthing and Shoreham)
- Plumpton College (a specialist land based college based near Lewes)
- Sussex Coast College (based in Hastings)
- Sussex Downs College (Eastbourne, Lewes and Newhaven)
- Varndean College (a sixth-form college based in North Brighton)
- Worthing College (based in Worthing)

The locations of the colleges are shown below:



Part of the area review process involved a visit to each college by specialist further education and sixth-form college advisers who report to the respective commissioners. The

advisers met with governors, senior managers and staff, and reviewed a wide range of documents and data relating to each college's current range and quality of provision, their track record in attracting students, and their overall financial health. Through a data sharing protocol between members of the steering group, the information from each of the visits was shared with colleges and has informed the evidence base to the steering group for this review.

The current offer in the colleges

Bexhill College combines an extensive A level curriculum with a wide ranging technical curriculum. They also offer provision for international students.

Brighton Hove & Sussex Sixth Form College offer a largely A level curriculum.

Varndean Sixth Form College in Brighton combines an A level offer with a range of classroom-based technical studies (in health and social care, sport and media). Varndean College also has provision for international students.

A levels are also offered in 5 of the general further education colleges (Central Sussex at Haywards Heath, Chichester, Sussex Coast and Sussex Downs and Worthing). From September 2016, Central Sussex College will no longer be enrolling new A level students because of declining numbers, and the Haywards Heath site will close by July 2017.

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

All the general further education colleges offer foundation courses in maths, English and English for Speakers of Other Languages (ESOL). These are aimed at individuals who are not yet at level 2 (GCSE equivalent).

Quality of provision and financial sustainability of colleges

The table on the following page provides a summary of the size and quality in each of the colleges.

College	Most recent overall Ofsted grade²¹	EFA allocations (2015 to 2016)²²	SFA allocations (2015 to 2016)²³	Total college income (2014 to 2015)²⁴
Bexhill Sixth Form College	Good (Oct 2015)	£8.33m	£315K	£9.2m
Brighton, Hove & Sussex Sixth Form College	Outstanding (Oct 2012)	£10.62m	£52K	£11.4m
Central Sussex College	Requires Improvement (Oct 2014)	£13.33m	£4.40m	£27.4m
Chichester College	Outstanding (March 2014)	£18.04m	£7.79m	£53.9m
City College, Brighton and Hove	Good (June 2011)	£10.26m	£3.75m	£19.9m
Northbrook College	Good (Oct 2013)	£7.42m	£5.72m	£23.9m
Plumpton College	Good (Oct 2013) ²⁵	£6.2m	£1.50m	£15.9m
Sussex Coast College	Good (Jan 2014)	£8.30m	£6.60m	£23.4m
Sussex Downs College	Requires improvement (Nov 2015)	£17.65m	£4.81m	£36.9m
Varndean College	Good (Sept 2012)	£6.60m	£263K	£8.2m
Worthing College	Good (Feb 2016)	£6.70m	£472K	£8.2 m

21 Ofsted – see data annex: College inspections

22 EFA allocations – see data annex: 16 to 19 funding: EFA published funding allocations for 2015 to 2016 will not reflect changes made post 15 September 2015

23 SFA allocations – see data annex: Adult funding: Adult Skills allocations to sixth-form colleges are primarily to fund students aged 19 and older. SFA published funding allocations reflect the position at September 2015

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

25 Plumpton College was re-inspected just after the review in May 2016 and was assessed as requires improvement

Where a college was subject to a financial notice of concern or a financial notice to improve, this factor was taken into account in the assessment of options for structural change in the review. Central Sussex College and City College Brighton and Hove are subject to a financial notice of concern issued by the Skills Funding Agency.

Overall, the condition of college buildings is 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 education²⁶

Progression of young people to higher education (HE) across Sussex is variable, and there are a number of coldspots notably in Hastings, the coastal settlements between Newhaven and Chichester, and in Crawley. Hastings, in particular, has low rates of participation in HE (10%), whereas in central areas of East and West Sussex, progression to HE in many areas is over 50%. HEFCE data indicates that Sussex students are highly mobile, although London and Brighton are popular destinations for HE for local students.

The 3 universities of Brighton, Chichester and Sussex offer the majority of HE provision in the area²⁷. The FE colleges all have a portfolio of higher education, with Northbrook College in Worthing having well over 1000+ students. The main specialist areas for HE in FE colleges are creative arts and design (with all 5 general FE colleges offering provision), engineering (Central Sussex and Northbrook), health and social care (Sussex Downs and Northbrook), business (City College Brighton and Hove), and land based HE (Plumpton). Northbrook College also offers higher apprenticeships.

