



Department
for Education

Lancashire Area Review

Final Report

August 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 the Further Education Commissioner. The steering group met on 5 occasions between October 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 Lancashire County Council, the Shadow Combined Authority, the Lancashire Enterprise Partnership (LEP), a representative from The Lancashire Colleges Group¹, the Regional Schools Commissioner, and representatives from the Skills Funding Agency (SFA), the Education Funding Agency (EFA) and the Department for Education (DfE).

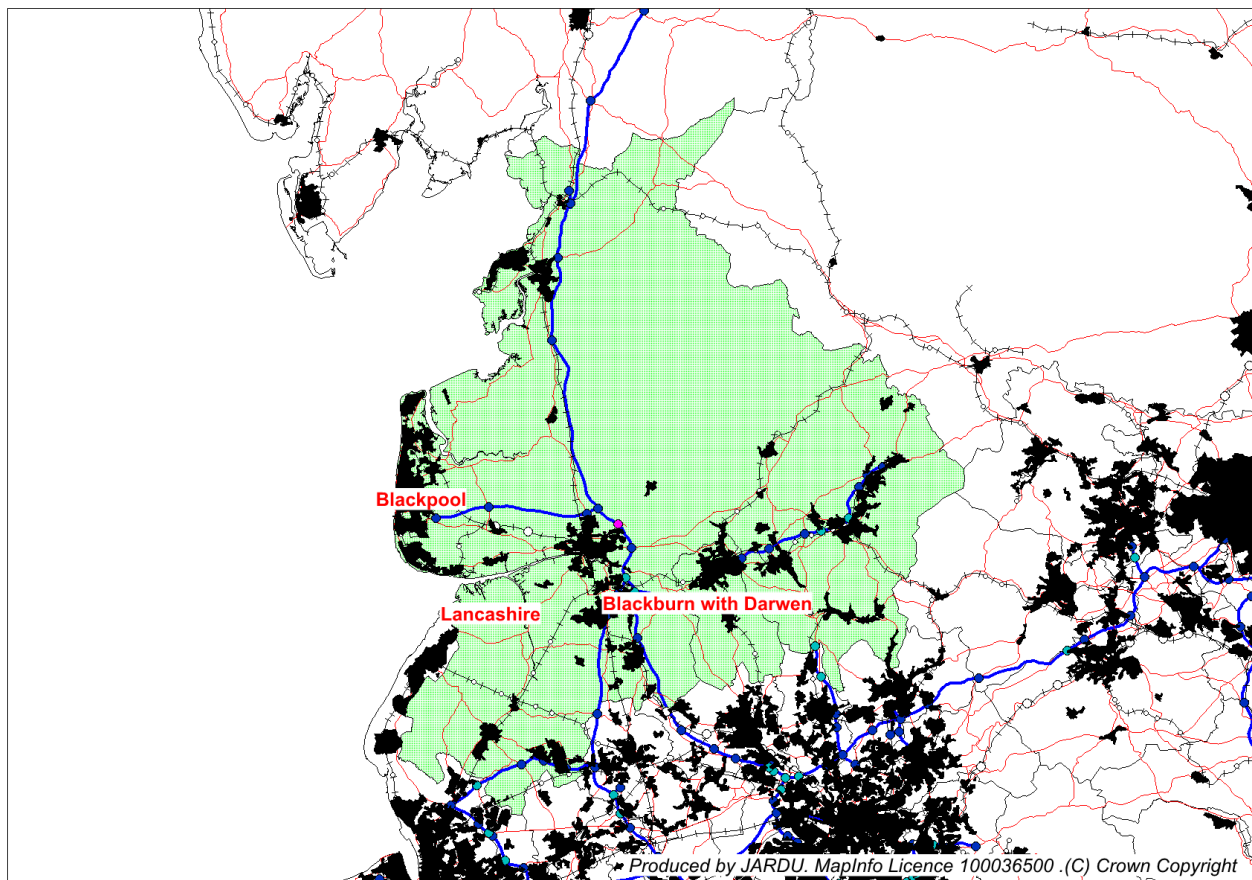
Visits to colleges and support throughout the process were provided by staff from the Further Education Commissioner's and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and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

¹ [The Lancashire Colleges](#)

The needs of the Lancashire area

Demographics and the economy

The Lancashire area review covers the 3 local authority areas of Lancashire, Blackburn with Darwen, and Blackpool. Lancashire is made up of the following Districts: Burnley, Chorley, Fylde, Hyndburn, Lancaster, Pendle, Preston, Ribble Valley, Rossendale, South Ribble, West Lancashire and Wyre. The area comprises a population of almost 1.14 million residents and is illustrated on the map below:



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

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

	Lancashire	Blackburn with Darwen	Blackpool	Great Britain
Total population (2015)	1,191,700	146,800	139,600	63,258,400
Population aged 16 to 64	61.80%	62.50%	61.50%	63.30%
% with higher education qualifications ³	32.20%	25.60%	21.90%	37.10%
Those formally qualified to level 2+	71.70%	65.40%	67.90%	73.60%
Gross weekly pay £ of residents	496.3	445.9	416.1	541
Gross weekly pay £ by workplace	496.6	476.8	419.9	540.2
Out-of-work benefit claimants	1.80%	2.60%	4.10%	1.80%
% of main benefit claimants	8.90%	13.10%	16.90%	8.70%
Jobs density ⁴	0.78	0.78	0.78	0.83
Total workplace units:				North West
Micro ⁵	83.10%	79.40%	79.30%	82.6%
Small	13.90%	16.20%	16.80%	14%
Medium	2.70%	4%	3.60%	3%
Large	0.40%	0.30%	0.40%	0.5%

The key points to note are:

- fewer Lancashire residents have higher level qualifications compared to the national average. In particular, Blackpool and Blackburn with Darwen residents are less likely to have higher level qualifications and the proportion that do is 15 percentage points and 12 percentage points below the average national rate respectively. The

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 one job for every resident aged 16-64. The job density for the North West as a whole is 0.79 which is below the national average.

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).

proportion of residents holding level 2 qualifications is also lower than nationally, and significantly so in Blackburn with Darwen and Blackpool

- gross weekly pay in Lancashire is significantly lower than the national average and most notably so in Blackpool
- within Lancashire County, the proportion of residents claiming out of work benefits is in line with the national figure. Blackpool and Blackburn with Darwen however have higher rates, with Blackpool's being more than double the national average
- while jobs density right across the three local authority areas is a little below the national average, Blackpool and Blackburn with Darwen have more small and medium-sized businesses than the national average.

Patterns of employment and future growth

Lancashire generates £24.7 billion gross value added (GVA) per annum. The county includes a number of densely populated urban centres, interspersed with rural and coastal areas. The area has seen economic growth over the past decade. Whilst there are some growth hotspots such as Preston and Lancaster, overall growth has been slower than in other areas of the country. Between 2007 and 2011, Lancashire's economy grew by 4.4% compared to 6.5% nationally and 4.9% regionally. Lancashire's GVA per head is 77% of the UK average.⁶

Future demand by occupation is set out in the table below. There are predicted decreases in the number of administrative and secretarial roles and process plant and machine operatives. However, replacement demand for these occupations is still significant. The roles which are estimated to have the largest growth potential are professional occupations and managers, directors and senior managers, and both of these areas are also predicted to see a high level of replacement demand.

