



Department
for Education

Greater Cambridgeshire and Greater Peterborough 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 Sixth-Form College Commissioner and supported by a representative nominated by the Further Education Commissioner. The steering group met on 4 occasions between November 2016 and March 2017. Membership of the steering group comprised each college's chair of governors and principal, representatives from Cambridgeshire County Council, Peterborough City Council, Rutland County Council, Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership, the Regional Schools Commissioner, and representatives from the Skills Funding Agency (SFA), the Education Funding Agency (EFA), and the Department for Education (DfE).

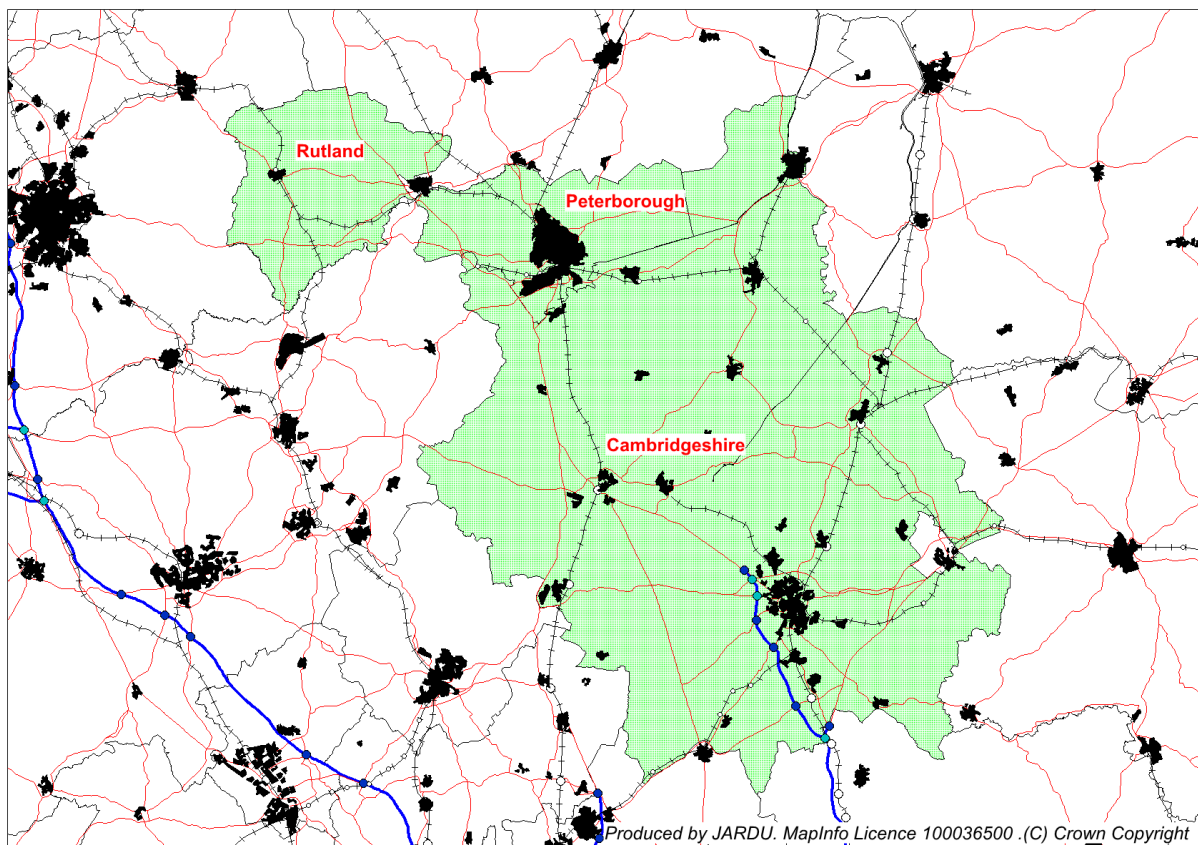
Visits to colleges and support throughout the process were provided by staff from the Further Education and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and papers used by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

The needs of the Greater Cambridgeshire and Greater Peterborough area

Demographics and the economy

The Greater Cambridgeshire and Greater Peterborough review area (GCGP) includes the local authority areas of Rutland County Council, Peterborough City Council and Cambridgeshire County Council (the latter with its five districts: Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, and South Cambridgeshire). The Greater Cambridgeshire Greater Peterborough LEP (GCGP LEP) area is slightly wider than this, including 5 lower tier local authorities that overlap other LEP areas: King's Lynn and West Norfolk, Forest Heath and St Edmundsbury (overlap with New Anglia LEP), Uttlesford (South East LEP) and North Hertfordshire (Hertfordshire LEP).

