



Department
for Education

Black Country Area Review

Final Report

January 2017

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Background

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

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

The local steering group was chaired by Sir David Collins, the Further Education (FE) Commissioner. The steering group met on 4 occasions between April 2016 and July 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 the Black Country Local Enterprise Partnership (LEP), the 4 local authorities (Dudley, Sandwell, Walsall and Wolverhampton), the Regional Schools Commissioner, and representatives from the Skills Funding Agency (SFA), the Education Funding Agency (EFA), and the Department for Education (DfE).

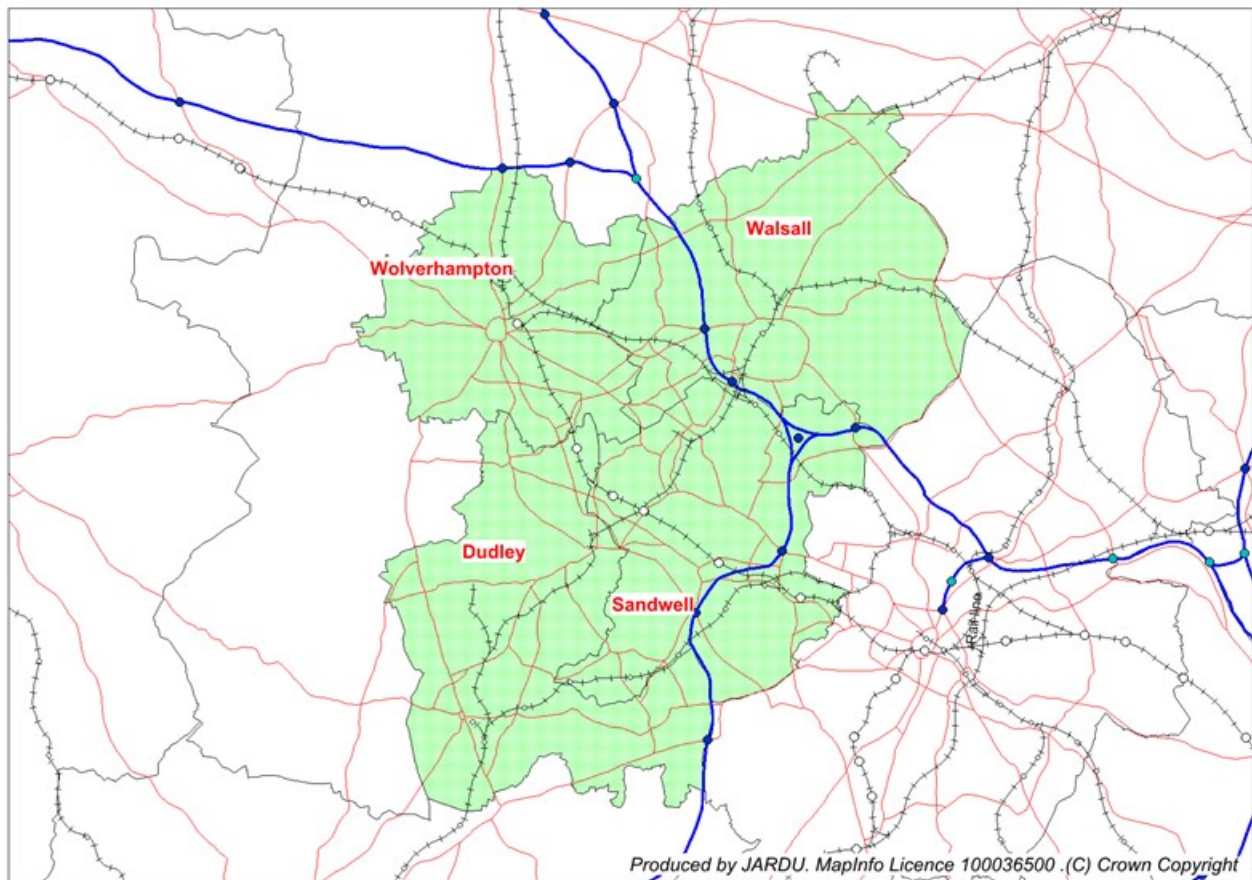
Visits to colleges and support throughout the process were provided by staff from the FE and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and papers used by the steering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

The needs of the Black Country area

Demographics and the economy

The Black Country area review covers the 4 local authority areas of Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Walsall Council and Wolverhampton City Council, with a total population of approximately 1.16 million people¹. Birmingham City sits to the east of Sandwell.

The area is illustrated on the map below:



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

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

	Dudley Metropolitan Borough Council	Sandwell Metropolitan Borough Council	Walsall Council	Wolverhampton City Council	Great Britain
Total population (2015)	316,500	319,500	276,100	254,400	63,258,400
Population aged 16 to 64	60.9%	62.6%	61.2%	62.8%	63.3%
% with higher education qualifications ³	24.7%	19.8%	21.2%	23.9%	37.1%
Those formally qualified to level 2+	63.8%	53.8%	57.9%	60.4%	73.6%
Gross weekly pay ££ of residents	£495.60	£451.60	£475.50	£434.20	£529.00
Gross weekly pay ££ by workplace	£466.60	£463.20	£490.00	£460.00	£528.50
Out-of-work benefit claimants	2.8%	3.3%	2.8%	4.2%	1.8%
% of main benefit claimants	10.3%	13.3%	12.2%	14.2%	9.0%
Jobs density ⁴	0.64	0.70	0.65	0.75	0.82

² ONS Local Authority Profiles – see data annex: Local socio-economic data. Please note that ONS update the data set on a regular basis and that the data included relates to the point at which the report was written.

