



Department
for Education

North East Area Review

Final Report

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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 the Further Education Commissioner. The steering group met on 5 occasions between September 2016 and February 2017 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 7 local authorities (Northumberland, County Durham, North Tyneside, South Tyneside, Newcastle, Gateshead and Sunderland), the North East Local Enterprise Partnership (LEP), the North East Combined Authority (NECA), the Regional Schools Commissioner, and representatives from the Skills Funding Agency (SFA), the Education Funding Agency (EFA), and the Department for Education (DfE).

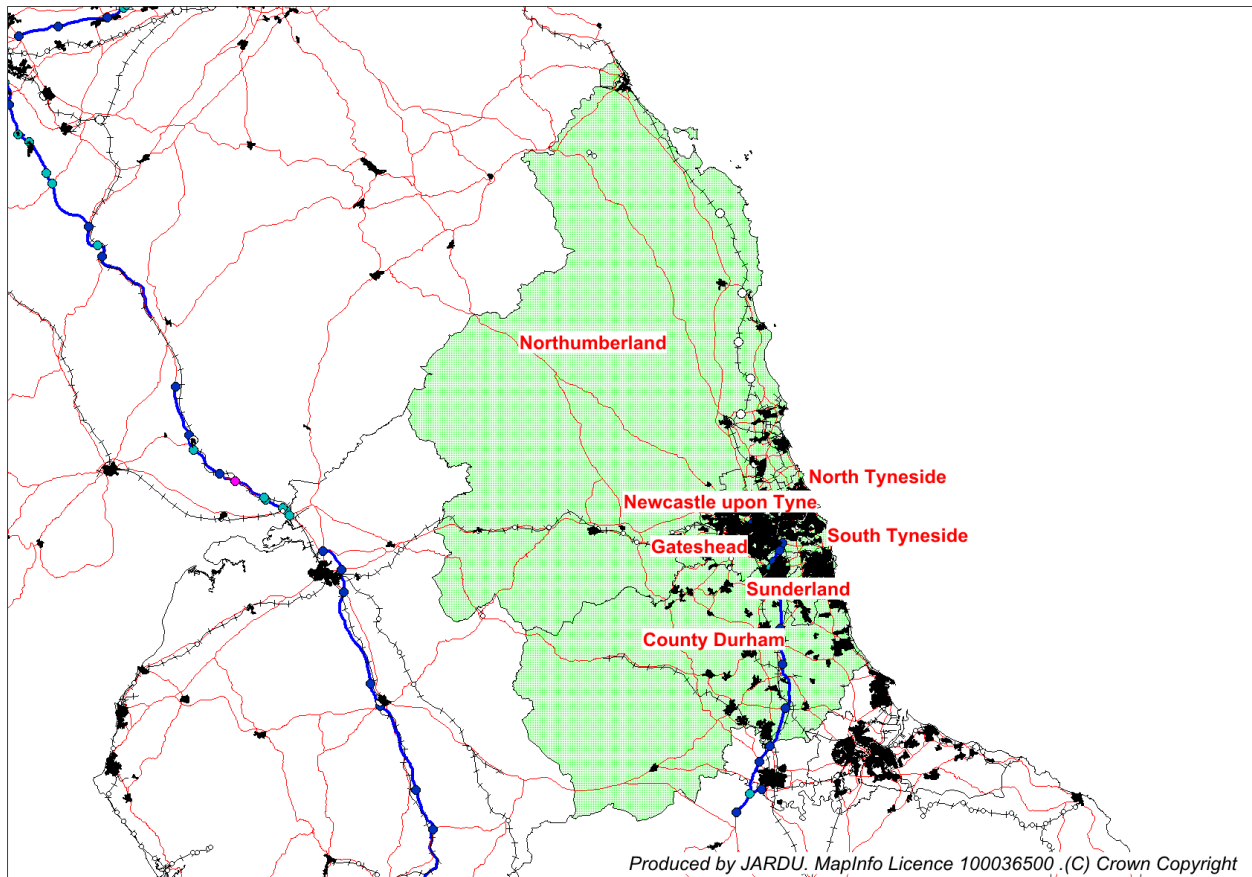
Visits to colleges and support throughout the process was provided by staff from the Further Education Commissioner and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and papers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

The needs of the North East area

Demographics and the economy

The North East area review covers the local authorities of County Durham, Gateshead, Newcastle-upon-Tyne, Northumberland, North Tyneside, South Tyneside and Sunderland.

The area is illustrated on the map below:



The table below provides a snapshot of key demographic and economic data¹, which has acted as a starting point for this review.

¹ 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.

	County Durham	Gateshead	Northumberland	North Tyneside	South Tyneside	Sunderland	Newcastle	Great Britain
Total population (2015)	519,700	201,000	315,300	202,500	148,700	277,200	292,900	63,258,400
Population aged 16 to 64	63.0%	63.4%	60.4%	62.9%	63.0%	64.0%	68.4%	63.3%
% with higher education qualifications ²	29.0%	32.3%	30.9%	34.4%	26.5%	25.3%	36.9%	37.1%
Those formally qualified to level 2+	68.4%	75.1%	76.5%	76.9%	74.9%	69.4%	74.6%	73.6%
Gross weekly pay £ of residents	488.0	485.5	487.1	514.4	469.0	483.0	507.9	541.0
Gross weekly pay £ by workplace	479.7	490.9	460.0	504.1	467.7	493.7	517.90	540.2
Out-of-work benefit claimants	2.5%	2.8%	2.5%	2.6%	4.5%	3.2%	2.9%	1.9%
% of main benefit claimants	11.6%	11.4%	9.5%	10.31%	4.51%	3.2%	10.3%	8.6%
Job density ³	0.61	0.84	0.66	0.70	0.55	0.73	0.99	0.83

² Percentages relate to those aged 16 to 64

³ Job density relates to the level of jobs per resident aged 16 to 64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16 to 64. The job density for North East as a whole is 0.70, which is below the national average.

Total workplace units:	County Durham	Gateshead	Northumberland	North Tyneside	South Tyneside	Sunderland	Newcastle	Average for the North East
Micro ⁴	87.6%	83.5%	89.0%	87.0%	87.4%	85.3%	84.2%	86.8%
Small	10.3%	13.2%	9.7%	10.9%	10.1%	12.0%	12.4%	10.8%
Medium	1.9%	2.7%	1.1%	1.6%	2.0%	2.2%	2.5%	2.0%
Large	0.2%	0.6%	0.2%	0.5%	0.5%	0.6%	0.9%	0.4%

The key points to note are:

- the percentage of residents qualified to level 2 is above the national average in all areas with the exception of County Durham and Sunderland
- by way of contrast, the percentage with higher education qualifications is below the national average in all areas and is lowest in Sunderland, South Tyneside and County Durham
- gross weekly pay of residents is particularly low in Sunderland; Northumberland however has the lowest level of pay by workplace. All areas are below the national average on both measures
- Newcastle stands out as having significantly higher job density within their local authority boundary and is the only local authority area in the North East review above the national average. In contrast South Tyneside stands out as being significantly below
- employment opportunities are dominated by micro and small businesses in line with the national picture.