⁶ [Lancashire Strategic Economic Plan 2014](#)

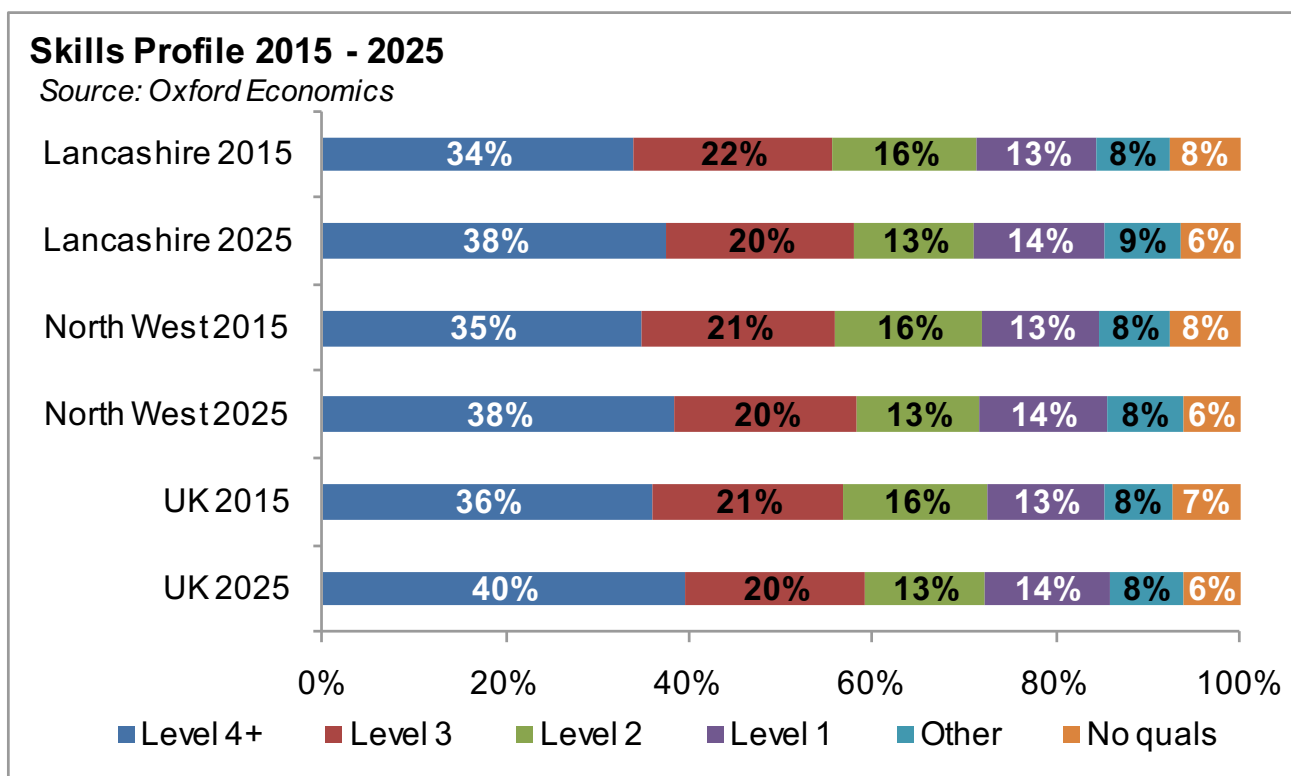
Lancashire Occupational Demand 2015 – 2025 ⁷

	Employment Growth / Decline		Replacement Demand	
	Total Requirement	Estimated Annual Requirement	Total Requirement	Estimated Annual Requirement
Professional occs.	4,000	400	43,670	4,370
Caring, leisure, other serv.	3,000	300	35,270	3,530
Admin/ secretarial	-5,000	-500	34,020	3,400
Elementary occs.	3,000	300	32,690	3,270
Mangers, directors, senior	4,000	400	30,270	3,030
Skilled trades occs.	2,500	250	29,950	3,000
Associate prof. / technical	2,500	250	27,060	2,710
Process, plant and machine operatives	-1,000	-100	22,190	2,220
Sales / customer service	2,500	250	19,660	1,970

Source: Oxford Economics; ekosgen estimates based on Working Futures

⁷ ['Skills in Lancashire' Lancashire LEP](#)

The skills profile table below shows forecast qualification levels required among Lancashire residents for 2025, compared to 2015 figures.⁸ The profile for Lancashire is closely aligned with the forecast for the North West and for the UK as a whole, with increases needed in those qualified to level 4 and above. A small increase is predicted for those with level 1 qualifications, whilst the number of people with levels 2 and 3 or with no qualifications is forecast to reduce slightly.



LEP priorities⁹

The Lancashire Enterprise Partnership (LEP) is a public-private partnership driving economic growth and ambition. The LEP aims to create 40,000 new homes, 50,000 new jobs and £3 billion additional economic activity by 2025. The LEP has a City Deal covering Preston and South Ribble, as well as 4 Enterprise Zones focused on high technology manufacturing, aerospace, energy and polymers. 'Skills for Growth' is a theme within the Strategic Economic Plan 2014. The LEP aims to raise skills levels and enable inclusive growth to the benefit of Lancashire residents. The LEP has developed a skills and employment strategic framework which prioritises four areas:

- **future workforce:** inspiring young people; improving employability skills and aligning curriculum; investing in the learning infrastructure

⁸ ['Skills in Lancashire' Lancashire LEP](#)

⁹ [The Lancashire Enterprise Partnership Priorities](#)

- **skilled and productive workforce:** apprenticeship growth, routes to higher levels of professional and technical skills, professional/graduate attraction and retention, workforce planning, leadership and management, innovation capacity in small and medium-sized enterprises (SMEs)
- **inclusive workforce:** enabling an inclusive workforce, supporting the unemployed and inactive into work, digital inclusion, incorporating social value into public procurement processes
- **informed approach:** employer engagement to inform the approach, maintain the evidence base and insight, influence, prioritise and direct the use of funding, maximise impact and connect with other LEPs.

The sectors identified by the LEP as having the greatest growth potential or high levels of replacement demand are:

- advanced manufacturing and engineering
- energy and environment
- creative and digital
- finance and professional services
- health and social care
- construction
- the visitor economy.

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

At the start of the review, representatives from the LEP and the 3 local authorities set out their priorities for skills in the area. They referred to the fact that the area is starting from a good position, with a strong network of colleges, the majority with good and outstanding Ofsted gradings. They were keen to build on this through the outcomes of the area review. They noted the exceptionally good collaborative work across the colleges with the local authorities and that much of the colleges' current offer supports local needs.

The LEP set out to the steering group how the further education sector could build on their current offer to further support their priorities:

Future workforce

- offer breadth and depth of high quality provision, with greater collaboration
- offer clear routes and progression pathways and provide sufficient provision at lower levels
- embed employability and enterprise skills throughout the students' educational journey
- offer enrichment which contributes to developing a broader skills set
- involve employers consistently in curriculum development

- ensure provision is sufficient to meet demographic projections
- provide good quality careers education information advice and guidance and work related learning.

Skilled and productive workforce

- collectively increase fit-for-purpose apprenticeship provision at levels 2 and 3 and increase availability of places at higher level and degree level
- make the further education offer less difficult for employers to navigate
- provide adequate access to specialist provision at level 3 and higher levels
- contribute to the development of level 4+ skills
- ensure specialist provision complements areas of focus for economic growth
- take cross-sector approaches to embed digital technology and creativity
- ensure learning facilities and technology are up-to-date.