³ Percentages relate to those aged 16 to 64

⁴ Job density relates to the level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is 1 job for every resident aged 16-64. The job density for the West Midlands as a whole is 0.78, which is slightly below the national average.

Total workplace units:					Average for the West Midlands
Micro ⁵	81.2%	78.9%	80.8%	80.2%	82.6%
Small	15.2%	16.2%	15.3%	15.7%	13.9%
Medium	3.3%	4.2%	3.5%	3.6%	3.0%
Large	0.3%	0.6%	0.5%	0.5%	0.5%

The key points to note are:

- residents of the Black Country area are less well qualified when compared to the national average. All 4 local authorities have noticeably lower levels of residents qualified to level 2 and degree level and this is particularly so for Sandwell residents
- all 4 local authority areas within the Black Country have higher levels of benefit claimants, fewer jobs and lower pay than the national average
- Wolverhampton and Sandwell have noticeably higher levels of benefit claimants than the national average
- the area generally has a lower concentration of micro businesses than the regional average, although Dudley is closest to the regional figure. All 4 local authority areas have a higher percentage of small and medium businesses than the regional average.

Patterns of employment and future growth

The Black Country has a high proportion of people employed in the manufacturing, health and retail sectors⁶.

The Black Country Local Enterprise Partnership (LEP) reports that the Black Country will require 213,000 people over the period 2012 to 2022, approximately 21,000 per year, as a result of growth and replacement demand⁷. This growth is driven by an expansion in the health and social care workforce and smaller growth in construction linked to projects as well as an ageing workforce.

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

⁶ [ONS Local Enterprise Partnership Profile](#)

⁷ [Working Futures 2012-2022 Warwick Institute for Employment Research](#)

By 2022 it is anticipated there will be a shift to higher level occupations requiring increasing numbers of individuals with degree or equivalent qualifications and skills. It is expected 44% of the demand for employment will be at degree or equivalent by 2022 and 15.9% will be at higher degree or doctorate level⁷.

However, the area has higher levels of the working age population with no qualifications than the national average. To ensure individuals benefit from future work opportunities there is a need to increase qualification levels of Black Country residents. The Black Country LEP indicates that to maintain the Black Country's advantage in manufacturing it will have to retrain or upskill nearly 14,000 people up to 2022⁷. The LEP has also stated that support services and transport and storage will see a large requirement for training over the same period.

The LEP have indicated that approximately one in 6 employers in the Black Country (18%) reported at least one vacancy at the time of the UK Commission for Employment and Skills (UKCES) Employer Skills Survey 2015, similar to the England figure of 20%. However, 46% of the vacancies in the LEP area are reported to be hard to fill⁸ which is higher than the England average of 39% and overall, skill-shortage vacancies represent 39% of all vacancies, higher than the England figure of 29%. The reasons provided by employers for the hard to fill vacancies are a low number of people with the required skills, a lack of work experience, or a lack of qualifications.

Regeneration and proposed projects such as Garden City, HS2, Midland Metro Hospital will contribute to the jobs and skills required.

LEP priorities⁹

The Black Country LEP has identified 5 transformational sectors for economic growth linked to export potential and supply chain opportunities. These sectors are advanced manufacturing, building technologies, transport technologies, business services, and environmental technologies.

The Black Country LEP has also identified 5 enabling sectors which are crucial in terms of the wider economy and quality of life in the area. These sectors are retail, visitor economy, sports, health, and the public sector (including education and skills).

One of the central aspirations for the Black Country is to reverse the trend of low qualifications and low numbers qualified to level 4 and above, to propel the growth that is urgently needed in the 5 transformation sectors. It is anticipated that this growth will lead to

⁸ [UKCES Employer Skills Survey 2015](#)

⁹ [Black Country Strategic Economic Plan](#)

an upsurge in gross value added rates and a reduction in the persistent output gap of £10 billion.

The Black Country LEP has highlighted that the number of people with no qualifications will need to decrease by approximately 57,300 by 2033 for the Black Country to equal the national average and an additional 90,000 extra residents need to be qualified to degree level or equivalent to match the national average for level 4 and above qualifications.

The LEP has outlined a target for apprenticeships of 23,191 by 2030, an increase of over 10,000 (76%) on 2014 to 2015 baseline of 13,150. There is likely to be significant growth and demand for apprenticeships in health, manufacturing, construction, and support services. This forecast growth is largely driven by replacement demand. There is also a need to grow apprenticeships across 3 of the enabling sectors: wholesale and retail; public administration; and health which currently have relatively low numbers.