Patterns of employment and future growth

Table 1⁵ below indicates that in the North East Local Enterprise Partnership (LEP) area, 68.2% of jobs are full-time and 31.7% part-time which is close to the national profile.

⁴ 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).

⁵ ONS Labour Market Profile - North East

Table 1 Employee jobs (2015)⁶				
	North East LEP (employee jobs)	North East LEP (%)	North East (%)	Great Britain (%)
Total employee jobs	798,000	-	-	-
Full-time	544,000	68.2	67.8	69.1
Part-time	253,000	31.7	32.2	30.9

Further analysis in table 2⁷ below indicates that professional occupations and associate, professional and technical occupations account for 30.3% of employment by occupation, nationally the figure is 34.2%. The occupational area with the lowest percentage of overall employees is process plant and machine operatives, which is consistent with the national position.

Table 2 Employment by occupation (Jul 2015-Jun 2016)⁸				
	North East LEP (numbers)	North East LEP (%)	North East (%)	Great Britain (%)
SOC2010 major group 1-3	339,300	38.4	38.6	44.9
1 Managers, directors and senior officials	70,800	8.0	8.1	10.5
2 Professional occupations	162,000	18.3	18.2	20.0
3 Associate professional & technical	106,500	12.0	12.2	14.2
SOC2010 major group 4-5	196,200	22.2	22.2	21.2
4 Administrative & secretarial	92,500	10.4	10.5	10.5
5 Skilled trades occupations	103,700	11.7	11.6	10.5
SOC2010 major group 6-7	176,500	20.0	20.0	16.8
6 Caring, leisure and Other Service occupations	93,000	10.5	10.6	9.2

6 ONS Labour Market Profile - North East

7 Labour Market Profile - North East LEP

8 Labour Market Profile - North East LEP

Table 2 Employment by occupation (Jul 2015-Jun 2016)⁸

7 Sales and customer service occupations	83,400	9.4	9.3	7.5
SOC2010 major group 8-9	170,700	19.3	19.3	17.2
8 Process plant & machine operatives	65,800	7.4	7.2	6.4
9 Elementary occupations	104,900	11.8	11.9	10.7

LEP priorities

The North East Strategic Economic Plan highlights four areas of specialism that economic analysis and regional engagement have highlighted as areas of the economy which provide distinctive growth opportunities. These are:

- **Tech North East** - the region has one of the most vibrant, productive and rapidly developing digital communities in the United Kingdom. The strategy cites the need to raise national and global awareness of these niche strengths and the potential to grow the skills base
- **Making the North East's Future (automotive and medicines advanced manufacturing)** - across the North East, advanced manufacturing and engineering is globally focused with strong clusters in automotive and medicines manufacturing. Significant growth potential lies in international investment and local supply chains and the availability of high level engineering and capability from design to manufacturing
- **Health Quest North East Innovation in health and life sciences** - the region is well placed to capitalise on the existing thriving life science community including capability across the drug delivery supply chain, world leading health research, excellent NHS healthcare and a vibrant SME base in medical devices, medical technologies and testing and clinical trials
- **Energy North East Excellence in subsea, offshore and energy technologies** - the North East is well placed to contribute to the development of secure and sustainable supplies of energy, which is one of the most pressing challenges facing the UK. The region is home to a critical mass of successful, world leading firms in subsea, offshore and energy technologies and a range of research and science strengths in Durham, Newcastle and Northumbria Universities. One of six nationally designated Centres for Offshore Renewable Engineering, the region has a range of access to UK continental shelf oil, gas and offshore wind areas as well as three deep water ports.

In addition, the strategy highlights a range of enabling service sectors which will support the wider economy and offer opportunities for delivery of more and better jobs in the North East, namely education, logistics and financial, professional and business services.

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

The LEP cited the importance of improving skills in the North East workforce as being fundamental to the region's economic future, underpinning the aim of driving an uplift of 100,000 jobs by 2024, and ensuring that the majority are 'better' jobs. This requires an effective response from early years through to Higher Education, including strengthening the response to current demand for skills in key areas of the labour market such as engineering, computing, transport and health.

Local authority feedback identified the need for provision which engages young people and encourages participation as well as reducing travel time and costs, particularly for young people who are NEET (young people not in education, employment or training) or at risk of disengaging as well as unemployed adults. Local authorities also stressed the need for enhanced provision, offering progression opportunities to sustained employment for young people with learning difficulties and/or disabilities.

Consultation with employers, coordinated by the LEP, during the review period provided an opportunity for employers to feedback their views on the review and the broader skills landscape. Key messages were as follows:

- employers saw a need for colleges to be more responsive to employer requirements, demonstrate a greater degree of 'customer focus' and be more proactive in seeking to meet employer demands
- a number of small businesses were cited as having 'given up with colleges' feeling they were being asked to 'fit around college constraints' of funding, delivery patterns and curriculum
- this was balanced to some extent by an understanding from employers of the constraints under which colleges operate and the degree of flexibility possible. It was also acknowledged that a critical mass is sometimes required to enable delivery and that employers could do more to collaborate and approach colleges collectively
- employers indicated a willingness to seek out skills supply which delivered to quality and regulatory compliance and, if necessary, source such training out of region at additional cost
- it is also the case that a number of small employers, unable to access training locally, were not bothering to train employees and this acted as a restraint on business growth as well as limiting opportunities for employees to advance
- a degree of flexibility is required by colleges, working alongside employers, to create and adapt their course offer and there were examples of best practice described as replicating 'the agility of private providers'

- employers were seeking a clear articulation of the collective offer from colleges and clarity on areas of specialisation which they saw as positive and there was a call for individual colleges to ‘focus on a specialist area of provision and do it well’.

For each area review the National Union of Students (NUS) submitted a report on the views of students which was considered by the steering group. Where the NUS submitted a report these are available on [NUS connect](#).