Inclusive workforce

- apply the concept of a 'skills escalator' so that provision is outcome-focused
- offer programmes targeted at adults which correlate with the needs of the local labour market
- embed digital skills in foundation level, level 1 and level 2 programmes
- ensure adequate access and engagement in local areas of Lancashire
- provide community learning at accessible venues
- provide adequate provision to young people with complex needs.

Informed approach

- use labour market information to shape a curriculum offer aligned to Lancashire's economic priorities
- engage with employers to design curriculum and enhance the student experience
- ensure provision reflects the broader North West economy
- engage with schools to ensure provision meets learner needs.

Local authorities

The local authorities noted that, across Lancashire, outcomes for young people overall are positive; however, they highlighted some areas where improvements need to be made and set out their key priorities to the steering group. Common principles for what they hoped would emerge from the review were that:

- the institutions in the review area, serving residents and local communities, will be sustainable, financially strong and resilient and make efficient and effective use of their resources
- institutions will be responsive to future demands, policy developments and funding changes

- current and future educational needs across the pan-Lancashire area will be met, taking account of employer requirements, GCSE attainment, progression pathways and positive destinations
- residents will be able to access high quality provision at all levels, with appropriate support mechanisms in place to encourage retention, achievement and progression.

Employers

Employers consulted as part of the review included those that the colleges work with as well as employer groups in the area. The majority of employers said the colleges they worked with were very responsive and offered a good level of service. Whilst many said that the colleges met the needs of their business, some felt that the service offered could be more flexible and that colleges needed to have a better understanding of their business needs. Some said that more collaborative working across the colleges would be helpful to avoid unnecessary competition and duplication.

Employer organisations fed back that the range of training and support available to small businesses needs to be clearer and that a more collaborative approach across colleges would be welcomed.

Learner voice

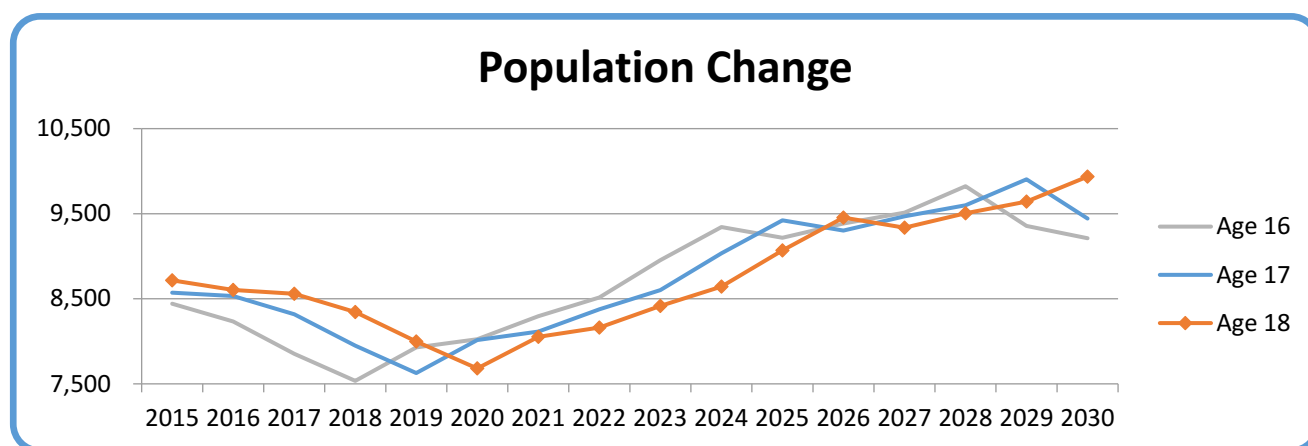
For each area review the National Union of Students submitted a report on the views of students which was considered by the steering group. Where the NUS submitted a report these are available on [NUS connect](#).

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 and Deputy 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 aged 16 to 18 in the review area¹⁰.



Overall, across the review area, the picture is one of a continued decline in the numbers of students in the aged 16-18 cohort until this starts to rise in 2019 to 2020. In Lancashire, the number of young people aged 16 to 18 is declining, with an expected decrease of 8% from 2015 to 2019. Blackpool is forecast to see the largest percentage decline at 13% and Blackburn with Darwen the lowest at 5%. From 2020, it is predicted that the number of 16 to 18 year olds, across the 3 local authorities, will then start to increase, continuing to do so over the following 6 years¹¹.

Performance of schools at Key Stage 4

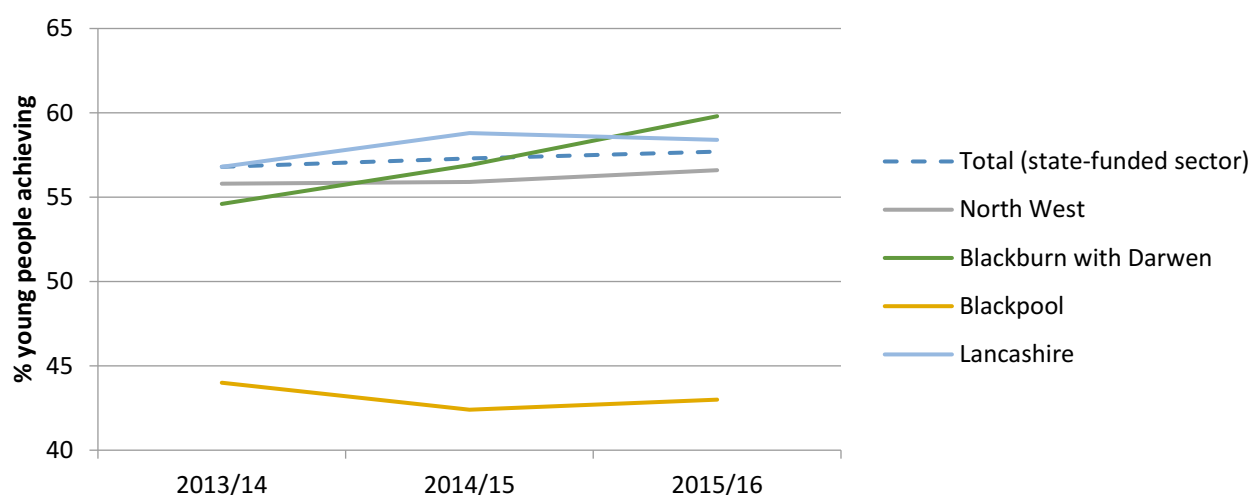
The recent trend in GCSE pass rates for 16-year-old school pupils completing year 11 across the 3 local authorities is illustrated overleaf¹².

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

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

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

Five GCSEs A*-C including English and Maths



In Blackpool, the proportion of young people attaining 5 GCSEs A*-C including English and maths is significantly below the national average at 43%. The rates for Blackburn with Darwen and for Lancashire are both above the national average and the average for the North West. In Blackburn with Darwen there has been an improvement in performance of over 5% over the 3 year period shown¹³.

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

There are currently 30 funded schools with sixth-forms in the review area, including 14 local authority maintained, 13 academies, a free school, a studio school and a university technical college (The UTC is Visions Learning Trust which will close at the end of the 2016

¹³ 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

to 2017 academic year)¹⁴. Around three quarters of pupils within school sixth-forms in the age range 16 to 18 are enrolled on A level courses.

