



Department
for Education

West of England Area Review

Final report

November 2016

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Background

In July 2015, the government announced a rolling programme of around 40 local area reviews, to be completed by March 2017, covering all general further education and sixth-form colleges in England.

The reviews are designed to ensure that colleges are financially stable into the longer-term, that they are run efficiently, and are well-positioned to meet the present and future needs of individual students and the demands of employers. Students in colleges have high expectations about standards of teaching and learning and the extent to which their learning prepares them to progress further, to higher education or directly into employment.

The local steering group was chaired by Sir David Collins, the Further Education (FE) Commissioner. The steering group met on 5 occasions between January and May 2016, and additional informal meetings also took place to consider and develop options in greater detail. Membership of the steering group comprised each college's chair of governors and principal, representatives from local authorities, the Local Enterprise Partnership, the Diocese of Clifton, 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).

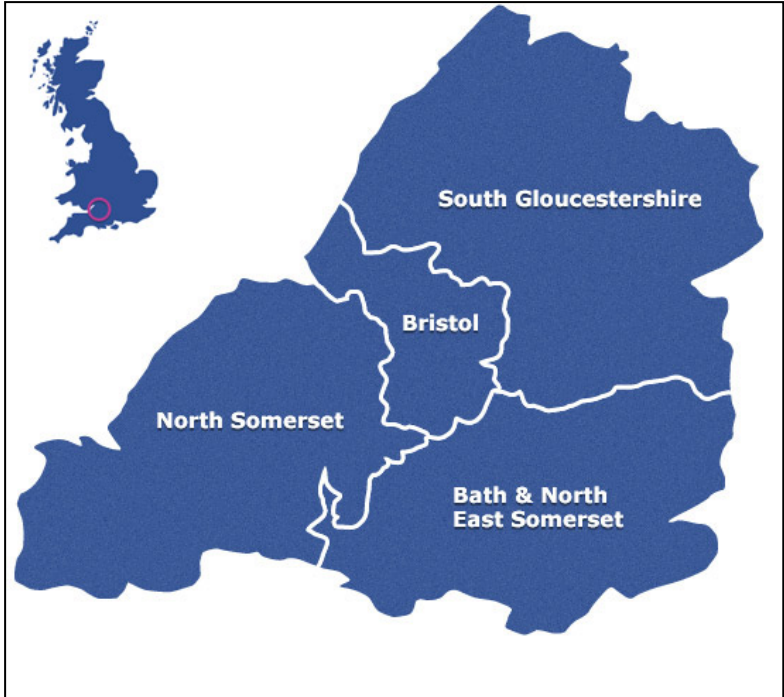
Visits to colleges, and support throughout the process, were provided by staff from the FE and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and papers used by the steering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

The needs of the West of England area

Demographics and the economy

The West of England area review covers the local authority areas of Bath and North East Somerset, Bristol City, North Somerset and South Gloucestershire. In March 2016, the authorities and the government signed a devolution agreement proposal to create the West of England Mayoral Combined Authority. This provides for a range of delegated powers, including responsibility for the 19+ skills budget from 2018 to 2019, upon ratification by the 4 individual authorities. In June 2016, 3 of the 4 authorities voted to ratify the devolution agreement. North Somerset has decided not to continue with the deal. The West of England Mayoral Combined Authority will, therefore, include: Bristol, Bath and North East Somerset and South Gloucestershire Councils. The West of England Local Enterprise Partnership’s geography remains unchanged. More detailed information about the Devolution Agreement¹ and the area review process has been published separately. Five colleges took part in the review: Bath College, City of Bristol College, St Brendan’s Sixth Form College, South Gloucestershire and Stroud College, Weston College.

The area is illustrated on the map below²:



¹ [Devolution Agreement](#)

² [Map of the West of England area](#)

The table below provides a snapshot of key demographic and economic data³, which has acted as a starting point for this review.

	Bath and North East Somerset	Bristol City	North Somerset	South Gloucestershire	Great Britain
Total population (2015)	184,900	449,300	209,900	274,700	63,258,400
Population aged 16 to 64 (2015)	64.5%	68.2%	58.7%	63.1%	63.3%
% with higher education qualifications ⁴	47.9%	48%	36.8%	37.8%	37.1%
Those formally qualified to level 2+	85%	75.9%	81.0%	75.5%	73.6%
Gross weekly pay £ of residents	£522.30	£508.00	£551.80	£540.50	£529.00
Gross weekly pay £ by workplace	£490.50	£528.50	£501.00	£551.40	£529.00
Out-of-work benefit claimants	1.0%	1.7%	1.0%	0.9%	1.9%
% of main benefit claimants	7.4%	12.2%	10.4%	7.7%	11.8%
Jobs density ⁵	0.87	0.97	0.74	0.94	0.82

³ 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.

⁴ Percentages relate to those aged 16-64

⁵ Job density relates to the level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. The job density for the South West region as a whole is 0.86, which is slightly above the national average.