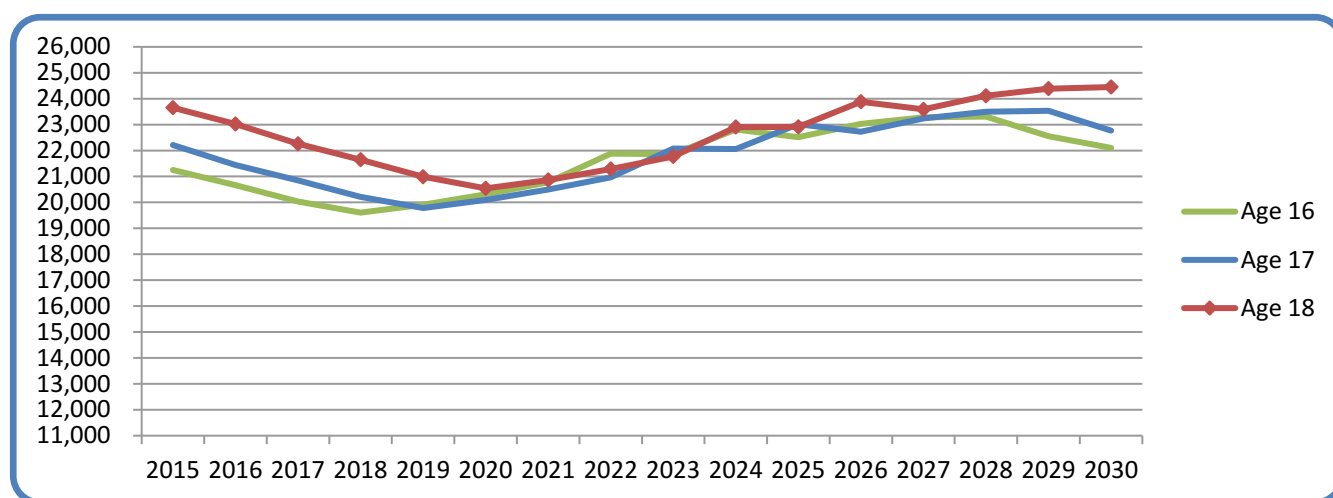
The colleges taking part in the review took primary responsibility for ensuring that their staff and union representatives had an opportunity to provide input throughout the review, which the steering group took into account. The Further Education Commissioner held meetings with staff union representatives 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+. The following chart shows the expected change in the number of young people in the review area.

In the North East area review, the numbers of young people aged 16 to 18 is declining, with a projected reduction of 6,172 (9%) between 2015 and 2020. It is not expected to show signs of recovery until 2020/2021⁹.

There is evidence here to suggest that there is a risk to any growth assumptions that colleges may have made, given demographic projections show flat or declining numbers in the 16 to 18 cohort during the period to 2020.



Age 16-18 Population Change

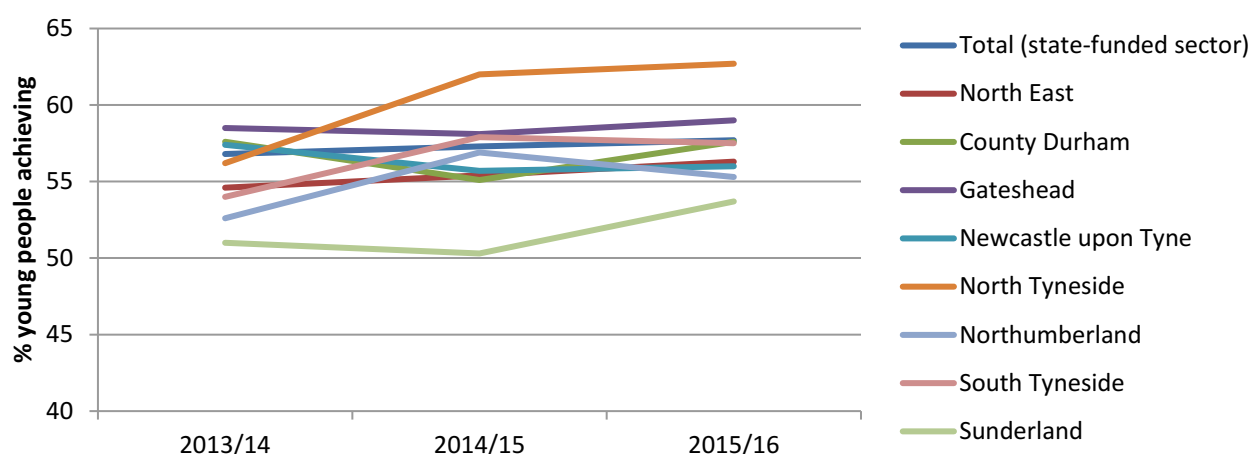
Performance of schools at Key Stage 4

The recent trend in GCSE results for 16-year-old school pupils completing year 11 across the North East local authority areas is illustrated overleaf¹⁰.

⁹ ONS sub-national population projections – see data annex: Population projections

¹⁰ School Key Stage 4 results – see data annex: Local authority and total (state-funded sector) figures covering achievement in state-funded schools only.

Five A*-C Grades including English and Maths



In 2015 to 2016 (as for 2014 to 2015), North Tyneside had the highest percentage of students achieving GCSE A* to C including English and mathematics at 62%, whilst Sunderland had the lowest percentage at 50.3%. All areas, with the exception of Sunderland and Northumberland had improved results on the previous year, but apart from North Tyneside and Gateshead, all areas had outcomes around (South Tyneside and County Durham) or below the national average for 2015 to 2016.

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 71 funded schools with sixth-forms in the review area, including 28 local authority maintained, 38 academies, 2 free schools, 2 studio schools and 1 city technology college¹¹. Most school pupils in the age range 16 to 18, are enrolled on A level courses.

¹¹ 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.

Overall, funded student numbers in mainstream school sixth-forms increased by 1.67% to a total of 16,349 in the 3 years from 2014 to 2015 to 2016 to 2017¹². School sixth-forms in the area vary in size. Using the application threshold of 200 students for new school sixth-forms in academies (as a guide for illustration purposes only), there were 37 funded school sixth-forms below the threshold in 2015 to 2016. This number includes local authority maintained and academies but excludes special schools. Ofsted graded the majority of schools with sixth-forms as good or better.