Overall funded student numbers in mainstream school sixth-forms decreased by 993 (14.4%) in the 3 years 2014 to 2015 to 2016 to 2017 with a total of 5,892 young people funded in a mainstream sixth-form setting in 2016 to 2017¹⁵. 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 15 school sixth-forms (including local authority maintained and academies but excluding special schools) that were funded below that figure in 2016 to 2017. The majority of schools with sixth-forms were graded by Ofsted as good or better.

The further education and sixth-form colleges

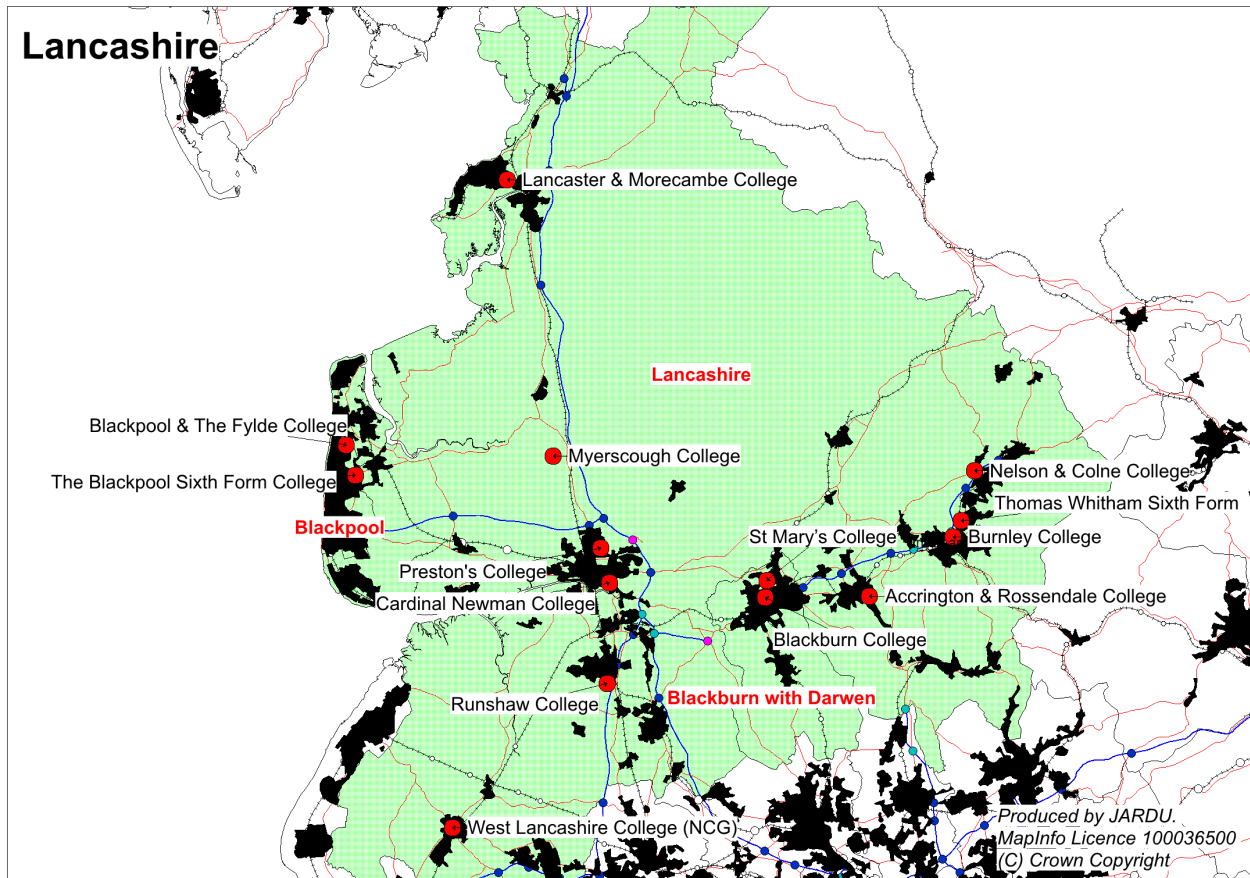
Fourteen institutions (3 sixth-form colleges, 9 general further education colleges, one specialist land based college and one 16 to 18 school) participated in this review:

- Accrington and Rossendale College
- Blackburn College
- Blackpool and The Fylde College
- The Blackpool Sixth Form College
- Burnley College
- Cardinal Newman College (sixth-form college)
- Lancaster and Morecambe College
- Myerscough College (specialist land based college)
- Nelson and Colne College
- Preston's College
- Runshaw College
- St Mary's College (SFC)
- Thomas Whitham Sixth Form (16-18 school)
- West Lancashire College (based in Lancashire but part of Newcastle College Group (NCG) based in Newcastle upon Tyne).

The location of these institutions is shown overleaf.

14 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

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



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 across Lancashire offer a broad range of technical and academic provision.

The 9 general further education colleges offer a range of technical provision for young people and adults including foundation learning, maths and English, apprenticeships and some higher education provision with Blackburn, Burnley, Nelson and Colne and Runshaw colleges providing a range of A level provision. Myerscough is a specialist land based college attracting learners from a wide geographical area.

The 3 sixth-form colleges provide a wide range of A levels and technical education provision, offering mixed programmes of technical education alongside A levels. Thomas

Whitham School Sixth Form also offers a range of A level subjects and some technical provision.

Blackburn, Blackpool and the Fylde, Burnley, Myerscough, Nelson and Colne, Preston's and Runshaw Colleges have all developed science, technology, engineering and maths (STEM) centres in line with LEP priorities. In addition, Blackburn, Blackpool and the Fylde and Blackpool Sixth Form College have been awarded STEM Assured Status.

Blackpool and The Fylde College is one of only 4 colleges in the country providing training and education for the maritime sector and it is also the hub for the National College for Onshore Oil and Gas. Myerscough College delivers specialist provision in farriery, veterinary nursing, arboriculture and sports turf and competitive motorsport. Preston's College has a number of specialist areas including dance and counselling. Lancaster and Morecambe College, Myerscough College and Preston's College are all recognised for their specialist high needs provision. Nelson and Colne College deliver adult and community learning provision across the Lancashire County Council area through Lancashire Adult Learning.

The highest volumes of technical and vocational courses offered are in the following areas:

- health and social care
- sport, leisure and recreation
- building and construction
- business management
- crafts, creative arts and design
- ICT practitioners
- foundation for learning and life
- engineering
- public services
- service enterprises.