	Bath and North East Somerset	Bristol City	North Somerset	South Gloucestershire	Great Britain
Total workplace units:	9,280	20,615	9,635	11,415	Average for the South West
Micro ⁶	83.8%	81%	84.4%	81.7%	83.7%
Small	13.7%	15%	12.9%	14.5%	13.5%
Medium	2.2%	3.4%	2.4%	3.2%	2.5%
Large	0.3%	0.6%	0.3%	0.6%	0.3%

The key points to note are:

- the dominance of the city of Bristol, which in terms of population, is significantly larger than the 3 other local authority areas
- the qualifications of the working-age Bristol population, which has a high percentage of people qualified to level 4+, but comparatively low percentage of people qualified at level 2
- relatively high average workplace earnings of those in South Gloucestershire and Bristol compared to the 2 Somerset local authorities
- the strength of the job market in South Gloucestershire and Bristol, compared with North Somerset in particular
- the predominance of smaller businesses. However, there are a number of larger employers, particularly in Bristol and South Gloucestershire. These are comprised of large public sector employers, regional headquarters of national organisations, companies focusing on financial and insurance sectors, and large manufacturers (including GKN, Airbus and Rolls Royce)

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

- the percentage of benefit claimants, which, with the exception of city of Bristol, is below the national average
- in terms of ethnicity, the south-west region is predominantly White British (91.8%). In Bristol, this overall figure is 78%⁷. In the central Bristol neighbourhoods of Cabot and Lawrence Hill, more than 50% of people are of ethnic minority origin
- West of England is a relatively prosperous area when compared with the rest of England. However, all 4 local authority areas have neighbourhoods which fall into the 10% most deprived in England⁸. These include:

Bristol City (particularly St Paul's, Laurence Hill, Bedminster and Hartcliffe)
 Parts of South West Bath, Radstock and Keynsham
 South Gloucestershire (to the North-East and East of Bristol)
 North Somerset (Weston-super-Mare).

Patterns of employment and future growth

West of England has a wide range of employment sectors, with financial and business services, advanced manufacturing and defence well represented overall compared to national figures. Overall, there are about 646,000 jobs⁹ in the area.

Commuting patterns across West of England show that 87%¹⁰ of people in work also live in the geographical area. Bristol attracts over 80,000 commuters, while 55,000 residents travel outside their local authority boundaries to work, and in North Somerset, around 14,000 more people commute out than commute in for work¹¹.

LEP priorities

The West of England LEP¹² has identified 7 aspirational sectors for growth as its priority areas. As part of their contribution to the area review process, LEP representatives summarised relevant information from their annual skills survey, which is a broad survey which canvasses the views of employers.

7 The Population of Bristol, October 2015, Bristol City Council

8 DCLG Index of Multiple Deprivations – see data annex: Deprivation

9 Total jobs include employment, self-employment, government-supported roles such as traineeships and apprenticeships. (2014 figures NOMIS)

10 West of England Economic Assessment, 2015

11 Neighbourhood.statistics.gov.uk using 2011 Census data

12 [West of England LEP Local Sector Skills Statements](#)

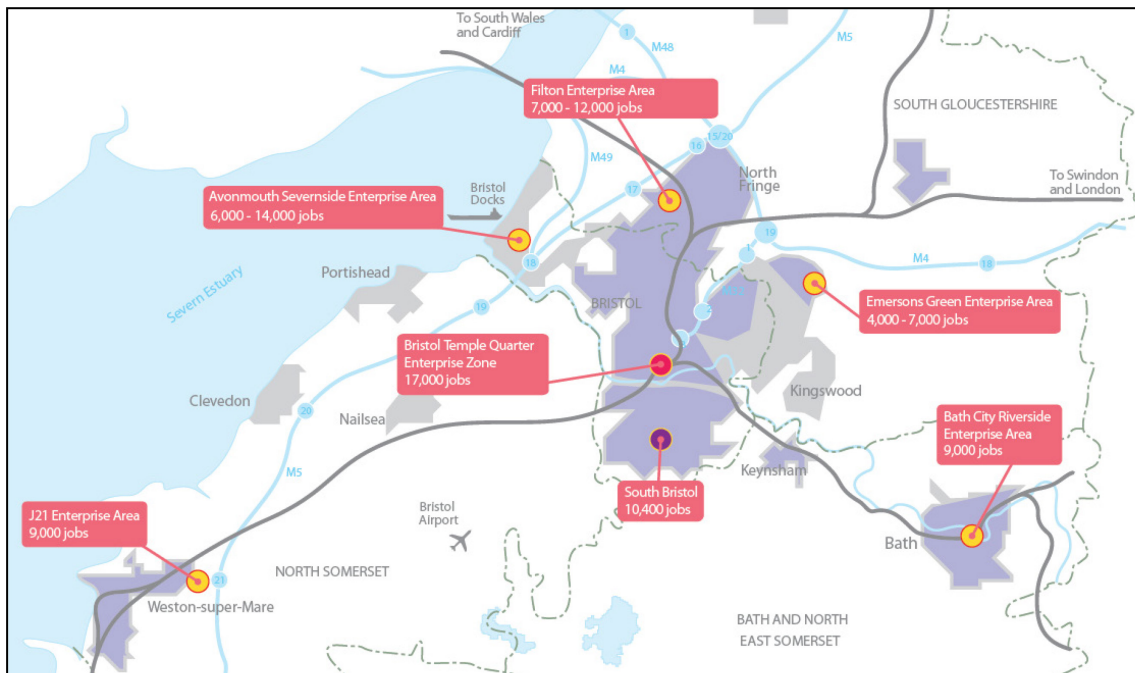
All these sectors see future growth in higher level technical and leadership skills, and many employers support the development of alternative routes to traditional degree study, including growth in apprenticeships. Employers surveyed were keen to see more partnerships with providers to plan and deliver provision. They recognise the need to widen their current recruitment base in order to attract high calibre entrants from all social and ethnic backgrounds.