GCGP LEP is the sixth largest LEP in the country by area, at some 7250 sq. km. It is in the least densely populated quartile of LEP areas, and in population terms, ranks 17th, with a population of 1,423,300¹. The area is illustrated on the map below:



¹ [ONS LEP labour market profiles](#) 2015.

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

	Cambridgeshire	Peterborough	Rutland	Great Britain
Total population (2016)	647,200	194,000	38,000	63,258,400
Population aged 16 to 64	63.8%	63.4%	58.9%	63.3%
% with higher education qualifications ³	45.5%	26.1%	39.7%	37.1%
Those formally qualified to level 2+	78.2%	63.7%	75.9%	73.6%
Gross weekly pay £ of residents	576.0	466.9	490.9	541.0
Gross weekly pay £ by workplace	574.9	507.1	428.6	540.2
Out-of-work benefit claimants	0.7%	1.5%	0.6%	1.9%
% of main benefit claimants	5.4%	9.6%	3.9%	8.6%
Jobs density ⁴	0.87	0.97	0.85	0.83
Total workplace units:				Average for the GCGP LEP Area
Micro ⁵	84.1%	81.3%	86.6%	84.1%
Small	12.7%	14.1%	11.2%	12.9%

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

³ Percentages relate to those aged 16 to 64.

⁴ Job density relates to the level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. The job density for East Midlands (Rutland) as a whole is 0.77, and for the East of England (Cambridgeshire and Peterborough) is 0.81, both of which are below the national average. For the Greater Cambridgeshire Greater Peterborough LEP area, this is 0.86, which is above 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).

	Cambridgeshire	Peterborough	Rutland	Great Britain
Medium	2.8%	3.9%	1.9%	2.7%
Large	0.4%	0.8%	0.2%	0.4%

The key points to note are:

- Rutland has a significantly lower proportion of residents aged 16-64 than the other 2 local authority areas or the national average
- Cambridgeshire and Rutland residents are more likely to be qualified to level 2+ or to have higher level qualifications compared to the national average, whereas Peterborough residents are less likely to be qualified to level 2+ or to have higher level qualifications
- Peterborough has high levels of benefit claimants compared to Cambridgeshire, Rutland and the national average
- Peterborough residents have lower earnings than the national average, although higher earnings from Peterborough jobs suggests that many employees in the City travel outside their local area to access employment
- the earnings of Cambridgeshire residents are similar to the local workplace average and higher than the national average, suggesting that most residents are remaining within Cambridgeshire to access jobs
- the earnings of Rutland residents are higher than the local workplace average, indicating that individuals are commuting out of the Rutland area to access better paid jobs elsewhere
- job density in all 3 local authority areas is higher than the national and regional averages and significantly so in Peterborough
- Cambridgeshire and Rutland have a higher concentration of micro businesses and a lower concentration of medium and large businesses, which aligns to the national average,. Peterborough has a slightly higher number of small, medium and large businesses and a lower concentration of micro businesses than the national average.

Patterns of employment and future growth

In its Strategic Economic Plan⁶ (SEP) the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGP LEP) indicates that the area is extremely diverse, with urban, and rural communities, local and international businesses and a varied economic base. Socio-economically, the remote rurality of parts of Fenland and the north east of the area contrasts with the relative affluence of South Cambridgeshire, although pockets of deprivation exist across the LEP area.

The Skills Conclusions⁷, prepared by the LEP to serve as a labour market intelligence foundation for the area review, set out that the region offers a large and diverse economy. It includes world-leading clusters of knowledge-intensive industry (education, science and engineering) and areas with a heavy presence of agriculture, as well as a spread of lower value industries (the service sector) in parts of the region.

The GCGP area is prosperous by national standards: placed 10th in 2014 on the ONS's measure of gross value added (GVA) per head, with a £36 billion economy. The labour market is particularly robust: 82.2 per cent of residents are economically active and 79.1 per cent are employed – compared to 77.9 per cent and 73.8 per cent respectively for Great Britain.

Overall, 40% of jobs are in high skilled roles and 21% in middle skilled roles, with the remainder split between 16% in service intensive roles and 23% in labour intensive roles. Growth has been driven by administrative and support services and professional, scientific and technical activities and this is expected to continue. A number of niche industries are set to grow particularly quickly, with many of these in construction or local services, reflecting the rapid population growth.

Analysis by the LEP at a local level highlights substantial differences across the area: Cambridge and South Cambridgeshire have an impressive concentration of high value, knowledge-intensive industries across education, science and engineering. Other parts of the review area are more focused on service industries, agriculture and food manufacturing and have very different workforce needs.

To target the skills required for the area, the LEP identified the need to support the development of graduate and low skilled labour markets, with the aim of raising productivity whilst expanding employment. The LEP plans highlight the importance of ensuring skills supply to science, technology, engineering and maths (STEM) occupations, reflecting the importance of advanced industries in the region.