The further education and sixth-form colleges

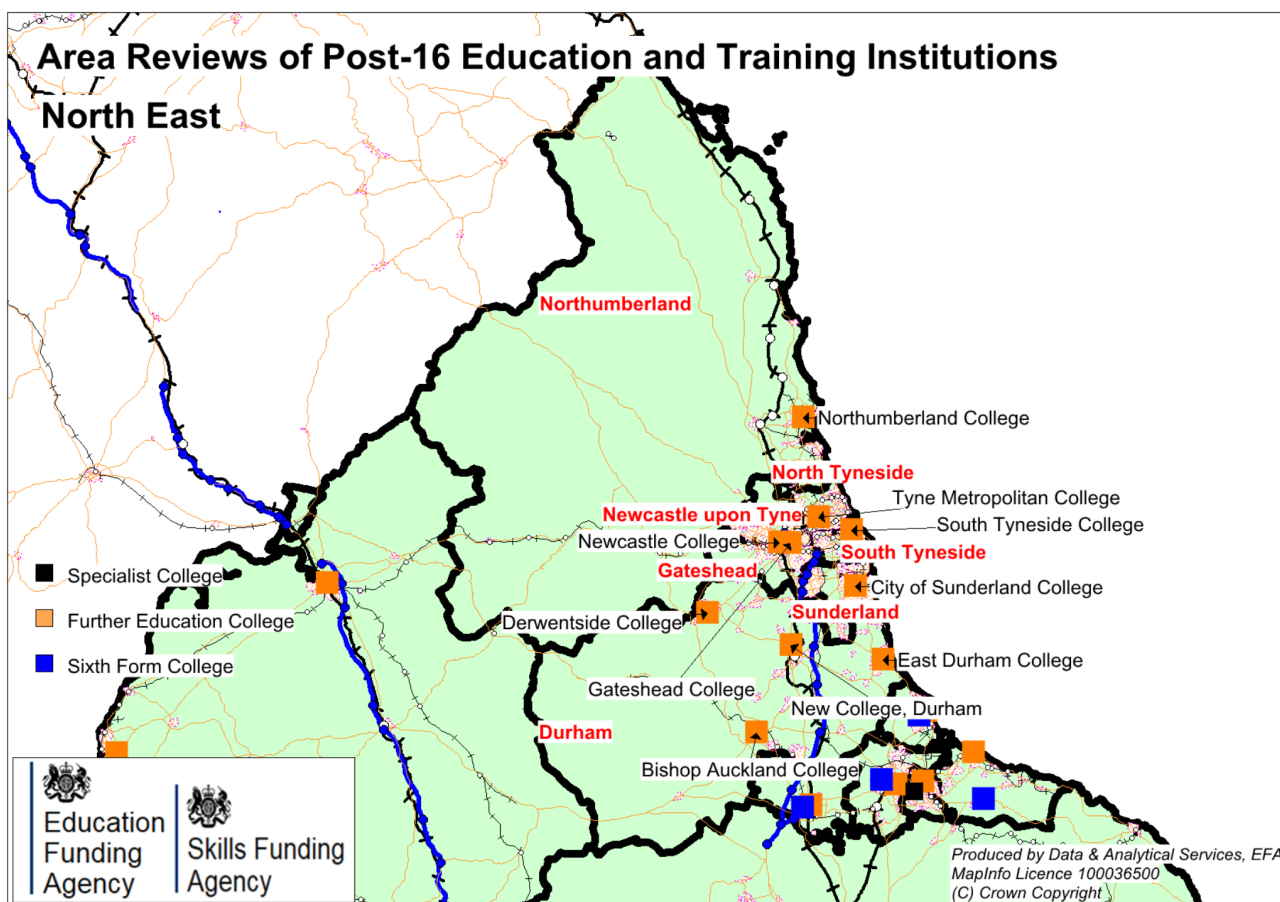
Ten general further education colleges participated in this review:

- Bishop Auckland College
- Derwentside College
- East Durham College
- Gateshead College
- New College Durham
- Newcastle College¹³
- Northumberland College
- South Tyneside College
- Sunderland College
- Tyne Metropolitan College.

The locations of these colleges are shown on the map overleaf:

¹² EFA allocations – see data annex: 16 to 19 funding. Please note: former allocations of school sixth-forms who are now academies have not been taken account of in this.

¹³ Both Newcastle College and Newcastle Sixth Form College participated in the review as the constituent colleges of NCG delivering in the North East area.



Part of the area review process involved a visit to each college by specialist further education advisers who report to the Further Education Commissioner. The advisers met with governors, senior managers and staff, to review a wide range of documents and data relating to each college. This included the 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 all the colleges and has informed the evidence base to the steering group for this review.

The current offer in the colleges

The 10 general further education colleges in the North East offer a wide range of technical education from foundation level to level 7 in response to local demand and economic priorities. Colleges also deliver a comprehensive apprenticeship offer to 16 to 18 year old students and adults with an increasing focus on higher level apprenticeships. A number of colleges also have a significant academic offer, including A levels, across a broad range of subjects, with Newcastle Sixth Form College (part of Newcastle College Group (NCG)) delivering a purely academic programme.

Details of the specialisms of each college can be found in the college annex which accompanies this report and full details are available from individual college websites.

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 ¹⁴	EFA allocations (2016 to 17) ¹⁵	SFA allocations (2016 to 17) ¹⁶	Total college income in 000s (2014 to 2015) ¹⁷
Bishop Auckland College	Good (April 2016)	£3,660,529	£3,942,777	£13,689
Derwentside College	Good (April 2016)	£3,019,512	£9,860,397	£13,181
East Durham College	Good (Feb 2014)	£9,050,675	£3,702,461	£18,176
Gateshead College	Outstanding (June 2015)	£10,571,561	£17,798,142	£44,424
New College Durham	Outstanding (June 2009)	£12,605,598	£7,891,566	£43,810
NCG ¹⁸	Good (May 2016)	£43,354,471	£14.07m	£182,458
Northumberland College	Good (Jan 2013)	£8,409,206	£4,916,933	£18,146
South Tyneside College	Good (Dec 2015)	£7,633,500	£5,317,226	£31,236
Sunderland College	Good (June 2016)	£18,365,463	£8,136,213	£38,345
Tyne Metropolitan College	Good (June 2016)	£7,508,552	£2,822,183	£15,343

14 Ofsted – see data annex: College inspection reports

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

16 SFA allocations – see data annex: Adult funding

17 College accounts academic year 2014 to 2015 data – see data annex: College accounts. Figures shown in 1000s

18 Ofsted, allocations and income data relates to the college group as a whole. Although not all colleges in the group are in this review area

Four of the general further education colleges (Derwentside College, Newcastle College, New College Durham and Northumberland College) have experienced an increase in their Skills Funding Agency allocations from 2014 to 15 to 2016 to 17. Over the same period, 3 general further education colleges (Northumberland College, South Tyneside College and Tyne Metropolitan College) have experienced an increase in their Education Funding Agency allocations.

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.

A number of the constituent colleges of NCG have participated in area reviews in their localities, i.e. Kidderminster, West Lancashire, Newcastle and Newcastle Sixth Form Colleges, presenting data and evidence related to delivery at the local level. This has informed development and consideration of emerging options for each area.

Given NCG's head office is based in the North East LEP area, the North East area review has considered the underlying financial position of the college group and the overall quality of delivery at group level. This ensured that, in line with all other college corporations, NCG was wholly included in the area review process.