The 7 sectors are:

- advanced engineering and aerospace, which currently employs over 27,000, but with a steady move away from elementary and semi-skilled jobs towards more professional occupations. Employers commented on the need to improve information, advice and guidance at school level, and to enhance the status of engineering as a career route for all young people. Colleges need to ensure that training expertise stays abreast of changes and emerging technologies
- creative and digital, with 15,000+ jobs across all levels is expected to continue to grow. Skill shortages reported by employers focused on technical skills, including coding and programming, cyber-security, software development, and emerging specialist skills related to new technologies
- high tech, with 17,000+ jobs, and significant growth anticipated in technical skills. Needs include IT hardware support (networking and technical support roles), and software development engineers
- low carbon, with around 5,500 current jobs. In future, employers indicate that low carbon skills will become tailored to specialist sub-sectors (for example, solar technologies). Skills and knowledge required cover energy efficiency, pollution reduction and prevention, specific renewable energies and the technical skills to address implementation
- professional and financial services, which is the largest specialist sector in the West of England with a workforce of 50,000+ and includes roles in accountancy, ICT, marketing, HR, legal services, sales and administrative support. Additional skills needs include compliance and risk, data analytics, and digital skills, tailored to the needs of each sub-sector. The apprenticeship route into many of these roles is widely used
- construction and development, with a current workforce of about 25,000, and the expectation of significant growth across trades, support functions and at a managerial level. With major construction projects planned for the West of England, the sector sees the need for the training and retaining of more qualified staff within the area
- health and life sciences, with 82,000+ jobs and a growing workforce. All types of occupations, from elementary through to research-based roles are forecast to increase. Employers see a need to broaden the current range of

apprenticeship opportunities to include sectors such as pharmacy and patient care, and roles in support functions.

To support inward investment across the sub-region, there are 5 enterprise areas and the Bristol Temple Quarter Enterprise Zone (which aims to attract 17,000 jobs over its 25-year lifespan). These areas, illustrated on the map below¹³, are expected to house the majority of business start-up and business relocation activities.



Feedback from LEP, employers, local authorities and students

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

- the importance of building and maintaining strong relationships between employers and colleges (which includes being responsiveness to needs, developing effective channels of communication, ensuring staff have an in-depth knowledge of the needs of each sub-sector and who are up-to-date with the latest processes and technologies used)

¹³ [West of England LEP enterprise zone and areas](#)

- the importance of ensuring young people are ready for work. This includes communication, IT and customer service skills, and also attitudes and readiness for work in relation to reliability, motivation and general appearance
- improve provision and progression opportunities for learning at foundation level, and levels 1 and 2
- collaborative planning that refines the learning offer within the sub-region to help learners make informed choices, increases accountability and identifies the opportunity to rationalise where appropriate
- the need for an increased apprenticeship offer in order to support growth of numbers going into apprenticeships.

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](#).

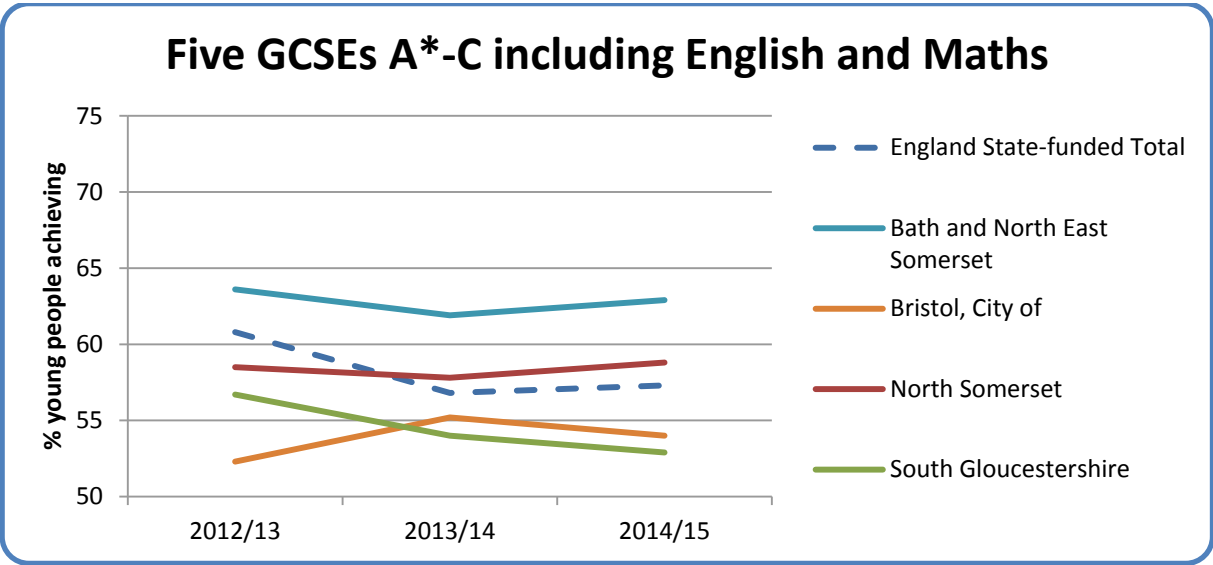
The quantity and quality of current provision