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

²⁷ HEFCE – see data annex: Higher education providers

Provision for students with Special Educational (SEN) and high needs²⁸

In 2015 to 2016, the EFA funded 974 post-16 places across the 3 authorities in maintained special schools, special academies, non-maintained special schools, general further education colleges, sixth-form colleges and specialist post-16 institutions. The FE colleges and sixth-form colleges deliver a total of 329 places between them. The largest college providers are Chichester and Sussex Downs. Provision for students with autism at Sussex Coast College is growing rapidly from a low base.

During the review, the local authorities expressed satisfaction that the high needs provision offered by colleges responded well to local needs, although East Sussex indicated there was a gap in provision around provision for students on the autistic spectrum. The steering group acknowledged that structural changes taking place as a result of the review should not disadvantage post-16 students with SEN or high needs.

Apprenticeships and apprenticeship providers²⁹

Of the colleges in the Sussex area, Chichester College has the largest contract for apprenticeships with over 1,000 in training. Northbrook College and Sussex Coast College both have substantial numbers of apprentices, with Northbrook undertaking a significant number of higher apprenticeships in health and social care. Independent training providers, including larger national companies, deliver apprenticeships across the area, with a total of over 5,000 new enrolments in 2014 to 2015.

Overall, the most popular frameworks are business, health and care, engineering and manufacturing, hospitality and hairdressing, with the colleges comparatively well represented in engineering and manufacturing. Numbers of apprentices in construction are low. This pattern may change in 2017, with the introduction of the apprenticeship levy³⁰.

²⁸ EFA allocations – see data annex: High needs

²⁹ Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

³⁰ 'Apprenticeship levy and how it will work' on gov.uk

Competition

With the exception of the Brighton and Hove local authority area, the further education and sixth-form colleges operate in distinct geographic catchments, and there is limited direct competition between them. Travel patterns are heavily influenced by the availability of good rail links and bus routes.

There has been an increase in the numbers of school sixth-forms between 2013 and 2016 and during the same period there has been a decline in college 16 to 18 enrolments in some instances, with the steepest decline at Central Sussex College. The sixth-form colleges and specialist land based Plumpton College have generally increased their funded student numbers for 16-18 year olds over the period to 2016³¹.

The general FE colleges have all experienced declines in their Skills Funding Agency allocations, although some have successfully built up alternative funding streams from commercial and international work.

Where colleges have experienced a reduction in demand, most have implemented savings to maintain financial health successfully. However, in the case of Central Sussex College, a combination of falling demand, coupled with an unaffordable level of commercial loans for new buildings has created acute long-term financial difficulties which now need to be dealt with as a matter of urgency.

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.

³¹ EFA allocations – see data annex: 16-19 funding

Plumpton College, and Chichester College (at its Brinsbury Campus) offer specialist land based provision (horticulture, animal care/veterinary and agriculture and viticulture), which are LEP priorities.

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 Coast to Capital and South East LEPs and the 3 local authorities set out their priorities that provision in the area should:

- offer more apprenticeship opportunities in key sectors
- provide progression routes to higher level technical skills, particularly in sectors such as construction, advanced engineering, ICT/digital and health and care-related areas.

The key areas for change

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

- resolving the position of Central Sussex College, which is financially weak and has an Ofsted rating of requires improvement. Crawley is central to the Gatwick Diamond area and houses the headquarters for both national and international companies. A high-quality, sustainable further education presence is important to address both the needs of individuals and employers
- the need to grow apprenticeships to contribute to the government's target of 3 million by 2020, and the shortage of people with higher education in technical and specialist areas
- higher education - The colleges, working together, have mapped the current picture of higher level provision in priority sectors (engineering, health, digital and creative and construction) against travel-to-learn information. They have considered how higher apprenticeships (level 4+, and aimed at higher-level technician roles) might be developed by them as an alternative to the traditional academic A level route to full-time higher education. They have also considered the position of local universities in delivering degree apprenticeships. Some specialisation at higher levels exists already, with Central Sussex College leading on construction, and Northbrook College on health and social care at higher levels. There was a commitment to further discussions about collaboration at higher levels in IT and creative
- the importance of securing the longer-term wider financial viability of colleges across the area through actions to improve efficiency.

Initial options raised during visits to colleges

During their visits, advisers reported that all colleges had given thought to potential strategic options in advance. In some cases, this meant informal discussions with neighbouring

colleges and stakeholders to canvas views and to assess the potential level of support for change.