The LEP believes improved information, advice and guidance will form a key part in providing individuals with a greater understanding of the roles and occupations that are in demand locally and how they can progress from their current level of skill to match those required. On the other side of the equation, employers must also have a greater understanding of what is available both locally and beyond.

Feedback from LEPs, employers, local authorities students and staff

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

- high numbers of residents in the area with no formal qualifications
- low numbers of local residents with qualifications at level 4 and above
- low numbers of young people gaining GCSEs at grades A*-C in English and maths at key stage 4, which puts pressure on colleges and can restrict progression on to apprenticeships
- the challenges facing employers in the area that are compounded by these low skills levels
- growth in the number of learners with high needs and the broadening of the types of support needs. There is a need for colleges to review their provision to ensure that it better meets these growth needs, linking education to employability and sharing information with the local authorities
- the need for colleges to improve responsiveness to the skills needs of employers and the market, addressing gaps and offering more flexible provision to support growth, development and upskill individuals. This can be enabled by greater information sharing between the LEP and colleges
- the need to increase the volume and range of apprenticeship opportunities, including the breadth of higher apprenticeships. A borough/area wide strategy for

apprenticeships and support for the work needed around the apprenticeship levy is to be considered

- the need to improve information, advice and guidance, again enabled by greater flow of information between schools, colleges, LEP and local authorities
- the need to improve progression, specifically into work and apprenticeships
- the challenges around recruitment and training of employees, finding suitable candidates for apprenticeships, and in ensuring that there is a future pipeline of skilled and interested employees.

Information received from the LEP on employer views of local provision bears out the above and indicates areas that could be improved or that need further consideration, such as progression, apprenticeship growth, higher apprenticeships, communication, opening hours of colleges and greater development of specialisms in provision.

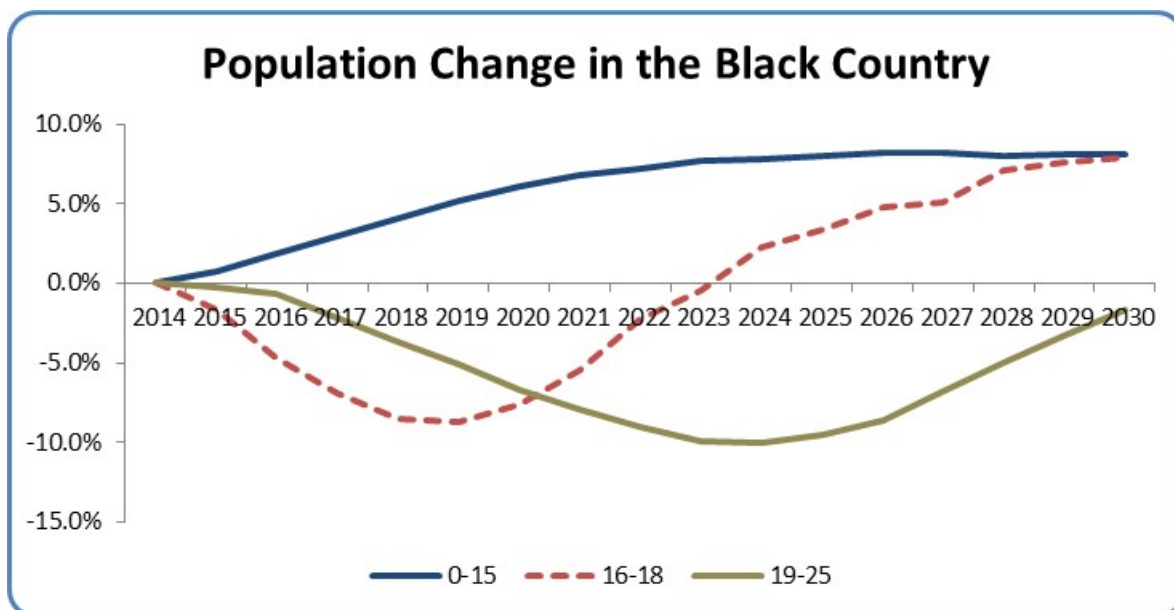
As part of each area review there was engagement with students coordinated by the National Union of Students (NUS). Where the NUS submitted a report on the views of students these are available on [NUS connect](#).