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 the West of England¹⁴ the numbers of young people aged 16 to 18 is declining, in the short-term, with a projected low point of 39,617 in 2019. In the longer-term to 2030, it rises to over 44,000, with the 0 to 15 population growth particularly high in Bristol. This suggests that providers need to be realistic about plans for growth in 16 to 18 year olds in the short term, but that the longer-term demand for post-16 education and training is strong. Data do not take into account any change in population due to housing growth.

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 4 local authorities is illustrated below¹⁵.



The overall performance of schools at year 11 (key stage 4) within the review area is generally at or above the national average except for South Gloucestershire and Bristol City where it is below the national average for 5 passes at GCSE (grades A*-C) including English and maths. The picture emphasises the need for significant

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

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

post-16 provision below level 3 (both in the classroom and in the workplace) for students whose GCSE results do not meet this threshold.

Schools with sixth-forms

Area reviews of post-16 education and training institutions are predominantly focused on general FE and sixth-form colleges in order to ensure there is a high quality and financially resilient set of colleges in each area of England. Schools with sixth-forms have the opportunity to seek to opt in to a review if the local steering group agrees.

The underpinning analysis for the review included current post-16 provision in the area made by schools with sixth-forms. Regional Schools Commissioners and local authorities have had the opportunity to identify any issues with school sixth-form provision, and feed these into the review. We expect Regional Schools Commissioners to take account of the analysis from area reviews in any decisions they make about future provision.

There are currently 49 funded schools with sixth-forms in the review area, including 9 local authority maintained and 40 academies. This includes 1 free school, 4 studio schools and 1 university technical college¹⁶. Most school pupils in the age range 16 to 18 are enrolled on A level courses.

Overall funded student numbers in mainstream school sixth-forms increased by 4% in the 3 years 2012 to 2013 to 2014 to 2015 with around 9755 young people taught in a mainstream sixth-form setting in 2015 to 2016¹⁷. Schools sixth-forms in the area vary in size but using as a guide, for illustration figures only, the application threshold of 200 for new school sixth-forms in academies, there are 29 school sixth-forms (including local authority maintained and academies but excluding special schools) that were funded below that level in 2015 to 2016.

Schools responding to the review consultation mentioned the need for school/college collaboration including sharing of data and exchange of best practice, better information, advice and guidance for young people about academic/technical education and apprenticeship routes, more provision and clear progression arrangements for young people at level 2 and below, including those with high needs. As part of the area review, schools were consulted by each local authority and the Regional Schools Commissioner.