⁶ [Greater Cambridgeshire and Greater Peterborough LEP Strategic Economic Plan](#)

⁷ [Skills Conclusions - Local Enterprise Partnership](#)

LEP priorities

The Greater Cambridgeshire Greater Peterborough (GCGP) LEP Skills Conclusions⁸ paper sets out a number of priority sectors for the region. Five areas are identified as major growth sectors:

- aerospace and defence
- clean tech⁹
- agri-tech
- creative and digital
- life sciences.

Additionally, the LEP identifies seven sectors that are important to growth in the region but which face persistent and significant skills gaps:

- advanced manufacturing
- food manufacturing
- logistics and warehousing
- health
- ICT
- financial services
- construction.

The LEP sets out in its Strategic Economic Plan (SEP) how it aims to release the area's significant potential for continued economic growth through a targeted range of interventions. It sets out a series of 'Prioritised Intervention Packages' as follows:

- **digital connectivity and exploitation:** The area has globally significant companies that export digital products, including software, gaming and education. The LEP area also has an advanced agri-tech sector, which is increasingly reliant on digital connectivity, and a concentration of small and medium-sized enterprises (SMEs), mainly based outside the 2 cities. The LEP has identified digital connectivity as a priority area for development
- **transport connectivity:** the GCGP area is described as being in one of the UK's fastest growing areas. However, transport constraints represent a key challenge to supporting housing and employment growth and continued economic prosperity, as well as access to learning and work. These are problems that will worsen without further investment

⁸ [Skills Conclusions – GCGP Local Enterprise Partnership](#)

⁹ Clean technology (or 'clean tech') refers to any process, product, or service that reduces negative environmental impacts through significant energy efficiency improvements, the sustainable use of resources, or environmental protection activities.

- **removing skills barriers to growth:** the LEP is looking to align skills provision with business needs, and will focus on 3 aspects: economic awareness, business planning, and aligning publicly-funded training and skills initiatives to local business demand
- **provision of incubation and innovation space:** the LEP area is considered to be a growth area, with demand for business expansion (although this is not evenly spread across the area) that will be released through the intervention packages outlined in the SEP
- **accelerating business growth by targeted support through a growth hub:** the SEP indicates that businesses have expressed concerns that the business support landscape is confusing. The Growth Hub Programme seeks to make business support simpler and easier to access for businesses, improving the efficiency and effectiveness of local and national business support schemes
- **Alconbury Weald Enterprise Campus:** the Alconbury Weald site (at 575 hectares) is the largest brownfield site in the south of England in single ownership. The development of the site is expected to deliver high quality employment space with associated housing and community facilities and should, over time, bring with it significant infrastructure improvements through the provision of a new railway station on the East Coast Mainline. The Enterprise Campus should draw the Peterborough and Cambridge economies closer together.

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

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

- there is good quality and breadth of provision in some areas, although there is limited access in other areas (Fenland, East Cambridgeshire and Rutland) to good quality provision with progression routes, so young people travel out of county to access provision
- there is good collaboration between employers and colleges when recruiting apprentices, with employers highlighting that colleges are meeting their business needs and the apprentices are of a good calibre, better than agency staff and outweighing employer expectations
- there is high quality collaboration between some schools and further education providers, including on apprenticeship programmes in some areas
- there are opportunities for the Department for Work and Pensions (DWP) and colleges to work together in delivering adult skills and employment training that should be further exploited. DWP expressed a desire to be more engaged in area discussions, for example at joint partner meetings/employment skills boards
- information, advice and guidance (IAG) was highlighted as a strength in some areas, but variable in others, with some schools working closely with colleges and others not

- transport limitations in the area create challenges for learners in accessing good quality provision, particularly in the Fenland and East Cambridgeshire areas.