The types of options discussed were:

- formal structural change (including mergers, federations and joint venture companies) primarily to reduce management and back-office costs, strengthen quality of provision and curriculum planning, or share the costs of investment in new areas of work (for example, expanding apprenticeships, increasing commercial income or developing international markets)
- sharing services. Four colleges in Sussex (Chichester College, City College Brighton and Hove, Northbrook College and Sussex Coast College) are members of Services in Sussex and Surrey Colleges Ltd (SISSC). The company provides a common platform for undertaking financial transactions, payroll, HR and e-recruitment. Using SISSC is not the only option for colleges seeking to collaborate to reduce central costs, and other options were explored between colleges about the potential for joint working
- discussions between colleges about the case for specialisation. Concerns were expressed about not weakening access to provision, including at lower levels, for residents living in rural areas. Transport was relatively good from Brighton and Hove through Crawley, Horsham and Gatwick into London. In other parts of the area, particularly East Sussex, it is much more variable
- the case for remaining stand-alone, where student numbers had increased despite growing competition, and underlying finances were sufficiently strong to withstand policy and funding changes
- conversion to an academy. This option is available primarily but not exclusively, to sixth-form colleges. By becoming an academy, a college is able to develop partnerships more easily with other schools in the area. In order to be approved, academisation proposals must be able to demonstrate how they will lead to strong links with schools, whether through joining or establishing a multi-academy trust (with other academies) or as a single academy trust collaborating with other schools in the area. Like other academies, sixth-form colleges which become academies would be eligible to receive reimbursement of their non-business VAT and would be classified as public sector bodies.

Criteria for evaluating options and use of sector benchmarks

Assessment criteria

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

- meets the needs of current and future learners 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 set of sector 'quality and financial indicators' and related criteria.

Financial benchmarks relate to delivering annual 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 F³² (revised March 2016).

³² Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53

Recommendations agreed by the steering group

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

- a merger between Northbrook College and City College Brighton and Hove with a focus on the development of apprenticeships and higher level skills to meet local need
- Chichester College to remain stand-alone at this point, but to explore the potential for partnership with (an)other college(s)
- Plumpton College to remain stand-alone, exploring collaboration around land based FE and HE provision and shared services
- Sussex Coast College and Sussex Downs College to form a legally binding federation (in September/October 2016) and undertake a feasibility study to explore all models of joint working, including merger
- Worthing College to remain stand-alone, but to explore the potential for academisation
- Bexhill College to remain a stand-alone sixth-form college
- Brighton Hove & Sussex Sixth Form College (BHASVIC) to remain a stand-alone sixth-form college, but to explore academisation
- Varndean College to remain a stand-alone sixth-form college
- the preferred option for Central Sussex College should be a merger with a strong college, with a suitable partner identified as soon as possible. The financial problems faced by the college need to be addressed by the government by the end of August 2016
- development of a shared service offer through Services in Sussex and Surrey Colleges.

Each of these options is now outlined in more detail:

Northbrook College and City College Brighton and Hove

A merger with a focus on the development of apprenticeships and higher level skills to meet local need.

Northbrook College in Worthing, and City College Brighton and Hove, are 16 miles apart and are connected by direct rail and road links. The merger would create a major FE college with an annual turnover of around £40 million, serving the needs of the Greater Brighton City Deal area, and capable of responding to the needs of growth of digital/media, engineering, technology and health sectors. Five primary campuses (in Shoreham, Brighton and Worthing) would be retained.

- in terms of meeting current and future needs, courses at levels 1-3 which meet local needs, and provision for high needs students will be maintained. The merged college

intends to focus new developments on higher level technical skills for employers in their area. Capacity to increase the delivery of apprenticeships will be developed through the creation of a new joint venture company

- with financial sustainability, there is a need to reduce costs, and to ensure that longer-term the merged college is able to move successfully to meet the sector's financial benchmarks. Cost savings will be achieved through reductions in management and administration
- both colleges achieved an overall grade of good in their most recent Ofsted inspections. They will build on this position and exchange good practice to ensure that all provision offered by the merged college achieves at least good
- the college's specialisms, consistent with the needs of the area will be creative and digital (based in Brighton and Worthing), engineering (at Shoreham and Worthing), and construction (Brighton).

Chichester College

To remain stand-alone at this point, but to explore the potential for partnership with (an)other college(s).

Chichester College is the largest college in Sussex. It has high quality provision, and fully meets the financial benchmarks developed for area reviews. While the college is capable of standing alone, governors recognise the additional value which would arise from merger or partnership with others both to share costs and to develop new income generation opportunities.