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

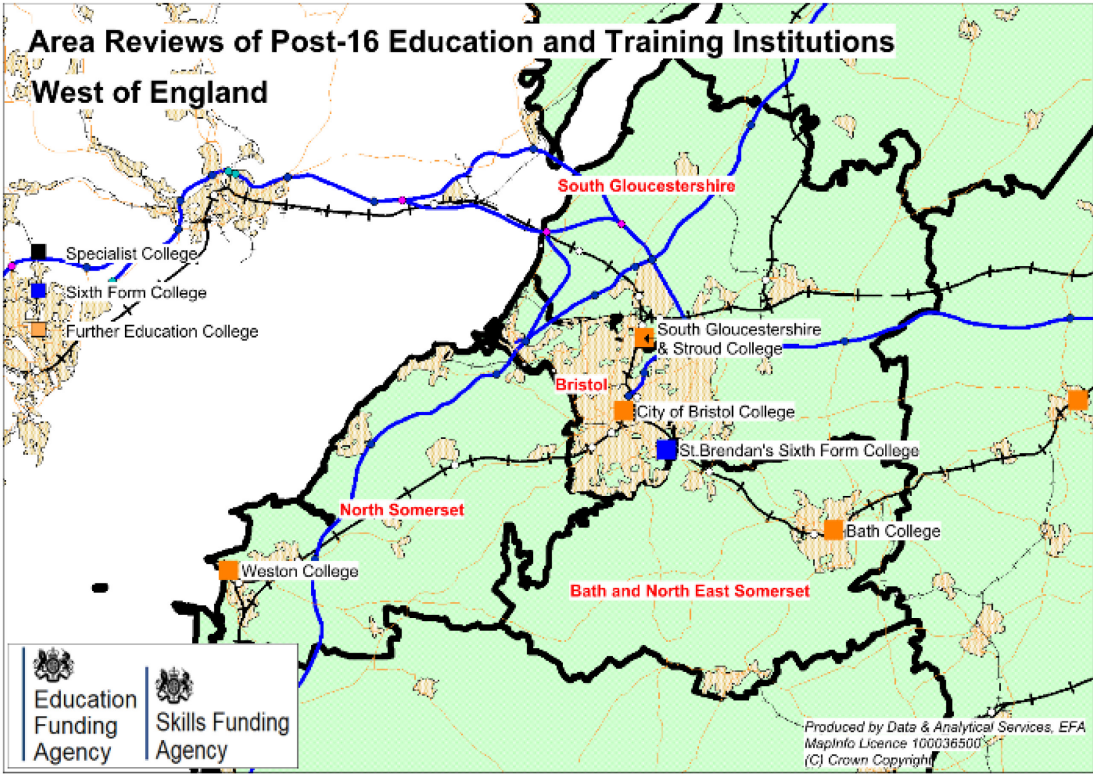
¹⁷ EFA allocations – see data annex: 16-19 funding. Where part of a local authority is in the review area, that local authority has been included in the school sixth-form data.

The further education and sixth-form colleges

Five colleges (1 sixth-form college and 4 general FE colleges) participated in this review.

- St Brendan’s Sixth Form College, based in Brislington to the east of Bristol
- Bath College, with 2 main sites, one in central Bath, and the other in Radstock
- City of Bristol College with sites based in central Bristol, Ashley Down, Filwood in South Bristol, and at Parkway in North Bristol
- Weston College, with sites positioned across Weston-super-Mare
- South Gloucestershire and Stroud College (SGS), based in Filton, Berkeley, and Stroud, and a small site in central Bristol.

The location of these colleges is shown below:



Part of the area review process involved a visit to each college by specialist further education and sixth-form college advisers who report to the respective commissioners. The advisers met with governors, senior managers and staff, and reviewed a wide range of documents and data relating to each college’s current range and quality of provision, their track record in attracting students, and their overall financial health. Through a data sharing protocol between members of the steering group, the information from each of these visits was shared with colleges and has informed the evidence base to the steering group for this review.

The current offer in the colleges

St Brendan's Sixth Form College is the largest provider of AS and A levels in Bristol. It also offers technical education programmes at levels 2 and 3. City of Bristol College, South Gloucestershire and Stroud College and Weston College also offer full-time A levels. All 4 colleges and the schools with sixth-forms compete in their offer for their A level students.

The 4 general FE colleges offer a broad range of classroom-based technical education, including foundation learning, maths and English, apprenticeships to 16 to 18 year olds and to adult students, and most have developed higher education at levels 4 and 5 to meet local demand.

The general FE colleges have expanded their offer at level 2, both in response to increasing competition at level 3 for 16 to 18 year olds from other providers, and to reflect the expectation that young people should remain in education or training until age 18.

In terms of technical provision in the general FE colleges:

- health and social care/childcare is offered across the 4 colleges, preparing students for careers in nursing and other professions allied to medicine, childcare, social work and care for the elderly. Progression routes to part-time and full-time higher education are well-established
- all colleges offer substantial provision in creative, performing arts and media subjects, which includes fine art, media and communication, photography, music, drama and dance, according to local demand. Pathways to higher education are well-established enabling students to follow a wide variety of specialist routes
- construction and engineering training is offered by the 4 colleges, including a wide choice of building trades and in motor vehicle studies, leading to apprenticeships. City of Bristol College specialises in offering heavy vehicle maintenance and aerospace/defence, and South Gloucestershire and Stroud College in advanced manufacturing and digital technologies (at Filton and Berkeley Green). Weston College offers a varied range of engineering and construction in its new facilities, including provision in low carbon/renewable technologies
- sport, leisure and tourism, hairdressing and beauty, and ICT are offered by all the colleges. Hospitality and catering is offered mainly in Bath, City of Bristol and Weston Colleges.

In terms of catchment, City of Bristol College and the Filton site of South Gloucestershire and Stroud College both extend their offer across Bristol and South

Gloucestershire. Bath College offers provision mainly within its home local authority and in neighbouring Wiltshire and Somerset. Weston College offers provision within its local area and towards Bristol, and for many courses more widely across the region. St Brendan's Sixth Form College extends its offer primarily within Bristol and South Gloucestershire, but some students travel from the other 2 local authority areas.