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

The quantity and quality of current provision

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

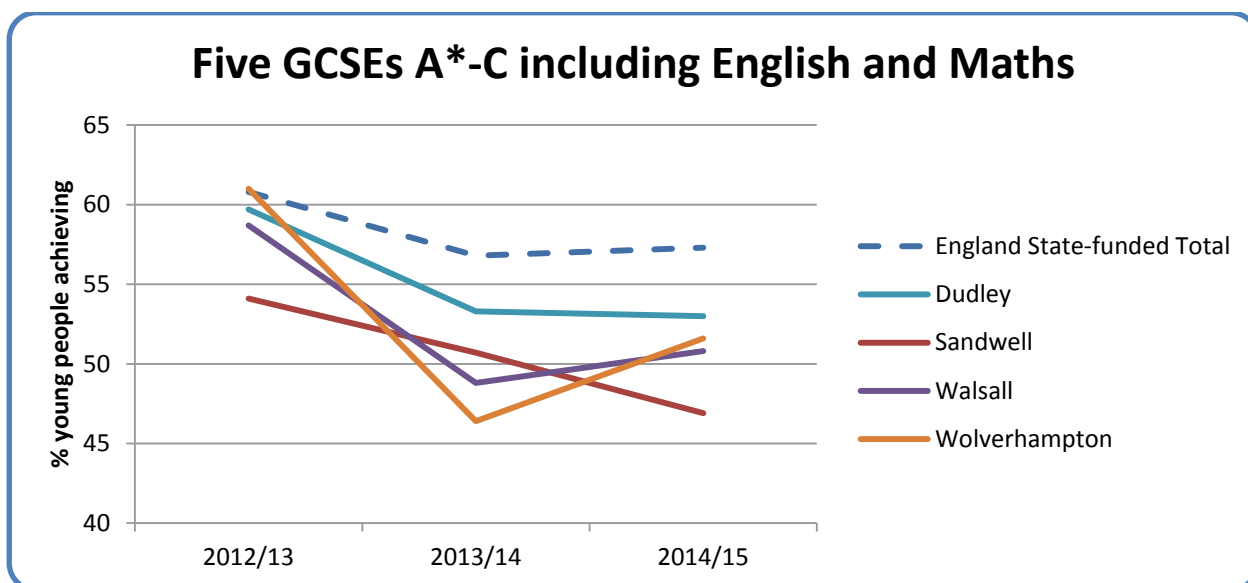
In the Black Country, the number of young people aged 16 to 18 is declining and this continues until 2019, after which it rises significantly to 2030. The decline in the age 19 to 25 cohort continues until 2024, when it starts to rise and reaches 2015 levels by 2030¹⁰.



¹⁰ ONS sub-national population projections – see data annex: Population projections

Performance of schools at Key Stage 4

The recent trend in GCSE pass rates for 16 year old school pupils completing year 11 across the Black Country local authorities is illustrated below¹¹.



The overall performance of schools at year 11 (key stage 4) within the 4 local authority remains below both the regional and the national averages¹².

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. Regional Schools Commissioners take account of the analysis from area reviews in any decisions they make about future provision.

There are currently 56 funded schools with sixth-forms in the review area, including 14 local authority maintained and 39 academies, 1 studio school and 2 university technical

¹¹ School Key Stage 4 results – see data annex. Local authority and total (state-funded sector) figures covering achievements in state-funded schools only.

¹² In 2013 to 2014, a change in how the GCSE performance of schools was defined led to a drop in the overall numbers of young people achieving 5 GCSEs A*-C including maths and English.

colleges¹³. In addition, there are 13 special schools designated for post 16 provision and a special post-16 institution. 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 2.4% in the 3 years 2013 to 2014 to 2015 to 2016¹⁴. 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 37 school sixth-forms (including local authority maintained and academies but excluding special schools) that were funded below that figure in 2015 to 2016. The majority of schools with sixth-forms were graded by Ofsted as good or better.

A free school for age 4 to 18 pupils, the Royal School Wolverhampton, is due to open in 2016, with plans for 250 students in the sixth-form when full.

The further education and sixth-form colleges

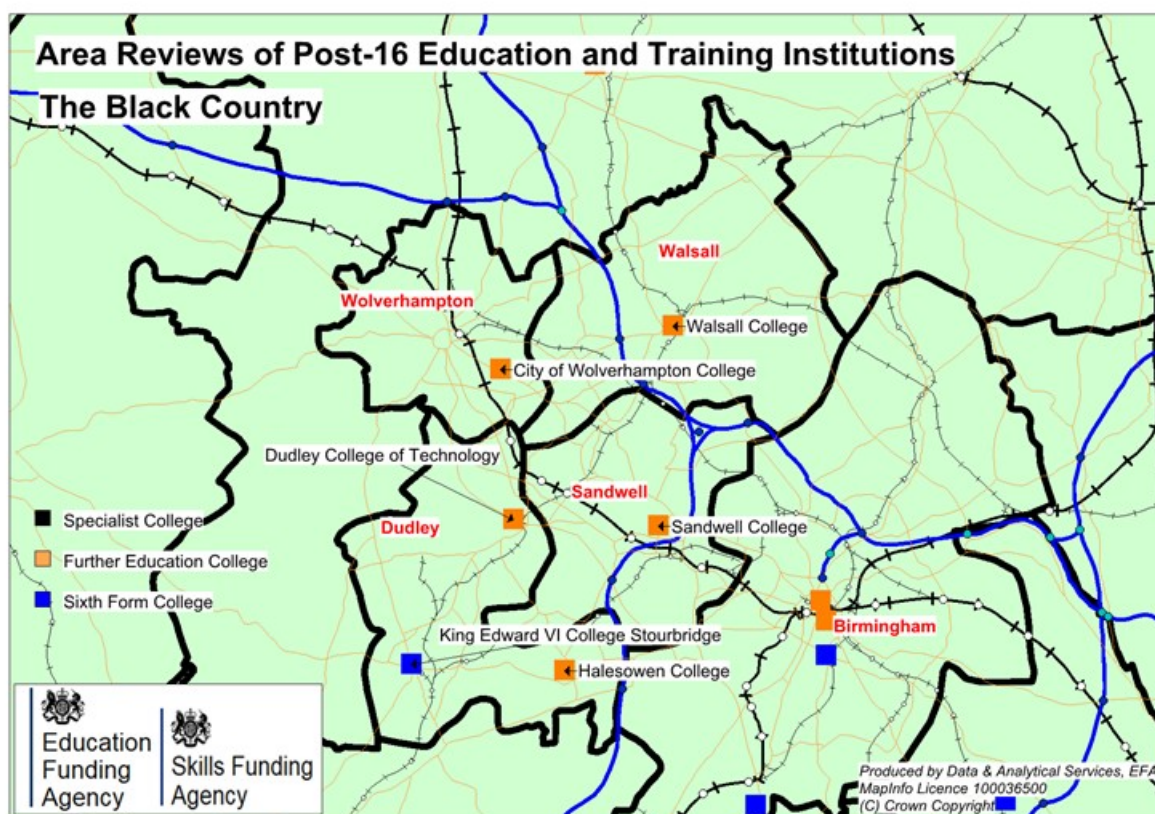
Six colleges (1 sixth-form college and 5 general further education colleges) participated in this review:

- City of Wolverhampton College
- Dudley College of Technology
- Halesowen College
- King Edward VI College Stourbridge
- Sandwell College
- Walsall College

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

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

The location of these colleges is shown below:



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

The current offer in the colleges

The colleges in the Black Country offer a broad range of provision in terms of both subject and level across the area. The provision being offered is broadly in line with the sectors identified by the LEP.

All of the colleges have a recruitment area that is mainly focused around their locality for adults, young people and apprentices. There is however, significant travel crossover to and from Birmingham.

All the general further education colleges offer apprenticeships. Some higher apprenticeships are offered in accounting and finance, health and social care, information and communication technologies (ICT) and manufacturing technologies.

All of the colleges, with the exception of Walsall College, offer A levels and this is the largest curriculum area across the Black Country. The sixth-form college King Edward VI College, in Stourbridge is the largest provider of A levels of all the colleges in the review area. Halesowen College is the largest provider of A levels among the general FE colleges.

All 5 general FE colleges offer age 16 to 19 EFA funded core aims in: business administration and law; health and social care; childcare and well-being; engineering and manufacturing technologies; ICT; service enterprises; and sport, leisure and recreation. The most popular curriculum areas overall are: health, nursing and social care; construction and the built environment; business administration and law; and preparation for life and work.

All the general FE colleges offer adult learning in: business, administration and law; health and social care, adult learning, child development and well-being; science and mathematics; ICT; service enterprises; hospitality and catering; and arts, media and publishing. The most popular curriculum delivery area by far is preparation for life and work, followed by health, nursing and social care.

All the general FE colleges offer some provision at level 4+ and this is an area where the colleges have plans to grow provision to meet local need.

Quality of provision and financial sustainability of colleges

The following table provides a summary of the size and quality of education provision in each of the colleges:

College	Most recent overall Ofsted grade ¹⁵	EFA allocations (2015 to 16) ¹⁶	SFA allocations (2015 to 16) ¹⁷	Total college income (2014 to 2015) ¹⁸
City of Wolverhampton College	Good (October 2014)	£10,358,853	£8,374,861	£25,970,000
Dudley College of Technology	Good (February 2013)	£17,516,529	£11,714,770	£35,056,000

15 Ofsted – see data annex: College inspection reports

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

17 SFA allocations – see data annex: Adult funding

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

Halesowen College	Good (June 2013)	£18,570,884	£1,450,208	£24,040,000
King Edward VI College Stourbridge	Outstanding (February 2008)	£8,522,620	Nil	£8,539,000
Sandwell College	Good (May 2014)	£14,685,623	£6,290,667	£22,268,000
Walsall College	Outstanding (February 2013)	£17,815,442	£9,468,715	£34,061,000

Where a college was subject to a financial notice of concern or a financial notice to improve this was a factor which was taken into account in the assessment of options for structural change in the review. City of Wolverhampton College is 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 education¹⁹

Progression of young people to higher education (HE) across the Black Country is low compared to the regional average. Data published by the Higher Education Funding Council for England (HEFCE) shows the progression rate for students accessing HE by age 19 for both Sandwell and Walsall as less than 27.7% and in the case of Dudley and Wolverhampton between 27.7 to 31.3%, compared to a national progression rate of 32.6% for the United Kingdom²⁰.

The University of Wolverhampton offers the majority of higher education in the Black Country area. The 5 further education colleges offer higher education provision, with the largest number of learners studying at the City of Wolverhampton College (in 2013 to 2014). Higher education provision is also available in the surrounding area of Birmingham.

¹⁹ HEFCE POLAR 3 – see data annex: Higher education progression

²⁰ Derived from HEFCE POLAR 3– see data annex: Higher education progression

Provision for students with special educational needs and disability (SEND) and high needs²¹

In 2015 to 2016, the EFA funded 766 post-16 places across the 4 local authorities in colleges, special schools and specialist post-16 institutions. Colleges delivered 346 funded places between them. The colleges delivering the highest numbers of funded places are City of Wolverhampton College and Walsall College.