Quality of provision and financial sustainability of colleges

The following table provides a summary of the size and quality in each of the colleges at the time of the review:

College	Most recent overall Ofsted grade ¹⁶	EFA allocations (2016 to 17) ¹⁷	SFA allocations (2016 to 17) ¹⁸	Total college income in 000s (2014 to 2015) ¹⁹
Accrington and Rossendale College	Requires Improvement (May 2016)	£4,383,435	£4,928,656	£14,893
Blackburn College	Outstanding (Nov 2007) ²⁰	£16,077,153	£6,007,531	£44,453
Blackpool and The Fylde College	Outstanding (Nov 2013)	£13,865,823	£8,128,556	£51,162
The Blackpool Sixth Form College	Outstanding (May 2009)	£9,972,578	N/A	£11,385
Burnley College	Outstanding (March 2009)	£11,599,864	£5,859,089	£24,508
Cardinal Newman College (Catholic SFC)	Outstanding (May 2009)	£15,393,159	N/A	£14,550
Lancaster and Morecambe College	Requires Improvement (May 2016)	£6,705,674	£3,089,033	£13,451
Myerscough College	Good (Jun 2013)	£10,691,258	£3,120,519	£27,757
Nelson and Colne College	Outstanding (Apr 2008)	£8,620,773	£8,933,260	£13,251

16 Ofsted – see data annex: College inspection reports

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

18 SFA allocations – see data annex: Adult funding

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

20 Blackburn College was inspected in March 2017, shortly after the close of the area review, and was judged as requires improvement

College	Most recent overall Ofsted grade ¹⁶	EFA allocations (2016 to 17) ¹⁷	SFA allocations (2016 to 17) ¹⁸	Total college income in 000s (2014 to 2015) ¹⁹
Preston's College	Requires Improvement (Nov 2016)	£8,562,875	£9,225,775	£26,969
Runshaw College	Outstanding (May 2008)	£21,051,473	£2,361,320	£29,262
St Mary's College (SFC)	Good (Sept 2013) ²¹	£3,831,942	£127,931	£7,023
Thomas Whitham Sixth Form College	Good (March 2016)	£1,134,632	N/A	N/A
West Lancashire College ²²	Good (May 2016) ²³	N/A	N/A	N/A

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. Accrington and Rossendale College is subject to a financial notice of concern issued by the Skills Funding Agency. It was notable that 5 out of the 10 general further education colleges in Lancashire were rated as outstanding by Ofsted at the time of the review, although the picture has changed slightly since then.

Overall, the condition of college buildings is relatively good across most colleges. 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 issues for individual colleges to consider, along with some instances where rationalisation or further investment might be considered further during implementation.

²¹ St Mary's College was inspected in March 2017, shortly after the close of the area review, and was judged as requires improvement

²² West Lancashire College's allocation is at NCG group level and not available for the individual college

²³ This relates to the inspection of NCG as a whole. West Lancashire College was inspected as part of the group and not separately

Higher education in further education²⁴

Progression of young people to higher education across Lancashire has been variable. In Blackpool the progression rate for young people who reached 18 between 2005-2009 and participated in higher education (HE) was 23.6%, which is low compared to most other local authorities in the North West. In Blackburn 31.7% participated, whilst in Lancashire the figure was 34.5% compared to a national average of 34.7%²⁵.

The University of Central Lancashire, Edge Hill University and the Universities of Cumbria and Lancaster offer a large proportion of the higher education in the area.

The 9 general further education colleges and 1 specialist land based college in the area, offer higher education provision. Four of the largest further education providers of higher education in the North West are in Lancashire (Blackburn, Blackpool and The Fylde, Burnley and Myerscough Colleges) with Blackburn and Blackpool and The Fylde being 2 of the largest in the United Kingdom. Blackpool and The Fylde College is one of 6 further education colleges in England to have foundation degree awarding powers. Many of the colleges have well established relationships with the universities in Lancashire.

Provision for students with special educational needs and disabilities (SEND) and high needs²⁶

In 2016 to 2017, the EFA funded 1,155 post-16 places across the 3 local authorities in colleges, special schools and specialist post-16 institutions. The colleges delivered 735 funded places between them. The colleges delivering the highest numbers of funded places are Myerscough, Blackpool and the Fylde, and Lancaster and Morecambe, Blackburn and Preston's Colleges.

The 3 local authorities identified some areas where SEND provision could be developed in the review area:

- ensure there is sufficient provision for the likely growth in young people with SEND
- increase local provision to allow high needs learners to participate in their communities, providing improved transition to adulthood
- provide more supported internships and supported apprenticeships, leading to sustainable employment
- increase provision at pre-entry level and entry for SEND
- provide sufficient, high quality, independent living skills courses.

²⁴ HEFCE POLAR 3– see data annex: Higher education progression

²⁵ Derived from HEFCE POLAR 3 – see data annex: Higher education progression

²⁶ EFA Allocations – see data annex: 16 to 19 funding: High needs

Whilst the colleges agreed to consider these points, they confirmed that they had existing, substantial entry level provision.

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, the general further education colleges within the review (excluding West Lancashire College, whose contract for apprenticeships is at NCG group level) delivered 9,300 apprenticeships. Blackpool and the Fylde, Burnley, Myerscough, Blackburn and Preston's Colleges had the largest contracts for apprenticeships. Independent training providers (9 in total) in the area delivered a total of 8,960 apprenticeships. Over 40% of these were delivered by North Lancs Training Group and around 20% by Training 2000²⁷.

The most popular apprenticeship sector subjects delivered in Lancashire are business, administration and law, and health, public service and care. These made up 53% of apprenticeship starts in the area in 2015 to 2016.

The above pattern may change with the introduction of the apprenticeship levy²⁸.

Land based provision

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

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

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

Myerscough College is a land based college in the Wyre area of Lancashire. The largest areas of land based provision which they deliver are animal care and veterinary science, agriculture and horticulture and forestry, with significant numbers in all 3 for classroom-

²⁷ Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

²⁸ Apprenticeship levy and how it will work on gov.uk

based technical courses. While the college offers apprenticeships also, the numbers here are lower, following the national pattern.

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:

- resolving the position of Accrington and Rossendale College and seeking to ensure that all colleges in Lancashire are on a strong, sustainable financial footing. This included addressing the financial position of St Mary's College, which emerged as a concern during the review.
- providing opportunities for academisation of sixth-form colleges and the benefits that would accrue
- building on existing collaboration between colleges to increase their capacity to meet learner and employer need and respond to changes in the education and skills system.
- The need to review post-16 provision in schools, although this was out of the scope of the area review process
- increased collaboration in Pennine Lancashire between the colleges to meet the educational and economic needs of the area.

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. Options raised included: a merger between Accrington and Rossendale College and Burnley College which at the start of the review was already being discussed, and a partnership structure between Preston's College and the University of Central Lancashire
- a strategic alliance between Blackburn College, University of Lancaster and Blackburn with Darwen Borough Council to achieve collaboration and innovation in academic research, skills and development

- discussion between colleges about the case for specialisation and further collaboration
- the case for remaining stand-alone if a college could demonstrate long-term financial sustainability and maintained high quality shown in Ofsted ratings. This was the preferred option for a number of the colleges
- 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. Academising and becoming part of a multi-academy trust was considered as an option by St. Mary's College and Cardinal Newman College.

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 F²⁹ (revised March 2016).

²⁹ [Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53](#)

Recommendations agreed by the steering group

Seventeen recommendations were agreed by the steering group at their meeting in February 2017. These were:

- Accrington and Rossendale College and Burnley College to merge.
- Blackburn College to remain stand-alone.
- Blackpool and The Fylde College to remain stand-alone.
- The Blackpool Sixth Form College to remain stand-alone.
- Cardinal Newman College to remain stand-alone and to assess the case for academisation.
- Lancaster and Morecambe College to remain stand-alone.
- Myerscough College to remain stand-alone.
- Nelson and Colne College to remain stand-alone.
- Preston's College to merge with the University of Central Lancashire by no later than the 2018 to 2019 academic year, in a format and structure to be determined
- Runshaw College to remain stand-alone.
- St Mary's College to confirm a sustainable structural solution.
- Thomas Whitham Sixth Form to continue to work closely with Lancashire County Council to agree a plan for a sustainable future.
- West Lancashire College to remain as a division of the Newcastle College Group.
- The Skills and Employment Board to establish an implementation group.
- A Pennine Strategic Planning Group to be created to support the delivery of the priorities articulated by the Combined Authority and the LEP.
- The colleges in the review area to further develop The Lancashire Colleges collaborative working model.
- Local authorities to take account of area review findings and consider how schools with sixth-forms can better engage with economic and educational priorities.