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 ¹⁸	EFA allocations (2015 to 16) ¹⁹	SFA allocations (2015 to 16) ²⁰	Total college income (2014 to 15) ²¹
St Brendan's Sixth Form College	Good (Oct 2012)	£7.42m	N/A	£9.1 m
Bath College	Good (Jan 2013)	£10.46 m	£4.77m	£20 m
City of Bristol College	Inadequate (Jan 2016)	£16.99m	£12.63m	£47.7 m
Weston College	Outstanding (Dec 2013)	£14.28m	£9.15m	£53.1 m
South Gloucestershire and Stroud College	Good (Nov 2014)	£17.06m	£6.11m	£33.6 m

18 Ofsted – see data annex: College inspections

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

20 SFA allocations – see data annex: Adult funding

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

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. City of Bristol College is subject to a financial notice of concern issued by the Skills Funding Agency.

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

Higher education in further education²²

Progression of young people to higher education (HE) across the West of England is variable. Hartcliffe, Filwood and Avonmouth in Bristol, south Weston-super-Mare and Twerton in Bath and North East Somerset all have low rates of participation in higher education of less than 10%. At the other extreme, several neighbourhoods across West of England are in the highest 20% with participation rates of 50%+.

The universities of Bristol, West of England, Bath and Bath Spa offer the majority of higher education in the area and recruit nationally and internationally. Data from HEFCE²³ indicates that the West of England is attractive to young people wanting to study at university from across the south and south west of the country.

The colleges all have a portfolio of higher education with Weston College and City of Bristol College the largest providers of higher education in further education. All 4 general FE colleges offer courses in arts and media, teacher training, business and management, and health, care and childcare, and ICT. Bath College and City of Bristol College offer some HE provision in construction and engineering. South Gloucestershire and Stroud College provides HE courses in sport and in animal management (the latter in partnership with Bristol Zoo). All colleges have plans to grow their HE work. The catchment for HE in the colleges is predominantly from the south-west region.

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

²³ HEFCE data on student mobility derived from Polar 3 data

Provision for students with Special Educational (SEN) and high needs²⁴

In 2015 to 2016, the EFA funded 1,433 post-16 places across the 4 local authorities in colleges, special schools and specialist post 16 institutions. Colleges were funded for 944 places between them. The college funded for the highest numbers of places is Weston College.

During the review, local authorities expressed satisfaction that the high needs provision offered by colleges responded well to local needs and there were no significant gaps in provision.

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

Apprenticeships and apprenticeship providers

Apprenticeships, primarily at intermediate and advanced levels, are offered by all 4 general FE colleges, with administration, engineering, management, construction trades and health and social care, all well represented. The largest provider of apprenticeships is City of Bristol College.

In 2014 to 2015, a total of 8,670 apprenticeship starts were delivered across the 4 local authority areas. Overall, the most popular sector subject areas for apprenticeships are business, administration and law, and health, public service and care. Numbers of apprentices in art, media and publishing are low²⁵.

There is a range of independent training providers, including national companies that deliver apprenticeships across the area. They provide a wide range of intermediate, advanced and higher apprenticeships in sectors from aerospace, engineering, defence, marine and automotive to healthcare and early years²⁶. This pattern across providers may change in 2017, with the introduction of the apprenticeship levy²⁷.

²⁴ EFA Allocations – see data annex: High needs

²⁵ Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

²⁶ Independent training provider websites

²⁷ 'Apprenticeship levy and how it will work' on gov.uk

The need for change

Area reviews are intended to ensure that the further education sector has a strong and sustainable future – in terms of efficiency of operation, quality of provision, and the responsiveness of courses to the needs of individuals and employers.

At the start of the review the local authorities and LEP set out their priorities that support the West of England's growth agenda to ensure an effective post-16 infrastructure. It is important that the FE colleges work in a cost efficient and sustainable way that reflects recent and future changes to budgets and that is responsive to the needs of businesses and individuals. Therefore, it is important to achieve:

- recovery of City of Bristol College so that it achieves a sustainable financial position and delivers provision of consistent good quality to individuals and learners within its catchment area
- delivery of a curriculum offer by all of the colleges provides young people with employability skills, including English and maths, and enables progression at all levels of learning, with particular emphasis on progress from foundation level learning and levels 1 and 2
- a college sector that can develop more provision for young people with high support needs and is responsive the commissioning requirements of the local authorities
- maintaining the broad academic and technical education offer delivered by colleges and collaborating with schools with sixth-forms to enable informed choice, progression pathways and successful outcomes
- a specific focus on skills priorities with the local area that supports development within key local sectors, particularly those that are key to greater productivity and growth within the sub-region
- expansion of the apprenticeship offer within the West of England area that delivers high quality opportunities and contributes to the government's key target of 3 million apprentices by 2020
- delivery that meets employer requirements in terms of customer service, quality and cost effectiveness and which employers to make an informed choice about accessing local provision
- a collaborative approach to planning the college curriculum offer that builds on existing partnership arrangements within the sub-region between colleges, the local authorities and the LEP to enable more coherent delivery, reduces duplication and provides a local offer within different parts of the West of England area that is responsive to individual and employer needs.