During the review, local authorities expressed satisfaction that the quality of high needs provision offered by colleges responded to local needs. However, the 4 local authorities identified a need for provision for high needs learners that is better linked to employability and progression.

The National Deaf Children's Society provided a submission to the review outlining the needs of deaf students generally and highlighting the need to consider the impact of any changes in colleges structures on high needs provision and the learner experience.

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

Apprenticeships and apprenticeship providers

In 2014 to 2015, approximately 18,330 apprenticeship starts were delivered by providers in the 4 local authority areas. 6,870 of those apprenticeships were delivered by the colleges in the review area, 10,760 apprenticeships were being delivered by independent training providers, including larger national companies and 700 apprenticeships were delivered by local authorities²².

Overall, the most popular subject areas for apprenticeships in 2014 to 2015 in the Black Country were: business, administration and law; health, public services and care; engineering and manufacturing technologies; and retail and commercial enterprise.

This pattern may change in 2017, with the introduction of the apprenticeship levy²³.

Competition

While some of the Black Country colleges have seen a decrease in EFA funding for 16-18 year olds linked to the declining cohort, this has not been experienced by all and has not been to the extent experienced in some other areas. The retention of a college tertiary

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

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

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

model across the Black Country (except in Walsall), has led to a continued and significant reliance on the colleges for A level provision and the colleges continue to recruit well, which has also supported their financial resilience.

Adult Education

Walsall Adult and Community College is an Ofsted rated outstanding provider based in Walsall. The college receives funding from the Education Funding Agency and Skills Funding Agency and offers community and technical education provision to 16-18 year olds and adults in health and public services, ICT, arts, media and publishing, preparation for life and work, English and maths and ESOL. The college delivers traineeships and apprenticeships focusing on business services, care services, facility services and media services. There is some crossover of provision with Walsall College.

Wolverhampton Adult Education is an Ofsted rated outstanding provider based in Wolverhampton offering community and technical provision mainly to adults across 12 subject sector areas. The majority of provision is part time and at entry and level 1. Provision delivered at level 3 and above includes access to HE, art and design, teaching assistant, child development, British sign language and teacher training. The provider works collaboratively with City of Wolverhampton College on shared accommodation, specialist staffing and curriculum mapping.

Sandwell Adult Education (graded requires improvement by Ofsted) and Dudley Adult Education (graded good by Ofsted) both offer community and technical provision to adults mainly at entry and level 1. There is no crossover with the offer by the 2 local colleges.

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.

With the exception of some issues for City of Wolverhampton College, there are no current concerns around quality of estate, the curriculum offer or financial health for the colleges in the Black Country, factors that are key to stability of provision.

The key areas for change

The key issues in relation to this review, and deliberated during steering group meetings, were:

- the need for City of Wolverhampton College to build long term financial resilience and develop a strategy for rebuild or relocation of its poorer quality estate
- the need to grow apprenticeships to contribute to the government's target of 3 million by 2020, the shortage of people in technical and specialist areas and develop more opportunities to progress to higher education. Collaboration on mapping and expanding the apprenticeships offer, improving quality, promotion, shared working and protocols, stakeholder engagement
- the increasing volume of high needs learners and the need for colleges and local authorities to work collaboratively to identify gaps, provide employment opportunities, develop a joint approach to promotion of the offer, improve assessment processes, protocols, opportunities for shared working and good practice
- adult skills - the need for colleges, providers, LEP and the newly formed West Midlands Combined Authority to work collaboratively to review and plan adult provision linked to market information to help reduce the high numbers of adults with no qualifications or low qualifications
- NEETs (young people not in education, employment or training) – the need to work collaboratively to offer provision to help reduce the high 18 to 24 year old claimant rate in the Black Country area
- improving English and maths – the impact on colleges from increasing volumes of learners for English and maths. This is due to all the local authority areas within Black Country area being below national average for learners gaining GCSE at A*- C at key stage 4 and low levels of adult qualifications. The opportunity for formal collaboration on staff sharing, best practice and continuing professional development was highlighted
- the need to increase the number of residents with qualifications at level 4 and above to meet the need for higher skilled roles expected especially in light of net loss of individuals educated to higher levels. Colleges need to work collaboratively to map provision, identify gaps in skill needs, develop the offer building on specialisms,

developing progression pathways and devising promotion/signposting to provision specifically higher apprenticeships

- how the Black Country College Group might develop solutions to address local needs through extending the current collaborative working arrangements.

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) 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
- the potential for collaboration to reduce costs, share services and specialise to improve the offer and delivery to residents and employers in the area
- the case for remaining stand-alone where student numbers and 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 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 F²⁴ (revised March 2016).