- the college offers a wide range of technical education and training across all sectors. It will continue to offer courses for 14 to 16 year olds, provision for students with high needs, full-time study programmes and apprenticeships for those aged 16 to 18, and a wide range of courses for adults, including higher education. Provision in the workplace will be strengthened through growth in apprenticeships (including higher apprenticeships) and more workplace learning. The substantial programme of work with international students will be retained
- the college's accounts indicate that Chichester College is in a strong financial position and their most recent Ofsted grade is outstanding
- specialist courses will be developed further in construction, furniture, engineering and land based provision.

Plumpton College

To remain stand-alone, exploring collaboration around land based FE and HE provision and shared services.

Plumpton College is a specialist land based college which offers courses at levels 2 and 3 and higher education. Particular areas of strength in relation to LEP and local authority

priorities are agriculture, horticulture, forestry and arboriculture, agri-food and wood fuel technologies, viticulture and wine, agricultural engineering, countryside game and fish management and veterinary nursing.

- in terms of meeting needs, the college is developing greater capacity in agritech and agri-food in line with national developments, local priorities and employer needs. Provision in engineering and food processing will be extended, and there will be a greater focus on technology at higher levels of study. Internally, routes from lower skills to higher skills will be improved to enable more students to progress. Capacity to deliver apprenticeships and other forms of workplace learning will be increased
- Plumpton College is in a strong financial position. The college had a good rating from Ofsted at the time of the review. The college was re-inspected just after the review and was rated as requires improvement
- Plumpton College is part of a national network of land based colleges. These colleges are giving consideration to how they might work together to develop and deliver higher-cost specialist courses that meet employer needs. The college's residential facilities mitigate to some extent issues with travel-to-study for specialist provision.

Sussex Coast College and Sussex Downs College

To form a legally binding federation (in September/October 2016) and undertake a feasibility study to explore all models of joint working, including merger.

The colleges are both positioned in coastal locations approximately 20 miles apart. They are keen to work together on areas of mutual benefit. Their option establishes a legally binding federation, possibly a joint venture, to manage and deliver the majority of training for adults and apprentices. The governance arrangements will be designed to accommodate further areas of joint working for potentially every area of both colleges' activities. The federation will result in a single team across both colleges focused on employer-facing marketing and delivery. They have secured backing for their proposals from employers, from the South East LEP, and from East Sussex County Council.

The federation will increase capacity to deliver traineeships, internships, and apprenticeships and other forms of workplace learning. The offer to individual adults will focus on English, maths, ESOL, and those furthest away from the labour market. The colleges expect to grow their offer at levels 3 and above, and enable operational efficiencies to be made. Rapid expansion of higher education at Sussex Coast College will be achieved through a partnership between the federation and the University of Brighton.

- the federation will increase capacity to deliver traineeships, internships, and apprenticeships and other forms of adult skills training. The colleges expect to grow their offer at levels 3 and above, and enable operational efficiencies to be made. Measurable expansion of higher education at Sussex Coast College will be achieved

through the creation of a university centre in partnership with the University of Brighton

- the colleges recognise that there is further work needed to establish the extent of financial savings that can be made. Quality of provision at Sussex Coast College is good. Sussex Downs College's most recent Ofsted has an overall grade of requires improvement but for adult and apprenticeship provision the college was graded as good
- a feasibility study is underway, and will be completed by August 2016. This is designed to explore the potential benefits of closer collaboration, and all models of joint working, including merger. It is anticipated that the date by which any new arrangements would be fully in place will be for the 2018 to 2019 academic year.

Worthing College

To remain stand-alone, but to explore the potential for academisation.

Worthing College is a small general FE college with a particular focus on 16 to 18 education and training. It recruits some international students. It has extensive provision of A levels, but also classroom technical provision, largely at level 3 in applied science, ICT, sport, health and social care, and business. Full-time ESOL is offered at levels 2 and 3. It has a small but growing number of apprenticeships. New higher education work is planned in conjunction with the University of Chichester for autumn 2016.

Worthing College's accounts reflect a strong financial position. A recent Ofsted inspection has resulted in an overall grade of good. The college intends to stand-alone, but governors will explore options around academisation, shared services and other collaboration during implementation to ensure long-term sustainability.

Bexhill College

To remain a stand-alone sixth-form college.

Bexhill College offers a broad range of A levels and technical education provision to 16 to 18 year olds and adults. The college's accounts reflect a strong financial position and student numbers are growing. Ofsted has graded the college as overall good.

The governors intend that the college should remain stand-alone at present.

Brighton Hove & Sussex Sixth Form College

To remain a sixth-form college, but to explore academisation.