Higher education in further education¹⁹

Progression of young people to higher education (HE) across the North East is variable. Data for the period from 2005 to 2006 to 2010 to 2011 indicates that Northumberland and North Tyneside had the highest proportion of students who progressed to HE by age 19 with rates of progression 33.8% and 32.1% respectively, and that Sunderland and South Tyneside had the lowest rate of 25.5%, compared to a national average of 34.7%²⁰.

The universities of Durham, Newcastle, Northumbria and Sunderland offer the majority of higher education in the area.

Most of the colleges in the North East have a portfolio of higher education with a number having foundation degree awarding powers. Taught degree awarding powers have recently been awarded to NCG.

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

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

The colleges are developing their higher level provision offer, including both higher education and higher apprenticeships, in response to local skills demand and the LEP priorities.

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

In 2016 to 2017, the EFA funded 1,821 post-16 places in colleges, special schools and specialist post-16 institutions across the 7 local authorities. The colleges delivered 819 of these funded places, with NCG delivering the most²², offering 225 funded places (this is at group level), and East Durham College followed with 120 high needs places.

During the review, local authorities expressed concern that whilst the high needs provision offered by colleges responded well to local needs there were still significant numbers of young people travelling outside of their resident local authority to access provision. Local authorities and colleges expressed a desire for enhanced progression opportunities for young people with high needs including routes to sustained employment.

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

Apprenticeships and apprenticeship providers

Contributing to the government's target of 3 million apprenticeship starts by 2020 is a key priority for the North East. In 2014 to 2015, there were over 45,500 apprenticeships delivered in the review area²³. Excluding NCG, for which the data reflects total group delivery and not that solely within the North East, colleges within the scope of this review delivered less than 40% of this. The remainder was delivered by 310 different providers including local authorities, group training associations, small independent providers, national organisations and by employers themselves.

The volume of apprenticeship delivery carried out by each college varies. During 2014 to 2015, the colleges in the North East review area delivered 16,960 apprenticeships. Of those colleges, Derwentside College had the largest volume, followed by Gateshead. During 2015 to 2016, colleges have refocused their delivery on apprenticeships and many have begun to offer progression to higher apprenticeships to meet employer demand for skills. In 2014 to 2015 only 4% of apprenticeship delivery was in higher apprenticeships with Tyne

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

²² Data relates to the college group

²³ Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

Metropolitan and Derwentside Colleges having the highest proportions of their delivery at the higher level.

Overall, the frameworks with the highest volume of starts were in business administration and law, health public services and care and engineering and manufacturing technologies²⁴. Colleges are developing strategies and working with employers to maximise the positive impact of the introduction of the apprenticeship levy.

Competition

Travel to learn patterns in the North East are complex and in many cases see young people and adults cross local authority boundaries to access provision which is indicative of competition between colleges, particularly to attract 16 to 18 year old students. It is also the case that in many rural areas of the review area young people face particular challenges in accessing appropriate provision due to the availability of public transport. A report submitted to the review by local authorities described these challenges as significant and called for the recommendations emerging from the North East area review to acknowledge and where possible address these challenges.

Between 2013 and 2016 there has been an increase in the numbers of school sixth-forms while, during the same period, there has been a decline of 12% in funded students aged 16 to 18 in the colleges.

Land based provision

Landex, the sector organisation that represents a significant number of colleges which deliver land based provision, has prepared a report for steering groups on the mix and balance of land based provision across the country, the key deliverers of this and the importance of that provision to the sector and the economic development of the country.

The strategic importance of the industry environmentally to food and water security in the future is set out. The land based and agri-tech industries have an ageing workforce and an increasing need for workers who can apply scientific and technological skills in a land based environment. In addition, while agriculture and land based engineering have relatively small provider bases compared to their significance to the industries they serve, there may be risk with loss of provision in either area.

²⁴ Numbers of apprenticeships by Local Authority and subject sector

Nationally, apprenticeships in the land based sector have been slow to grow and there is a low rate of progression to level 4 and above among students who go into employment in the sector after completing a level 2 or level 3 programme.

East Durham College and Northumberland College have land based college campuses at Houghall in Durham and Kirkley Hall in Ponteland respectively. These 2 colleges are working closely to develop a land based strategy that is beneficial to both parties and better meets the needs of the land based economy.

The largest areas of land based provision are in animal care and veterinary science, horticulture and forestry and agriculture, with significant numbers in all for classroom-based technical courses. While both of the colleges also offer apprenticeships, the numbers are low but still significant due to the North East's substantial rural economy.

The need for change

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

The key areas for change

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

- collaborative action to ensure the long term viability of the college sector by addressing efficiencies, curriculum rationalisation and increasing specialisation
- the need for education and skills to play a strong role in enhancing the productivity of the regional workforce and increasing levels of employment including through an increase in the proportion of the population educated to level 4 to address the changing needs of the labour market
- alignment of learning pathways from entry to level 5 to the workforce needs of the region including new and specialist sectors
- the need for a diverse and impartial careers, education and guidance offer to young people at key stage 4 and adults outside the labour market
- growing the number and breadth of apprenticeships, including high level apprenticeships, to increase the number of people with the technical and specialist skills to address short and long term skills gaps which are a barrier to economic growth
- address barriers to young people accessing a high quality post-16 education offer including transport
- addressing the needs of vulnerable groups (e.g. care leavers, SEND and those with health or behavioural issues) who are over represented in the NEET cohort, many at age 18, and are often most distant from the labour market
- a more collaborative approach across the further education sector working with the LEP, local authorities and key stakeholders to address the needs of students with learning difficulties and/or disabilities and in particular offering opportunities for progression into employment.

Initial options raised during visits to colleges

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

The types of options discussed were:

- formal structural change (mergers or federations) which, if well planned and carefully managed, were considered to have the potential to improve financial viability, address quality issues and retain a good choice of subjects and options for students. Consideration of structural change was not confined to the boundaries of the North East, and included options regarding colleges based in neighbouring Tees Valley
- Sunderland College proposed the formation of a legally constituted shared services company offering the potential for significant savings in the cost of back office and other services contributing to long-term financial sustainability
- colleges building upon current curriculum specialisms to enhance and strengthen the offer to students and employers, particularly at level 4 and above, focusing on meeting the priorities outlined in discussions with employers and the refreshed strategic economic plan
- colleges remaining as stand-alone institutions able to respond to the needs of their local community whilst maintaining long-term financial sustainability
- developing an enhanced offer to students with learning difficulties and/or disabilities with a particular focus on providing opportunities for progression to employment for this cohort of students.

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 has 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 F²⁵ (revised March 2016).