²⁴ [Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53](#)

Recommendations agreed by the steering group

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

- the colleges in the review area to further develop the Black Country College Group collaborative working model in order to deliver shared services, increase apprenticeship delivery, improve the high needs provision offer for the future, and improve literacy and numeracy, adult skills and higher education
- City of Wolverhampton College to undertake further work to explore, identify and commit to a solution that will deliver greater financial resilience and the potential for significant improvement in the college estate, by December 2016, ready to move quickly to implementation after that date
- Dudley College of Technology to remain as a stand-alone general FE College but work collaboratively with other colleges on key aspects such as apprenticeships, adult skills and higher education
- Halesowen College to remain as a stand-alone general FE college but work collaboratively with the other colleges in the area on key aspects such as apprenticeships, adult skills and higher education. To also work collaboratively with King Edward VI College on developing a shared services arrangement and a joint multi-academy trust
- King Edward VI College to remain as a stand-alone sixth-form college working collaboratively with Halesowen College on developing a shared services arrangement and the King Edward VI and Halesowen multi-academy trust
- Sandwell College to remain as a stand-alone general FE college but work collaboratively with other colleges on key aspects such as apprenticeships, adult skills and continue to develop its HE pathways working in partnership with Coventry University
- Walsall College to explore the potential for partnerships with both Walsall Adult Community College and South Staffordshire College.

Each of these options is now outlined in more detail:

Black Country Colleges Group Collaboration

The 6 Black Country colleges have already established the Black Country Colleges Group as a legal entity and this is a platform for the colleges to establish and take forward collaborative working projects. During the area review the colleges have developed plans further and have agreed on key areas for significant future work, establishing targets they feel they can achieve through collaborative working by 2019. These targets are outlined in the 'Conclusions from this review' section below. Surrounding these targets are plans for joint marketing that will provide a more coherent offer for local people that will also support the improvement of local information, advice and guidance.

City of Wolverhampton College

City of Wolverhampton College to undertake further work to explore, identify and commit to a solution that will deliver greater financial resilience and the potential for significant improvement in the college estate, by December 2016, ready to move quickly to implementation after that date.

- in terms of meeting current and future needs, working collaboratively with the other Black Country colleges will provide opportunities to deliver savings for the college, support the expansion of apprenticeships taking into account apprenticeship reform and develop progression routes to higher education to meet local skill needs
- with regard to financial sustainability, while the college has made significant strides to improve its financial position, it still faces challenges around this and, in particular, the affordability of improvements needed to the college estate
- in respect of quality of provision, the college is rated good by Ofsted and achievement rates have increased significantly over the past 3 years
- the college offers provision in 14 subject areas including all 5 of the LEP's priority 'transformational sectors' of advanced manufacturing, building technologies, transport technologies, business services and environmental technology.

Dudley College of Technology

To remain as a stand-alone general FE college working collaboratively with other colleges on key aspects such as apprenticeships, adult skills and higher education.

- in terms of meeting current and future needs, working collaboratively with the other Black Country colleges will enable opportunities to deliver savings for the college, support the expansion of apprenticeships taking into account apprenticeship reform and develop progression routes to higher education to meet local skill needs
- with regard to financial sustainability, initial financial assessment and college accounts indicate this college is in a positive position, with the financial resilience needed to remain stand-alone
- in respect of quality of provision, the college is rated good by Ofsted and student success rates are substantially above national averages in all areas
- the college has specialist facilities for training young people with learning difficulties and disabilities and a centre for advanced manufacturing and engineering.

Halesowen College

To remain as a stand-alone general FE college working collaboratively with other colleges on key aspects such as apprenticeships, adult skills and higher education. To also work collaboratively with King Edward VI College on developing a shared services arrangement and a joint multi-academy trust.

- in terms of meeting current and future needs, working collaboratively with the other Black Country colleges will enable opportunities to deliver savings for the college, support the expansion of apprenticeships taking into account apprenticeship reform and develop progression routes to higher education to meet local skill needs
- with regard to financial sustainability, initial financial assessment and college accounts indicate this college is in a strong position, with the financial resilience needed to remain stand-alone
- in respect of quality of provision, the college is rated good by Ofsted and success rates for students are above national averages in many areas
- the college specialises in A levels and in level 3 technical education provision, the latter is extensive, covering visual and performing arts and design; animal care; hair and beauty; business; catering; health and care; ICT; science; sport, travel and tourism; and public services. The college also delivers HNC, HND, foundation degree and higher apprenticeship programmes.

King Edward VI College, Stourbridge

King Edward VI College to remain as a stand-alone sixth-form college working collaboratively with Halesowen college on developing a shared services arrangement and the King Edward VI and Halesowen multi-academy trust.

- in terms of meeting current and future needs, working collaboratively with the other Black Country colleges will enable opportunities to deliver savings for the college, support the expansion of apprenticeships taking into account apprenticeship reform and develop progression routes to higher education to meet local skill needs
- with regard to financial sustainability, initial financial assessment and college accounts indicate this college is in a strong position, with the financial resilience needed to remain stand-alone
- in respect of quality of provision, the college is rated outstanding by Ofsted
- the college offers 43 subjects to over 2,000 full-time students and expects to continue to grow further over the next few years. Over 80% of students progress to universities, about 30% of those to the Russell Group.

Sandwell College

To remain as a stand-alone general FE college working collaboratively with other colleges on key aspects such as apprenticeships, adult skills and continue to develop its HE pathways working in partnership with Coventry University.