Each of these options is now outlined in more detail:

Accrington and Rossendale College and Burnley College to merge

Accrington and Rossendale College and Burnley College to merge.

The 2 colleges have been working closely together for 18 months to share best practice and to develop a strong collaborative approach to local provision. Following an options appraisal, a merger of the 2 colleges was identified as the preferred option and is supported by the boards of both colleges. The colleges are working towards a merger date of 1 May 2017.

- in terms of meeting current and future needs the merger will create a single, larger college which should have strong long-term financial resilience and increased

- capacity to provide high quality provision. The merged college will offer increased choice for learners and there is no closure of provision or premises planned. The college has committed to providing free transport between sites for 16-18 year olds.
- with regard to financial sustainability, the merged college is planning to apply to the restructuring facility to support the planned improvement in college finances. The merged college option is forecasting an improvement in operating performance from deficit to surplus to achieve the financial benchmark position. This would be achieved through efficiency savings, including reduced administration costs. Staff costs are forecast to be slightly above the benchmark in 2017 to 2018 but reduce the following year.
 - in respect of quality of provision, Burnley College is rated by Ofsted as outstanding, and has maintained achievement rates well above sector averages year on year. Accrington and Rossendale College was judged as requires improvement. A quality improvement plan is in place, and this will be strengthened further by both colleges working together to share best practice and drive improvements in teaching and learning and outcomes for learners. A key focus and priority is to improve outcomes for learners in maths and English.
 - Burnley College's specialisms include engineering, science and advanced manufacturing, whilst Accrington and Rossendale College's include hospitality and catering and digital skills. The colleges are working together to build a combined offer for the construction and health and care sectors to meet projected skills shortages in identified priority areas.

Blackburn College

Blackburn College to remain stand-alone.

The college will remain stand-alone and will form a strategic alliance with Blackburn with Darwen Borough Council and Lancaster University, the strategic alliance is in development and expected to be in place for the 2017/18 academic year.

The college is one of the largest in the country and already has well-established relationships with both partners. The strategic alliance would enable development of a high level research facility at the college. The partnership also plans to address underlying issues in relation to health and economic regeneration as well as focusing on education and training. If successfully implemented, this will contribute to increasing the proportion of residents with higher level skills and reducing the number of those not in education, employment or training (NEETs).

- in terms of meeting current and future needs the partnership will enable joint working in areas such as employer engagement, bidding for funding, online delivery and joint commercial expertise. The college's apprenticeship provision has grown significantly over recent years and the college plans to further increase apprenticeship numbers (by 50% from 2015 to 2016 to 2018 to 2019), introducing a range of higher

apprenticeships from 2017 to 2018. This will contribute to both LEP and national apprenticeship ambitions.

- with regard to financial sustainability, this is a large college showing signs of improving financial health following the completion of a major capital project and efficiency exercise. The college has taken steps to reduce its cost base since 2014 to 2015 and is increasing higher education recruitment. If it can maintain planned income levels it will meet the benchmark for operating performance by the end of the 2017 to 2018 academic year. Whilst the college's solvency ratio is initially low and borrowings are above the benchmark, the picture is forecast to improve as the college starts to make a surplus year on year through the combination of cost savings and planned growth in apprenticeships and commercial income to 2017 to 2018. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges achieve and maintain a quality grade of good or outstanding. Where income 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 most recent Ofsted inspection judged the college to be outstanding. The proposed partnership will draw on the strengths of each partner to further increase quality, through sharing good practice and expertise.
- the college's specialisms include delivery of a significant volume of higher level provision. The college has worked with the University of Lancaster for over 20 years and also works with a number of other university partners. Specialist areas include STEM and health and social care, both of which support sector priorities for the area.

Blackpool and The Fylde College

Blackpool and The Fylde College to remain stand-alone.

Whilst the college is open to working with other colleges, the board has agreed that, in the absence of a suitable merger partner at present, they will remain a stand-alone institution.

- in terms of meeting current and future needs, the college's curriculum is closely aligned to the LEP's priorities. A large proportion of their curriculum at level 3 and above, covers STEM subjects. The college is currently developing Lancashire Energy HQ and is the hub for the National College for Onshore Oil and Gas.
- with regard to financial sustainability, this is a large college which is forecast to consistently generate good surpluses, built on growing income levels. The majority of the financial benchmarks are already being met and this is forecast to continue. The college's adjusted current ratio is slightly below the benchmark but is forecast to improve, reaching the benchmark by the end of the 2017 to 2018 academic year and continuing to progress from there. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges achieve and maintain a quality grade of 'good' or

‘outstanding’. Where income 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 is currently rated outstanding by Ofsted. The college is one of only four providers admitted to the Chartered Institute of Further Education.
- the college’s specialisms include health and social care, with close links with the NHS and social services which enable students to work within clinical settings. Other specialisms are creative and digital, engineering, advanced IT and software development, project management, visitor economy and maritime provision, which includes an industry standard maritime engineering centre. These are aligned with the priority sectors identified by the LEP.

The Blackpool Sixth Form College

The Blackpool Sixth Form College to remain stand-alone.

The college offers a blend of A level and BTEC courses and their board believe that the needs of the young people in their catchment area are best served through maintaining their distinct educational focus. The college is a designated teaching school and sponsors the Fylde Coast Academy Trust (FCAT), a growing multi-academy trust. The college has a strong focus on school improvement.

- in terms of meeting current and future needs the college contributes to local authority priorities through their work in school-to-school support, school improvement and system leadership, along with the sponsorship of their multi-academy trust. The college is working to reduce central services costs through their relationship with FCAT and the teaching school.
- with regard to financial sustainability, the college achieves the majority of the financial benchmarks by 2018 to 2019; however, the college’s operating surplus is forecast to continue to be below the benchmark over the next four years. Whilst operating surplus is below benchmark, this is balanced by growing cash reserves and strong performance. A reduction in administration costs is forecast to continue to bear down on costs and strengthen performance. The assessment of ‘stand-alone’ college options resulting from an area review assumes both financial sustainability and an assumption that colleges achieve and maintain a quality grade of ‘good’ or ‘outstanding’. Where income 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 is rated as outstanding by Ofsted. Performance for A level and technical provision is above average.
- The college offers mixed A level and BTEC programmes. A large proportion of students undertake STEM subjects, linking with LEP sectoral priorities.

Cardinal Newman College

Cardinal Newman College to remain stand-alone and to assess the case for academisation.

Cardinal Newman is a large and growing Catholic sixth-form college based in Preston. The college is assessing the case for academisation and this will be affected by decisions made by the Catholic Education Service. In the meantime, the college intends to remain stand-alone.