²⁵ [Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53](#)

Recommendations agreed by the steering group

Fifteen recommendations were agreed by the steering group at their meeting in February 2016. These were:

- The merger of South Tyneside College and Tyne Metropolitan College with effect from 1 August 2017
- Bishop Auckland College to continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer
- New College Durham to continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer
- Derwentside College to continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer as well as enhancing its national delivery of apprenticeships and participating in a shared service company
- Gateshead College to continue to operate as a stand-alone institution while continuing to work in a collaborative manner with colleges in the region to support a strong curriculum and further education proposition
- Newcastle College to continue to operate within the Newcastle College Group (NCG) structure working with neighbouring colleges on a collaborative curriculum offer, continuing to focus on the delivery of higher education progression routes
- Newcastle Sixth Form College to continue to operate within the NCG structure working with neighbouring colleges on a collaborative curriculum offer
- NCG to continue to operate a national group structure with focus on local accountability to students, employers and stakeholders and a continued focus on delivery of high quality learning opportunities through their constituent group institutions
- Sunderland College to continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer and participating in shared service company
- East Durham College to continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer and participating in shared service company
- Northumberland College to continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer
- Northumberland College and East Durham Colleges to develop a land based strategy that is beneficial to both parties' long term sustainability and better meet the needs of the land based economy across the North East
- Formation of a shared services company across Sunderland, East Durham and Derwentside Colleges with potential for a wider group of colleges to join
- Development by colleges, the LEP and local authorities of an enhanced offer for SEND students including collaborative work led by South Tyneside College with local authorities and the LEP to enhance opportunities for progression to

employment

- The formation of a strategic forum to monitor progress and provide oversight of the implementation of the review recommendations and to ensure continued dialogue between colleges, local authorities and local enterprise partnership.

Each of these options is now outlined in more detail:

South Tyneside College and Tyne Metropolitan College

The merger of South Tyneside College and Tyne Metropolitan College with effect from 1 August 2017.

Building on a shared services model which the colleges had been operating since 2010, the colleges came together and undertook a review of their strategic options. Following detailed analysis, both boards concluded that a merger would result in a stronger, high quality and financially resilient institution able to meet the needs of learners locally, regionally and internationally.

The colleges have commenced the process for a Type B merger with Tyne Metropolitan College dissolving and a transfer into South Tyneside College with the aim for the merger to be completed by August 2017 under the proposed name of Tyne Coast College.

- in terms of meeting current and future needs the merged college will provide a significantly improved and expanded offer through investment in high quality learning resources and expertise in teaching and learning. In doing so, the merged college will draw on the existing strengths of both colleges including commercial activities, international links and work with higher education as well as the internationally renowned maritime provision. The college will develop a single apprenticeship brand with the intention of broadening the range of apprenticeship frameworks delivered
- with regard to financial sustainability, whilst the operating surplus is forecast to be below benchmark for the individual colleges prior to merger due to the merger costs, this is expected to improve to be above the benchmark once merged in 2017 to 2018 and will be moving towards other benchmarks. The colleges forecast savings from staffing and non-pay costs when compared to the current stand-alone positions of both colleges
- in respect of quality of provision, Ofsted rated both colleges as good following inspections in the last academic year. The colleges intend to merge and further strengthen the existing well developed quality systems in both colleges to maintain high performance
- the merged college intends to build on existing specialisms including the internationally recognised Marine School (South Tyneside College), engineering provision (Tyne Met) and both colleges' provision for students with learning difficulties and/or disabilities. It is recognised that delivery which is more specialised,

- especially that requiring investment in specialist equipment, will only be available on one site however travel between the two sites is well served by public transport
- the merger also provides the opportunity for the merged college to build on the existing multi-academy trust operated by South Tyneside College expanding this activity with trust partners north and south of the river.

Bishop Auckland College

To continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer.

- in terms of meeting current and future needs Bishop Auckland college offers technical provision, centred on supporting local people into employment, offering courses from entry level through to higher education with a focus on apprenticeships. The college is seeking to further strengthen its central role in the regeneration agenda for Bishop Auckland through a range of partnerships. The acquisition of South West Durham Training offers scope for further development of higher level apprenticeships in sectors including engineering which are key to local and regional economic growth
- with regard to financial sustainability, this is a medium size college with good solvency which forecasts generating an operating surplus in all 5 years to 2019 to 2020. The college meets all benchmarks from 2016 to 2017. Forecasts are underpinned by income increasing steadily year on year until 2019 to 2020 with SFA income increasing as numbers of adult apprentices are projected to rise. Reductions are forecast in EFA income due to demographic decline. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges maintain their quality grade of 'good' or 'outstanding'. Where growth projections are not realised by the college there will be a risk that the financial health and sustainability may decline
- in respect of quality of provision, the college was inspected in the last academic year and rated as good
- the college's specialisms include age 16 to 18 apprenticeship provision, programmes for unemployed adults and provision in the community. The college is committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

New College Durham

To continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer.

- in terms of meeting current and future needs the college's age 16 to 18 delivery is predominantly level 3, reflecting prior attainment levels of their student cohort. The college offer reflects the priority set out by the LEP for progression to meet the projected high level skills needs of the region and there is an awareness of the need to increase delivery of higher apprenticeships
- with regard to financial sustainability, the college achieves the majority of benchmarks with a robust financial position underpinned by a strong balance sheet, with large cash reserves and zero borrowings. Staff costs are slightly above benchmark but reducing across the life of the plan. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges maintain their quality grade of 'good' or 'outstanding'. Where growth projections are not realised by the college there will be a risk that the financial health and sustainability may decline
- in respect of quality of provision, the college achieved an outstanding Ofsted rating following its inspection in 2009. The college continues to implement effective improvement strategies which provide high quality learning opportunities for students
- the college offers a broad range of provision but has a particular focus on: construction and the built environment, engineering and manufacturing, digital media and design and health and life sciences. All of these areas have progression opportunities for full and part time students to level 4 and above and are priority areas for the local economy. The college is committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

Derwentside College

To continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer as well as enhancing its national delivery of apprenticeships and participating in a shared service company.

- in terms of meeting current and future needs, the college specialises in the delivery of apprenticeships and has the largest volume of apprenticeship delivery in the North East LEP area. The college has a broad offer with the highest volumes of apprenticeships being in health, public services and care and business administration and law. There is increasing recognition of the importance of higher level apprenticeships delivery to meet employer demand and close to 10% of the college's delivery was in higher level apprenticeships in 2014 to 2015. The college is committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy
- with regard to financial sustainability, the college is looking to move from a deficit to a surplus position by 2020, building on costed forecast growth in apprenticeships. The college is forecast to meet all benchmarks by 2020 other than the staff cost ratio,

which is outside the benchmark, with staff costs and non-pay costs increasing to support the growth in apprenticeship delivery. The college is a partner in a shared services company, which produces modest cost savings in the early years of operation. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges maintain their quality grade of 'good' or 'outstanding'. Where growth projections are not realised by the college there will be a risk that the financial health and sustainability may decline

- in respect of quality of provision, the college was inspected in the last academic year and rated as good. The college continues to offer high quality teaching, learning and assessment to support students in achieving their learning outcomes. Through collaboration within the shared services company the college will share good practice and resources to improve quality of provision
- the college specialises in the delivery of apprenticeships. Their apprenticeship business model is based on outstanding employer engagement and business development and the effective use of Information and Learning Technology and e-learning. The college will continue to build on a range of traineeship programmes in collaboration with significant regional employers including Nissan, Calsonic, Unipress and County Durham and Darlington NHS Trust to meet local employer needs. In addition, the college will continue a strong focus on provision for the long term unemployed delivering a significant volume of employability programmes in collaboration with Jobcentre Plus.