- in terms of meeting current and future needs, working collaboratively with the other Black Country colleges will enable opportunities to deliver savings for the college, support the expansion of apprenticeships taking into account apprenticeship reform

and continue to develop its HE pathways working in partnership with Coventry University

- with regard to financial sustainability, initial financial assessment and college accounts indicate this college is in a strong position, with the financial resilience needed to remain stand-alone
- in respect of quality of provision, the college is rated good by Ofsted and student success rates are improving steadily
- the college offers provision in 15 sector subject areas and is extending its A level provision in response to increased demand.

Walsall College

Walsall College to explore the potential for partnerships with both Walsall Adult Community College and South Staffordshire College.

While initial financial assessment and college accounts indicate this college is in a strong position, with the financial resilience needed to remain stand-alone, the college wishes to explore opportunities to develop its provision in partnership with others to improve the offer for local learners and employers.

Walsall Adult and Community College (WACC) is an Ofsted outstanding provider that is only 2 miles away from Walsall College and offers a broad range of community provision and some apprenticeship learning. It is in the process of becoming stand-alone from Walsall Council by 2017 and is in discussion with Walsall College about the potential for working collaboratively to reduce any overlap in provision, recognising that the student profiles are different, and to consider the potential for shared services and marketing strategies in order to reduce costs.

Walsall College has been approached by South Staffordshire College with a view to developing a partnership. Walsall College is based approximately 10 miles south of Cannock and 9 miles to the south west of Lichfield, which are 2 of the key campuses of South Staffordshire College. The catchments of the 2 colleges are adjacent. Detailed feasibility work is currently being undertaken, but governors could see potential for rationalising back-office and other services, undertaking a full review of the curriculum to eliminate unnecessary duplication between sites, and reviewing the combined estate.

- in terms of meeting current and future needs, the merged college would consider expansion of provision for students with profound and complex learning difficulties. The colleges would also explore the opportunities of harmonised apprenticeship delivery to create a more far reaching employer-facing service
- with regard to financial sustainability, the merger would create a college with a £59 million turnover.
- in respect of quality of provision, Walsall College achieved an overall grade of outstanding in its most recent inspection report and South Staffordshire College

achieved good. This position is a strong base for making further gains in quality of provision

- South Staffordshire College's land based specialism will continue and the specialist high needs facility (Futures@SSC) may be enhanced by the establishment of a second centre in Tamworth.

These potential options will not halt the plans for Walsall College to continue to work collaboratively with the other Black Country Colleges.

- in terms of meeting current and future needs, this collaborative working will enable opportunities to deliver savings for the college, support the expansion of apprenticeships taking into account apprenticeship reform and develop progression routes to higher education to meet local skill needs
- the college specialises in technical education and the largest areas are: engineering and manufacturing; construction and building services; hair and beauty; health, public services and care; business and finance; ICT and sport.

Conclusions from this review

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

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

The issues arising from the area review summarised in: The need for change, will be addressed through the Black Country Colleges Group agreement on 8 specific targets to address the needs of residents in the area and support a sustainable college sector:

- to reduce the number of Black Country resident adults with no qualifications (currently around 125,000), they aim to support an additional 65,000 adults in gaining qualifications by 2019, targeting participation of 25,000 adults per annum in classroom-based learning across the colleges
- to raise the number and levels of Black Country residents participating in apprenticeships by increasing the number of apprenticeship learners supported annually by the colleges from 7,600 to 10,000 annually (some outside of the area)
- to increase the number of adult residents qualified to level 4 or above through working collaboratively to grow delivery of higher level and degree level apprenticeships and NVQ level 4 programmes and market these more effectively
- to increase the number of young people achieving grades A*-C in GCSE English and maths at age 16 to 18 through sharing good practice and resources and developing joint improvement strategies. By 2019, the colleges wish to be in a position where achievement of students is at or close to the national average
- to reduce by 15% the number of young residents not in education, employment or training (NEET) by 2019 through the joint delivery of large-scale targeted NEET intervention projects, in particular Talent Match
- to improve the capacity of the Black Country colleges to support post-16 learners with high needs and increase the number of students moving to positive destinations (with a focus on employability). This will be achieved through strategic joint working to develop a coherent pattern of new provision, services and resources. The colleges aim to be able to offer 580 high needs places by 2019. The colleges are already discussing the potential for the joint planning of work experience placements, particularly in relation to provision for high needs students and have plans to share specialist staffing expertise across the colleges to support and develop practice
- to ensure the long term financial resilience of the Black Country colleges, with key financial indicators at or above national benchmarks by 2019, through exploration of

shared services, joint Chartered Institute of Personnel and Development (CIPD) arrangements and collaborative procurement

- to increase the capacity of the colleges to work together and with key stakeholders through the continued development of joint plans aligned to regional needs and priorities. There will be termly meetings with key stakeholders such as the local authorities, West Midlands Combined Authority, Black Country LEP and local MPs.

The 4 local authorities and the LEP expressed support for these targets and will work with the colleges to help connect this with their own initiatives, for example around NEETs, training for the unemployed and adult learning.

Further work will also be undertaken to explore and develop a solution by December 2016 that will deliver greater financial resilience for the City of Wolverhampton College.

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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