- in terms of meeting current and future needs the college offers a range of provision from pre-entry to level 7 and has a high level of progression to higher education, employment or other training. There is a strong focus on STEM subjects, which accounted for around a third of the learning delivered in the 2016 to 2017 academic year. The college intends to expand its recently introduced higher education foundation degree provision, which works flexibly to meet the needs of learners.
- with regard to financial sustainability, there is a high demand for student places which drives growth in income and cash reserves. The college's finances are strong and significantly above the majority of benchmarks while operational performance is forecast to fluctuate around the benchmark. However, staff costs are set to increase as a percentage of income year on year through to 2019 to 2020. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges achieve and maintain a quality grade of 'good' or 'outstanding'. Where income 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's most recent Ofsted rating is outstanding. Performance for A level and technical programmes is above average.
- in addition to A level and classroom based BTEC level 3 provision, the college offers a foundation degree programmes in early years and teaching and learning.

Lancaster and Morecambe College

Lancaster and Morecambe College to remain stand-alone.

The college has a discrete catchment area in the north of the county, over 20 miles away from other colleges. They will remain a stand-alone college but will consider future collaboration.

- in terms of meeting current and future needs the college offers significant programmes in health and social care, construction, finance and professional services and the visitor economy - all identified by the LEP as sectors with growth potential. They work closely with local employers (predominantly SMEs) and received some of the highest results in the country in the most recent Further Education Choices learner satisfaction report. The college has a high proportion of high needs

learners (over 6% of their EFA funded learners in 2015 to 2016), supporting the local authority's commitment to the SEND agenda.

- with regard to financial sustainability, the college forecasts a slight increase in income over the next 4 years but, in order to achieve the forecast income growth, it will need to reverse the recent decline in student numbers, at a time when the cohort is shrinking. The college's operating performance is currently below the benchmark but is forecast to improve from 2017 to 2018 onwards. Further efficiency savings would be needed to reach the benchmark. The college's balance sheet is strengthened by the fact that it has no debt and has significant reserves so consistently achieves both the solvency and borrowing benchmarks. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges achieve and maintain a quality grade of 'good' or 'outstanding'. Where income 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 graded requires improvement by Ofsted. The college has reviewed its quality systems and through their quality improvement plan they plan to achieve a good rating by 2017 to 2018.
- the college's specialisms include high needs provision. The college's main focus is on technical provision at levels 1 to 3, with a small volume of higher level provision.

Myerscough College

Myerscough College to remain stand-alone.

Myerscough is a residential, specialist land based and sports college. Their board has considered a range of possible partnerships, but believe that the college should remain a stand-alone specialist college. The college is a member of the National Land Based College, a virtual college launched in 2016 which enables members to share resource and expertise across the country to advance the sector.

- in terms of meeting current and future needs, through its specialist provision the college contributes to the national needs of the land based sector, where there are significant skills shortages, as well as meeting the needs of the local area. Myerscough College is one of the largest providers of land based further education, apprenticeships and higher education nationally. The college is working with strategic partner, The University of Central Lancashire (UCLan), on the introduction of degree apprenticeships. The college also has a high proportion of high needs learners.
- with regard to financial sustainability, the college is a large, financially strong college. It has recently invested in capital development but borrowings remain below the financial benchmark. The college is currently meeting all benchmarks and their financial plans indicate that they will continue to do so for the duration of the forecast to 2019 to 2020. Growth is expected to be generated in apprenticeship and higher education revenues. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges

achieve and maintain a quality grade of 'good' or 'outstanding'. Where income 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's current Ofsted grading is good, with a number of curriculum areas identified as outstanding.
- the college's specialisms are land based provision, sport and competitive motorsport.

Nelson and Colne College

Nelson and Colne College to remain stand-alone.

The college is to remain a stand-alone institution and to expand the depth and breadth of their offer.

- in terms of meeting current and future needs the college has a high quality apprenticeship programme and plans to increase the volume and range of apprenticeships they offer, in line with LEP priorities. They will expand their adult learning offer through Lancashire Adult Learning to better respond to needs. They are working closely with Blackpool Borough Council and Blackburn with Darwen Borough Council and have formed the Consortium of Adult Learning in Lancashire with them. This will ensure a consistently high quality community learning offer is provided across the county, to share good practice and to identify opportunities for joint working and resource sharing. The college sponsors a multi-academy trust, Pendle Education Trust, which they intend to develop to deliver shared services.
- with regard to financial sustainability, the college has a strong balance sheet with low borrowing, healthy reserves, and a strong current ratio. Whilst the staff cost ratio is above the benchmark, the college is meeting all other benchmarks. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges achieve and maintain a quality grade of 'good' or 'outstanding'. Where income 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 is currently rated as outstanding by Ofsted. Their achievement rates are above average for technical and academic programmes.
- the college's specialisms closely align with the LEP's priority sectors and include childcare, health and social care, science, engineering and manufacturing technologies and languages, literature and culture. In 2016, the college took over the delivery of Lancashire Adult Community Learning provision.

Preston's College

Preston's College to merge with the University of Central Lancashire by no later than the 2018 to 2019 academic year, in a format and structure to be determined.

To maximise the beneficial impact and the sustained long-term delivery of skills, this partnership will take the form of a merger of the 2 organisations by no later than the 2018 to 2019 academic year. The exact legal format of the merger type and structure will be determined during the course of 2017.

- in terms of meeting current and future needs it is anticipated that the merger will enable the creation of an integrated service for employers and apprentices for the delivery of higher and degree level apprenticeships. The merger will create opportunities for improvements to the learner experience including in learner support, careers guidance and in English and maths. The principle of a merger has been consulted on widely with stakeholders including the LEP and the local authorities who are supportive of the partnership and its potential benefits for the City of Preston and the local community.
- with regard to financial sustainability, the merger with the university is forecast to strengthen the financial position of the college and lead to further financial savings and other benefits. Without the merger, the college is forecast to continue to make small surpluses over the period 2019 to 2020, but below the benchmark level. Financial plans indicate that the merger will enable the college to meet the majority of benchmarks by 2019 to 2020, with the staff costs ratio predicted to be marginally higher than the benchmark.
- in respect of quality of provision, the college has recently been inspected by Ofsted and rated as requires improvement. The college has a detailed action plan in place and is confident that they will improve quickly to ensure positive outcomes for learners. The proposed merger will bring opportunities for shared resources and enhanced continuous professional development, which have the potential to further enhance the quality of experience for learners and support improved approaches to teaching, learning and assessment.
- the college's specialisms will continue to include dance (up to level 7), aeronautical, mechanical and materials engineering, counselling, health professional, construction, pharmacy and dental nursing. Many of these areas align to LEP priority sectors of health and social care, advanced manufacture and construction. The college is a specialist provider of high needs provision.

Runshaw College

Runshaw College to remain stand-alone.

The college's board have considered a range of options and have decided that remaining stand-alone is the most appropriate option for the college.

- in terms of meeting current and future needs the college plans to increase its apprenticeship delivery over the next 4 years. A high proportion of the learners and apprentices study STEM subjects and high numbers of other learners are enrolled on

health and social care or creative and digital programmes, all of which contribute towards the priorities identified by the LEP.

- with regard to financial sustainability, the college is predicted to continue to be in a robust position even after one-off costs to end a lease arrangement are taken into account. Planned growth in apprenticeships is forecast to strengthen the position further. All benchmarks are forecast to be met by 2019 to 2020 except for staff costs which are marginally above the benchmark, and are forecast to increase slightly year on year until 2020. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and an assumption that colleges achieve and maintain a quality grade of 'good' or 'outstanding'. Where income 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 has maintained an Ofsted outstanding grade over many years and has been a national teaching school since 2014.

St Mary's College

St. Mary's College to confirm a sustainable structural solution.