The key areas for change

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

- supporting the LEP and the proposed Combined Authority in driving forward the economic development of West of England and helping to address the wide variations between neighbourhoods and local authorities relating to prosperity, educational and economic performance. This support includes, for example, colleges sharing good practice in teaching, learning and assessment, improving educational outcomes across all phases of education, and focusing technical education provision on sectors of value to the economy
- fundamentally addressing the weak performance of City of Bristol College, which occupies a central position in the area. Bristol City is the local authority with the largest population, and the greatest number of jobs. All colleges in the review area indicated a commitment to participating in discussions about how this could be achieved
- the importance of expanding the number of apprenticeships in line with government targets, labour market projections and LEP investment priorities, including the development of apprenticeships at level 4 and above
- developing more opportunities to progress to higher education and higher level skills, particularly for young people living in those areas with low participation
- improving maths and English GCSEs results for the large numbers of students participating in in post-16 provision within the West of England area who have left school without these qualifications at grades A* to C.

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 (including mergers, federations and joint venture companies) which, if well planned and carefully managed, were considered to have the potential to improve financial viability, address quality issues, and retain a good choice of subjects and options for students. Bath College and South Gloucestershire and Stroud College have completed mergers, integrating and investing in a smaller college to support improvements and

retain local provision. There was considerable focus on City of Bristol College and whether potential structural options, including merger, dissolution or support from an experienced management team might mean faster, more sustainable progress towards addressing the current issues of quality and financial stability

- sharing services. This might mean traditional shared services where routine back office transaction processes such as finance and maintaining management information systems, are undertaken centrally on behalf of a number of colleges. This also extends to sharing best practice, identifying the potential for joint procurement, sharing of staff, joint marketing or streamlining arrangements for information, advice and guidance
- discussion between colleges about the case for specialisation. The City of Bristol College has a significant focus on specialist areas with high capital costs and/or specialist staff required to deliver provision. This includes areas of engineering, higher-level professional services occupations, and digital and IT. The concentration of resources and expertise in one college can help build depth and scale, particularly where employers are seeking specialist training provision at higher levels
- the case for remaining stand-alone where student numbers had increased despite growing competition, and where 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 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 one. 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 F²⁸ (revised March 2016).

²⁸ Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53

Recommendations agreed by the steering group

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

- St Brendan's Sixth Form College to remain stand-alone as a sixth-form college, provide support for City of Bristol College and continue to explore the option for academy conversion
- City of Bristol College to remain stand-alone with a 'fresh start' approach that will deliver financial stability and substantial quality improvement.

Under a 'fresh start' approach the college will:

Continue to secure the necessary and appropriate skills and governance structure to enhance the capacity of the Board of Governors and the executive team to drive improvement.

Evaluate divestment of A level provision as part of a 3 to 5-year strategy which secures high quality technical education for the city of Bristol, by 31st December 2016.

Evaluate the potential to relocate construction provision to the South Bristol Skills Academy (SBSA) as part of a joint approach with the proposed Strategic Planning Group which will include consideration of any capital cost implications arising from the transfer by 31st December 2016.

Agree with the Skills Funding Agency, by 31st July 2016, an implementation plan that will include the input of appropriate professional turnaround expertise, an agreed improvement plan with milestones and timeline and a transition board to oversee the full recovery of the college.

- Bath College to remain a stand-alone college, having recently merged successfully with Norton Radstock College, with support to meet the growing student and employer needs in the Bath and North East Somerset area
- Weston College to remain a stand-alone college, with support to meet the growing student and employer needs in the Weston area. Weston College will provide support to City of Bristol College
- South Gloucestershire and Stroud College to remain a stand-alone college, with support to meet the growing student and employer needs in the north Bristol area and South Gloucestershire area
- Strategic Planning Group - To develop and establish a strategic planning group for the West of England area that brings together the 5 colleges, convened by the LEP, initially, with the 4 local authorities (3 working as a Combined Authority, when created) and higher education institutions.

Each of these options is now outlined in more detail:

St Brendan's Sixth Form College

The college will continue as a stand-alone sixth-form college, provide support for City of Bristol College and explore the option for academy conversion.

- in terms of meeting current and future needs the college's overall student numbers are stable, in a local context of declining cohort and competition from school sixth-forms
- with regards to financial sustainability, the college demonstrates a sound financial position that achieves the required financial benchmarks
- in respect of quality of provision, in its last full Ofsted inspection the college was awarded an overall grade of good and will explore opportunities to share practice support improvement with school partners locally
- the college will continue to deliver a distinct 16 to 18 offer as the largest provider of A levels in the area.

City of Bristol College

City of Bristol College will continue to stand-alone whilst managing sustainable recovery within a 'fresh start' approach that will deliver financial resilience and substantial quality improvement. A new principal started in January 2016, with the intention of addressing the issues quickly and effectively. Stakeholders recognise the importance of the size of the college, and the value to the area of an independent, distinct and respected FE college serving local needs.