Gateshead College

To continue to operate as a stand-alone institution while continuing to work in a collaborative manner with colleges in the region to support a strong curriculum and further education proposition.

- in terms of meeting current and future needs, the college's 16 to 18 delivery is predominantly level 3, reflecting the prior attainment levels of the student cohort. This also reflects the priority set out by the LEP for progression to meet the projected high level skills needs of the region. To meet forecast future skills needs the college has a clear focus on advanced and in particular higher level apprenticeships
- with regard to financial sustainability, Gateshead is a large college with a robust balance sheet. The college meets all financial benchmarks from 2016 to 2017 with a significant forecast decrease in borrowings leading to an improved current ratio. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges maintain their quality grade of 'good' or 'outstanding'. Where growth projections are not realised by the college there will be a risk that the financial health and sustainability may decline

- in respect of quality of provision, Ofsted rated the college as outstanding. The college governing body, senior management team and staff has successfully developed and continues to deliver a clear and ambitious vision for students
- the college continues to offer a wide range of curriculum specialisms across a broad range of sectors with full details provided in the college annex to this report. The college will also continue to capitalise on their range of specialist facilities in sport, advanced manufacturing and construction. The college is committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

Newcastle College

To continue to operate within the Newcastle College Group (NCG) structure working with neighbouring colleges on a collaborative curriculum offer, continuing to focus on the delivery of higher education progression routes.

- in terms of meeting current and future needs, Newcastle College has developed business plans to meet the LEP and other local authorities priorities. Examples of this include the strategic investments in the Digital Skills Academy, Aviation Academy, Rail Academy and Health and Childcare facilities. Recent bolstering of the apprenticeship team will support further focus on North East LEP workforce priorities
- with regard to financial sustainability, the college sits within NCG for accounting purposes and underlying financial health and the balance sheet position is reported as part of the group. The college is forecasting the delivery of a surplus in 2016 to 2017 and a growth in income through to 2019 to 2020 when they will be above benchmark. NCG has a very strong balance sheet with substantial cash balances and the college meets other area review financial benchmarks from 2016 to 2017 onwards
- in respect of quality of provision, the college was inspected as part of the Ofsted inspection of NCG which resulted in a rating of good. Governors and senior leaders have invested in high-quality, industry-standard resources that help students make better progress in a varied and highly responsive curriculum to meet local priorities and employer demand
- As well as a broad range of further and higher education courses, the college also has specialist facilities including digital, aviation and railway academies. The college is committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

Newcastle Sixth Form College

To continue to operate within the NCG structure working with neighbouring colleges on a collaborative curriculum offer.

- in terms of meeting current and future needs, the college has a predominantly A level offer reflecting prior attainment levels of students for 5 GCSE A*-C, which is above the national average in the local authority. This is intended to equip young people for progression to higher education and meet the LEP priority for increased high level skills
- with regard to financial sustainability, the college sits within NCG for accounting purposes and underlying financial health and the balance sheet position is reported as part of the group. The college group is forecasting the delivery of a surplus in 2016 to 2017 and a growth in income through to 2019 to 2020 when they will be above benchmark. NCG has a very strong balance sheet with substantial cash balances and the college meets other area review financial benchmarks from 2016 to 2017 onwards
- in respect of quality of provision, the college was inspected as part of the Ofsted inspection of NCG which resulted in a rating of good
- the college specialises in the delivery of A level study programmes with the focus being on progression to higher level study which, for the majority of the cohort, is progression into higher education. The college is committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

Newcastle College Group (NCG)

To continue to operate a national group structure with focus on local accountability to students, employers and stakeholders and a continued focus on delivery of high quality learning opportunities through their constituent group institutions.

- in terms of meeting current and future needs, the constituent colleges within the group will continue to focus on LEP and local or combined authority priority areas within their locality. They will work closely with stakeholders and neighbouring institutions to meet the needs of students and employers
- in respect of financial sustainability, the college is forecasting the delivery of a surplus in 2016 to 2017 and a growth in income through to 2019 to 2020 when they will be above benchmark. NCG has a very strong balance sheet with substantial cash balances and the college meets other area review financial benchmarks from 2016 to 2017 onwards
- in respect of quality of provision, NCG was assessed by Ofsted as good. The college has an ongoing focus on quality across the group, sharing best practice between and

within institutions and building on the increase in qualification achievement rates seen in 2015 to 2016.

Sunderland College

To continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer and participating in shared service company.

- in terms of meeting current and future needs the college's 16 to 18 delivery has a broad profile across all levels of provision reflecting prior attainment levels in the local authority. The college's apprenticeship offer is predominantly at intermediate and advanced level. To meet forecast future skills needs the college has a focus on progression to high level apprenticeships
- with regard to financial sustainability, a combination of recent investment and reductions in cost base means the college will move to the solvency benchmark from 2017 to 2018. The college moves to other benchmarks by 2018 to 2019. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges maintain their quality grade of 'good' or 'outstanding'. Where growth projections are not realised by the college there will be a risk that the financial health and sustainability may decline
- in respect of quality of provision, the college was inspected in the last academic year (June 2016) and rated as good. Through collaboration within the shared services company, the college will share good practice and resources to improve quality of provision
- college specialisms: Sunderland College is currently one of only 4 colleges nationally delivering the NextGen Skills Academy programme which leads directly to level 4 and 5 in Games Design. In respect of the Diploma in Dental Nursing (GDC Approved), Sunderland College is the only provider in the area to offer classroom delivery of the General Dental Council (GDC) approved Diploma in Dental Nursing. The college is committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

East Durham College

To continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer and participating in a shared service company.