Brighton, Hove and Sussex Sixth Form College (BHASVIC) is the largest provider of A levels in the area, and has 2500+ funded students. The college's accounts reflect a strong

financial position, and student numbers are growing. In its last full Ofsted inspection it was awarded an overall grade of outstanding.

The governors intend that the college should remain stand-alone at present, but they will explore the potential benefits and costs of converting to become an academy. They have also committed to exploring potential cost savings and joint curriculum planning with nearby Varndean College.

Varndean College

To remain a stand-alone sixth-form college.

Varndean College, in North Brighton, is a medium-sized sixth-form college which offers A levels and classroom technical provision to 16 to 18 year olds and some international students. It also provides fee-paying courses for adults. Full-time 16 to 18 student numbers have remained steady for the past 3 years, but with the closure of the Haywards Heath campus, it is expected that numbers may increase, particularly for A level students. The college's accounts reflect a strong financial position, and the college is making further cost reductions to maintain this position. Ofsted has graded this college as good.

The governors intend that the college should remain stand-alone at present, but they have committed to exploring potential cost savings and joint curriculum planning with nearby BHASVIC.

Central Sussex College

The preferred option for Central Sussex College should be a merger with a strong college, with a suitable partner identified as soon as possible. The financial problems faced by the college need to be addressed by the government by the end of August 2016.

Central Sussex College's main site is at Crawley, a town with a strong employer base, centrally-positioned to deliver Coast to Capital LEP's priorities for the Gatwick Diamond. However, the financial position of the college is weak, and their most recent Ofsted grade was requires improvement. In the short term, steps are being taken to address the financial issues, including closure of Haywards Heath and East Grinstead sites. College operations will then be centred on Crawley.

The college has discussed 3 main options with the local steering group - closure, independent operation, and merger. Closure would leave a major gap in fulfilling the needs of individuals and employers. Continued independence would be high risk, as the college would have severely limited resources to invest in achieving the necessary improvements to quality. Merger with another, stronger, college would have the potential to secure both potential investment and quality improvement, but potential partners are concerned about the level of initial financial injection needed to pay down debt.

Discussions are underway to resolve the long-term debt issues as rapidly as possible. The college is currently seeking a merger partner, with the intention that merger should be completed by August 2017. If merger is not possible for any reason, the recommendation is that the college and the government should review how Central Sussex College could be educationally and financially viable as a stand-alone institution.

Development of a shared service offer

Services in Sussex and Surrey Colleges (SISSC Ltd) was formed in 2011. It provides member colleges with a common system and support for the delivery of finance, HR, payroll, staff e-recruitment and project management. The next stage of development is to move to a full shared services model, which would allow members access to scalable, lower-cost transactional processes for business support functions. At this point, these developments would require significant investment in staffing, systems and processes, together with quantification of costs, including redundancy, TUPE transfers and professional advice. These developments will be explored through the area review implementation process.

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 learners and employers for the long term.

Throughout the review, colleges have worked closely with their LEPs, local authorities and the review team, sharing detailed information about their performance and processes. Each 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 identified in: The need for change, will be addressed through:

- securing a viable future for FE provision offered at Central Sussex College (Crawley) through resolution of the current debt position, and identifying a merger partner. This is an urgent and important recommendation to arise from this review
- proposals by the colleges to develop specialisms, particularly at levels 4 and 5 which will provide learners and employers with improved access to training, and address skills gaps and skills shortages. These include a coordinated focus through the merger of Northbrook College and City College Brighton on meeting the skills gaps and shortages of the Greater Brighton area, and agreement between the wider group of FE colleges on local leadership of the important niche specialisms identified by the LEPs (engineering, construction, ICT/digital, health and life sciences, and professional services). Plumpton College's role in the national network of land based colleges will help determine how high-cost niche training for employers in this sector can be improved
- growth in apprenticeships, in particular through the commitments made by Chichester College, Northbrook/City College Brighton, Worthing College and Plumpton College. The development of a joint venture between Sussex Coast College and Sussex Downs College has the potential to transform planning and delivery of traineeships and apprenticeships in partnership with employers
- improved financial sustainability through cost savings identified as a result of federation or merger, and through the development of Services in Sussex and Surrey Colleges (SISSC). Academisation has the potential to reduce non-pay expenditure in Brighton Hove & Sussex Sixth Form College and Worthing College, should governors, following further feasibility work, decide that conversion is the preferred route to pursue.

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](#)³³, 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 how progress is going across all areas.

A national evaluation of the area review process will be undertaken to assess the benefits brought about through implementation of options. This 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.

³³ Restructuring facility guidance



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