- in terms of meeting current and future needs, the implementation plan will address how actions can be successfully delivered within the shortest possible timescale to meet local needs, working closely with stakeholders and the local authority to tackle the city's underlying issues of deprivation, equality and educational achievement
- with regard to financial sustainability, the college has been assessed as financially inadequate and significant improvement in the college's financial position is a priority within the implementation plan
- in respect of quality of provision, in January 2016, the college was graded inadequate by Ofsted. The inspection report draws attention to the need to improve governance, success rates, progression, apprenticeships, English and maths, and data to monitor progress, all of which will be addressed as the college recovers

- the college will continue to deliver a broad range of provision whilst reviewing specific aspects of its offer to ensure that it meets local needs, including reflecting LEP priorities.

Weston College

The college will continue as a stand-alone college responding to the growing student and employer needs in the North Somerset.

- in terms of meeting current and future needs, the college works closely with North Somerset local authority to meet current and future needs
- with regards to financial sustainability, the college provides a strong financial base which achieves financial benchmarks
- in respect of quality of provision, the college has an Ofsted grade of outstanding
- the college will continue to deliver a broad offer of academic and technical education, growing HE provision, providing a highly successful model that support high needs students and employer led provision.

Bath College

Bath College will remain a stand-alone college, having recently merged successfully with Norton Radstock College, meeting the growing student and employer needs in the Bath and North East Somerset area.

- in terms of meeting current and future needs, the college focuses on the needs of students and employers. Provision will reflect the West of England economy by tailoring delivery to priority employment sectors and developing industry academies, expanding the apprenticeship programme and other employer led provision²⁹
- with regard to financial sustainability, the college is now of sufficient size to enable it to continue to realise economies of scale and to move towards national benchmarks
- in respect of quality of provision Bath College has an Ofsted grade of good; plans are well advanced to address quality of provision and success rates within the former Norton Radstock provision, which is now the Somer Valley site of Bath College

²⁹ [Bath College – information for employers](#)

- the college will continue to deliver a broad technical education offer, developing specialist facilities such as the new construction and engineering centre.

South Gloucestershire and Stroud College

The college will remain a stand-alone college, delivering a wide range of provision in the South Gloucestershire and north Bristol area and at the Stroud campus in Gloucestershire

- in terms of meeting current and future needs the college is well placed to meet the needs of students and employers through its diversity of provision at accessible locations with good quality facilities
- with regards to financial sustainability, the college is now of sufficient size to enable it to continue to realise economies of scale and to move towards national benchmarks
- in respect of quality of provision, the college was inspected in November 2014, and was awarded an overall grade of good, with outstanding for leadership and management
- the college will continue to deliver a broad academic and technical education offer, including for students with high needs, developing new provision in advanced manufacturing, IT and digital skills at the Berkeley campus and delivering employer led provision including apprenticeship.

Strategic Planning Group

To develop and establish a strategic planning group for the West of England area that brings together the 5 colleges, convened by the LEP, initially, with the 4 local authorities (3 working as a Combined Authority, when created) and higher education institutions.

- the planning group will meet bi-annually to ensure curriculum co-ordination, the most effective use of current estates across the area, planned use of any new capital funding and coordination of other aspects of the post-16 learning agenda. This will build on the Joint Venture Agreement signed in 2013 by the 4 general FE colleges. The strategic planning group will hold its first meeting before the end of June 2016 to focus on: the development and growth of apprenticeships, evaluation of the need for an Institute of Technology within the West of England area, the changing skill needs within the West of England area and a review of engineering related provision in South Gloucestershire. This group will maintain oversight of the implementation of recommendations of the area review.

Conclusions from this review

The purpose of area reviews is to put colleges on a stronger financial footing whilst also enabling them to better meet the economic and educational needs of students and employers for the long term.

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

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

- securing the recovery of City of Bristol College to achieve financial sustainability and delivery of quality provision. This is seen as critical by Bristol City Council. The turnaround will be achieved through agreement with the funding agencies on an implementation plan with clear milestones and outputs. This will be overseen by a transition board which will monitor the progress made to bring about a transformation in the reputation and quality of further education, for the City of Bristol. The support on implementation from other colleges in the review area will also serve to strengthen the collaboration and opportunities for further synergy as the concentration of resources and expertise in one college can help build depth and scale, particularly where employers are seeking specialist training provision at higher levels
- a collaborative approach to strategic planning within the West of England area will be established to meet the requirements of individuals and employers, reflecting the needs of commissioning bodies. This will be achieved through the local authorities, West of England LEP and the colleges in the review area, working collaboratively, building and strengthening relationships with employers in the area. Clear aims and objectives will need to be agreed to work towards: expanding apprenticeships in line with government targets; to develop more opportunities to progress to higher education, particularly for young people living in those areas with low participation; and to improve maths and English GCSEs results for the large numbers of college students who have left school without these qualifications at grade A*-C
- all colleges within scope of the review will maintain and further develop strategies that ensure resilience and financial sustainability. The curriculum offer will respond to the local sector priorities and enhanced collaboration within the West of England area with the LEP and local authorities will ensure

a platform that shares information, highlights gaps in provision and focuses of specific local priorities.

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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