- in terms of meeting current and future needs, the profile of 16 to 18 provision reflects the attainment levels in local schools. The college is working with the local authority and local schools to address a gap in support for excluded learners. The college also intends to increase its delivery of higher level technical provision, reflecting LEP

priorities. The college is working closely with Northumberland College on progression pathways for land based provision

- with regard to financial sustainability, the college has made significant investment in the Houghall campus in recent years and as a result reaches borrowing benchmark levels by 2018 to 2019. The college is projecting a surplus for each year up to 2019 to 2020, which reaches benchmark when savings resulting from the proposed shared services company are included. Staff costs remain slightly above benchmark across the life of the plan. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges maintain their quality grade of 'good' or 'outstanding'. Where growth projections are not realised by the college there will be a risk that the financial health and sustainability may decline
- in respect of quality of provision, the college was assessed by Ofsted as good. Through collaboration within the shared services company the college will share good practice and resources to improve quality of provision
- the college specialises in delivery of land based occupations which they deliver from foundation to level 3 including apprenticeships. Other college specialisms are detailed in the college annex to this report. The college is committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

Northumberland College

To continue to operate as a stand-alone institution working with neighbouring colleges on a collaborative curriculum offer.

- in terms of meeting current and future needs, the college has invested in a STEM centre on their Ashington campus as well as further developing facilities for the renewables sector with the Port of Blyth. This is with the intention of enhancing delivery of a core curriculum which will meet local and regional employment opportunities. The college is currently working on a project to replace the existing equine facilities at Kirkley Hall to provide a regional centre of excellence for equine
- with regard to financial sustainability, this is a medium sized college with some challenges to address financial benchmarks at the start of their five year financial plan. The college is seeking to diversify its income streams with increased commercial activities to increase income levels over the life the plan. The college is forecast to reach all benchmarks by 2019 to 2020 with the exception of the operating surplus which remains slightly below the benchmark
- in respect of quality of provision, the college was assessed by Ofsted as good
- the college specialises in delivery of land based provision at their Kirkley Hall campus supporting land based curriculum with an increasing focus on equine, leisure via outdoor education and increasingly tourism and hospitality. The college is committed

to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

Northumberland College and East Durham College land based strategy

Northumberland College and East Durham Colleges to develop a land based strategy that is beneficial to both parties' long term sustainability and better meet the needs of the land based economy across the North East.

- in terms of meeting current and future needs, the colleges are collaborating on a land based curriculum to enhance the offer available to students from across the region and beyond. Whilst the offer at levels 1 to 3 will continue to be delivered locally, the colleges are looking to enhance their respective specialisms at level 4 and above, reducing duplication and developing specialised curriculum pathways in higher education land based programmes for levels 4-6 and higher level apprenticeships in agriculture (including technology), animal science, equine, horticulture, environmental conservation, veterinary nursing and arboriculture and explore further new areas to address skills gaps in land based in the North East. These will be promoted through joint careers education, information, advice and guidance and marketing across the review area
- with regard to financial sustainability, the colleges have indicated savings will be generated through curriculum rationalisation/specialisation, shared marketing and joint continuing professional development. The savings are reflected in the financial assessments detailed above for the individual colleges
- shared CPD and quality assurance is also intended to result in improved delivery and student outcomes. The colleges are committed to working with neighbouring colleges to further enhance the curriculum available to students and employers and ensure continued coherence with the needs of the local/regional economy.

Shared Services Company

The formation of a shared services company across Sunderland, East Durham and Derwentside Colleges with potential for a wider group of colleges to join.

- The shared services company is expected to be light touch in the first 2 years of operation focusing primarily on procurement and quality
- Future opportunities which have been identified include human resources, finance and ICT to deliver wider savings
- Working collaboratively the colleges have identified total non-staff costs and addressable spend. This is projected to result in a prudent forecast total annual

savings in the longer term of around £715,000 with around 60% of the total savings in 2017 to 2018.

Enhanced offer for students with learning difficulties and/or disabilities

The development of an enhanced offer for students with learning difficulties and/or disabilities including collaborative work led by South Tyneside College with colleges, local authorities and the LEP to enhance opportunities for progression to employment.

- The colleges are keen to address the challenge from North East local authorities to ensure more appropriate support and provision for students with high to medium special educational needs and disabilities. Colleges are, in particular, keen to work with employers to enhance employment opportunities, including apprenticeships. The colleges will build on the existing expertise within colleges and partner organisations. South Tyneside College indicated their willingness to lead on behalf of the college network and commence work with the North East Combined Authority (NECA) and LEP
- This collaborative approach will also assist with the strategic reviews of high needs provision²⁶ which local authorities are currently undertaking and for which funding has been allocated by the Department for Communities and Local Government. Whilst it is recognised that fulfilling the needs of students with learning difficulties and/or disabilities often requires localised solutions, a collaborative approach to developing provision and enhancing the offer would be beneficial and allow colleges to build on and enhance their existing offer.

Strategic forum

The formation of a strategic forum to monitor progress and provide oversight of the implementation of the review's recommendations and to ensure continued dialogue between colleges, local authorities and local enterprise partnership.

- Primary responsibility for implementation of recommendations relating to individual colleges rests with those institutions. However all parties to the area review have viewed the increased engagement between colleges, local authorities and the LEP as a positive development and have expressed a commitment to engagement continuing beyond the lifetime of the review
- In addition to monitoring the implementation of the above recommendations, a group will seek to continue the strategic dialogue between all parties, including the

²⁶ [S31 Grant determination for a high needs strategic planning fund in 2016-17](#)

involvement of college chairs who have seen the formation of their own network as a positive outcome. It is proposed that all parties explore an effective mechanism for engagement, which builds on and does not duplicate existing regional and sub-regional infrastructure. The LEP has indicated their willingness to lead this area of work

- The forum would take the lead in articulating delivery of a joined up skills plan for the region. This will support the economic and social priorities and facilitate inward investment and resource planning by the LEP and key stakeholders, focused on providing learning at level 4 and above and minimising duplication in this to ensure best use of resources.

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 following:

- the strategic group led by the local enterprise partnership with representation from local authorities and colleges will maintain the focus on a collaborative curriculum offer which addresses the emerging needs of the regional economy
- a focus on specialisation, particularly in delivery of provision at level 4 and above, will enhance delivery whilst also driving efficiencies
- collaborative curriculum planning across colleges will reduce duplication and ensure a more coherent offer for learners
- colleges will be mindful of the review of the current careers offer for people of all ages and the forthcoming careers strategy recently announced as part of the government's industrial strategy²⁷
- colleges will enhance delivery of higher level apprenticeships and maximise the benefits of the apprenticeship reforms and introduction of the apprenticeship levy
- colleges have indicated a desire to ensure they have a flexible offer able to meet the needs of young people facing multiple barriers to accessing education and training. Through meeting the needs of this cohort, colleges will also look to mitigate the impact of the continued cohort decline in the region
- a forum will be established to enhance the offer for learners with learning difficulties and/or disabilities and in particular, to identify opportunities for progression into employment.

²⁷ [Building our Industrial Strategy Green Paper](#)

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 Further Education 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.



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