The college should continue to take short-term actions to improve its financial position pending confirmation by 28 April 2017 of a structural option, such as merger or academisation, which delivers a financially sustainable solution for implementation in the 2017 to 2018 academic year.

St Mary's is a Catholic sixth-form college based in Blackburn. The college is part of the Diocese of Salford and operates under the trusteeship of the Marist Fathers.

- in terms of meeting current and future needs, the college's A level programmes include a significant proportion of STEM subjects. The college has reviewed its curriculum to align more strongly with LEP priorities.
- with regard to financial sustainability, St Mary's College's finances have been impacted by several years of decline in student numbers. This decline has now been reversed and funded numbers are on the increase. However, the period of reduction in income has put pressure on its reserves, hampering its capacity to build financial resilience and achieve financial benchmarks over the planning period.
- in respect of quality of provision, the college's current Ofsted rating is good. The college's quality achievement rate for those aged 16-18 has deteriorated since 2012 to 2013 and, while this remains above the national average, it is below the average achievement rate for this provider type.
- the college specialises in level 3 academic and technical provision, including a STEM offer of electronics, geology and textiles. The college also offers degree level study and Masters programmes with Liverpool Hope University and degree level study with UCLan. The offer includes access-to-learning programmes for adults within the local

community. In addition to the provision of education and training, the college runs 3 nurseries for 0 to 4 year olds.

Thomas Whitham Sixth Form

Thomas Whitham Sixth Form to continue to work closely with Lancashire County Council to agree a plan for a sustainable future.

- Thomas Whitham is a maintained 16-19 school which opted into the review in agreement with the local authority and the wider steering group. They deliver a range of academic and technical provision for 16 to 18 year olds.
- the future of Thomas Whitham will be determined by Lancashire County Council; there are no plans for the school to merge with any of the Lancashire colleges.
- the school's current Ofsted grading is good.

West Lancashire College

West Lancashire College to remain as a division of the Newcastle College Group (NCG).

The college has been part of NCG since 2007 and is one of 6 operating divisions in the organisation which include 3 other colleges. The college will remain part of NCG.

- in terms of meeting current and future needs the college offers provision in a range of sector subject areas, from entry to level 7 and has a technical focus. Growth plans are in place for apprenticeships, adult learner loans, higher education provision and bespoke courses for employers. LEP growth priorities underpin curriculum development and planning.
- with regard to financial sustainability, West Lancashire College's finances are managed at NCG Group level which have been considered as part of the North East Area Review, and forecasts indicate that the organisation will be financially sustainable for the foreseeable future.
- in respect of quality of provision, the college were inspected as part of NCG and were graded as good.
- the college will continue to deliver specialisms including performance arts and technologies, transport and logistics, hospitality and catering, nursing, midwifery and social care and construction and engineering technologies.

Implementation group

The Skills and Employment Board to establish an implementation group.

This will build on the success of the area review working group, to support, advise and provide oversight of the implementation of the recommendations of this review.

It is anticipated that the group will conclude its work by December 2017. It will:

- include representation from the Combined Authority, local authorities, the LEP, The Lancashire colleges and the SFA and EFA, together with any other stakeholders identified during the implementation phase.
- lead on the development of an implementation plan to take forward the non-structural recommendations from the review.

Pennine Lancashire Strategic Planning Group

A Pennine Lancashire Strategic Planning Group to be created to support the delivery of the priorities articulated by the Combined Authority and the LEP.

Recognising the unique characteristics of the Pennine Lancashire area, it is agreed that a Pennine Lancashire Strategic Planning Group be created. This group will support the delivery of the priorities articulated by the Combined Authority and the LEP and the alignment of a quality curriculum offer with local educational, economic and labour market needs.

The group will include representation from the colleges based in Pennine Lancashire and the Combined Authority and LEP.

All Pennine colleges included in the area review will be formally involved in the formulation of the terms of reference for the Pennine Lancashire Strategic Planning Group and have these agreed (as necessary) through their respective Boards.

Collaborative working through the Lancashire Colleges

The colleges in the review area to further develop The Lancashire Colleges collaborative working model.

This will contribute towards meeting the current and future needs of young people, adults and businesses. It will do so by ensuring provision is sustainable, inclusive, and that local and national skills including higher skills priorities are addressed, as articulated by the LEP and Combined Authority when they expressed their expectation and vision for education and skills within Lancashire.

The focus will be on the priorities identified by the LEP and the local authorities as part of the review:

- developing innovative approaches to secure greater employer engagement and involvement in education and skills, including collaborative approaches in engaging SMEs.

- continuing the development of a higher level skills offer and national centres of excellence that support Lancashire and UK priorities including STEM.
- contributing to the development and delivery of the Lancashire Apprenticeship Growth Plan.
- ensuring there is an accessible local offer in place for those adults furthest from economic independence which supports progression in learning and work.
- continuing to offer access and progression opportunities for SEND and high needs learners within a reasonable travel to learn area.
- continuing to support local schools in the delivery of effective careers education, information, advice and guidance (CEIAG) underpinned by LEP labour market intelligence.
- sharing good practice to further the colleges' collective ability to respond to new and emerging priorities, policy and system change.

Schools with sixth-forms

Local authorities to take account of area review findings and consider how schools with sixth-forms can better engage with economic and educational priorities.

Local authorities will appraise how schools with sixth-forms can better support economic and educational priorities and to take account of the outcomes of the area review in decisions about provision. This work will complement the wider schools system agenda.

- the Regional Schools Commissioner (RSC) and the 3 local authorities will take account of the area review evidence and findings in future decisions about current and planned school provision. This will complement current local authority and RSC processes which, among other aspects, consider financial health and sustainability
- over the 2017 cycle of meetings of the School Sixth Form Heads' Network, the local authorities will consider how schools with sixth-forms can better support and engage with economic and educational priorities, sharing findings with the RSC and feeding into the implementation group.

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. The LEP, local authorities, shadow Combined Authority and The Lancashire Colleges Group formed a working group to support the activities of the key stakeholder involved. 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 outcomes:

- the merger between Accrington and Rossendale College and Burnley College will resolve the position of Accrington and Rossendale, creating a large, sustainable college with increased capacity to meet current and future local needs
- the partnership between Preston's College and the University of Central Lancashire will strengthen the financial position of the college and create opportunities for the local area
- the recommendation for St Mary's College to confirm a structural option should result in a financially sustainable solution for the provision offered by the college
- the 7 general further education colleges and 2 sixth-form colleges who will stand-alone will, based on current forecasts, be in a position to remain sustainable for the foreseeable future and at least maintain or achieve good or outstanding Ofsted ratings
- Cardinal Newman College will assess the case for academisation, which could bring further benefits
- the recommendation for collaborative working through The Lancashire Colleges will help to ensure sustainable and inclusive provision which meets local and national priorities. This will include: a focus on apprenticeships, higher level skills and STEM and employer engagement; accessible progression routes for low skilled adults; access and progression opportunities for SEND and high needs learners as outlined by the local authorities; and effective careers education, advice and guidance
- the recommendation to support the engagement of schools with sixth-forms with economic and educational priorities, along with the findings from the area review, will enable a more joined up approach to post-16 education.
- the proposed Pennine Lancashire Strategic Planning Group will enable greater collaboration across the colleges, combined authority and the LEP, to support the achievement of economic and educational priorities in Pennine Lancashire.

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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