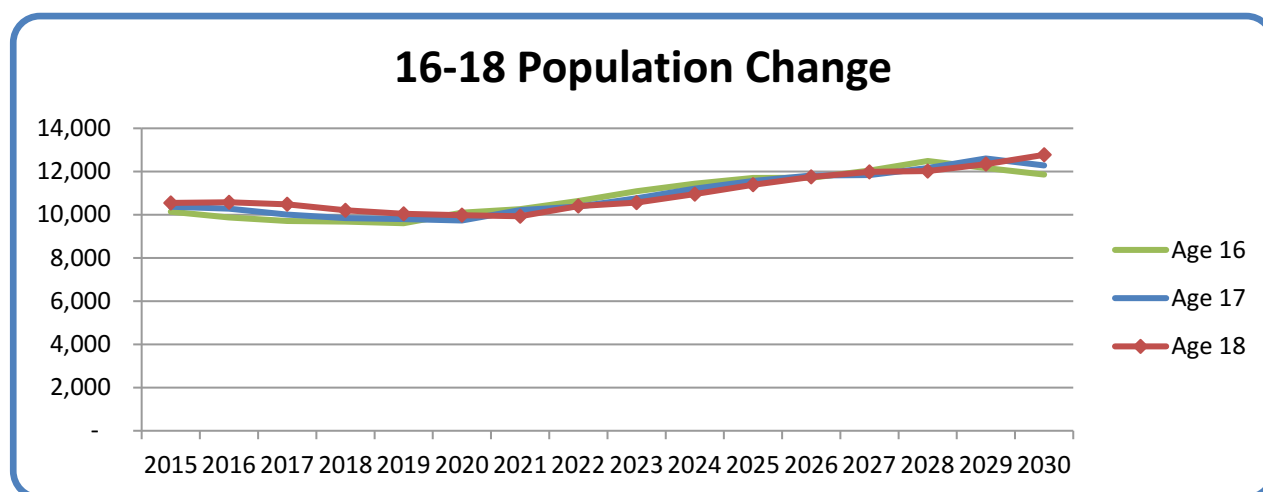
For each area review the National Union of Students submitted a report on the views of students which was considered by the steering group. Where the NUS submitted a report these are available on [NUS connect](#).

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 Sixth Form College 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 area¹⁰. Across the Greater Cambridgeshire and Greater Peterborough review area, the numbers of young people aged 16 to 18 is expected to decline by 5% between 2015 and 2019, and then increase by 25% between 2019 and 2030, with the largest growth in Peterborough (29% increase (+1,986) in 16-18 year olds), followed by Cambridgeshire (17% increase (+3,751) in 16-18 year olds).



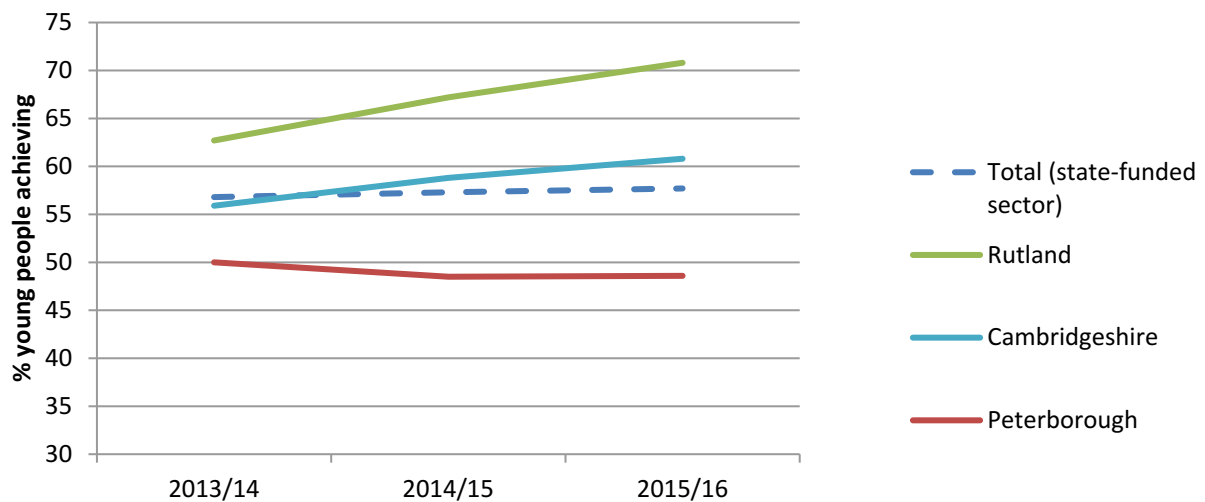
Performance of schools at Key Stage 4

The recent trend in GCSE pass rates for 16 year old school pupils completing year 11 across the 3 local authority areas is illustrated overleaf¹¹.

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

¹¹ 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



The overall performance of schools at Year 11 (key stage 4) in Cambridgeshire and Rutland is above the national average and has increased over the past 2 years. Peterborough outcomes are below the other two areas and the national average, and have declined slightly since 2013/14¹².

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 delivered 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 30 funded schools with sixth-forms in the review area, including 3 local authority maintained, 25 academies, 1 free school, and 1 university technology college (UTC)¹³. Most school pupils in the age range 16 to 18 are enrolled on A level courses.

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

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

Overall funded student numbers in mainstream school sixth-forms have decreased very slightly (-0.9%) in the 3 years 2014 to 2015 to 2016 to 2017 with a total of 6,522 young people funded in a mainstream sixth-form setting in 2016 to 2017¹⁴. 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 17 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

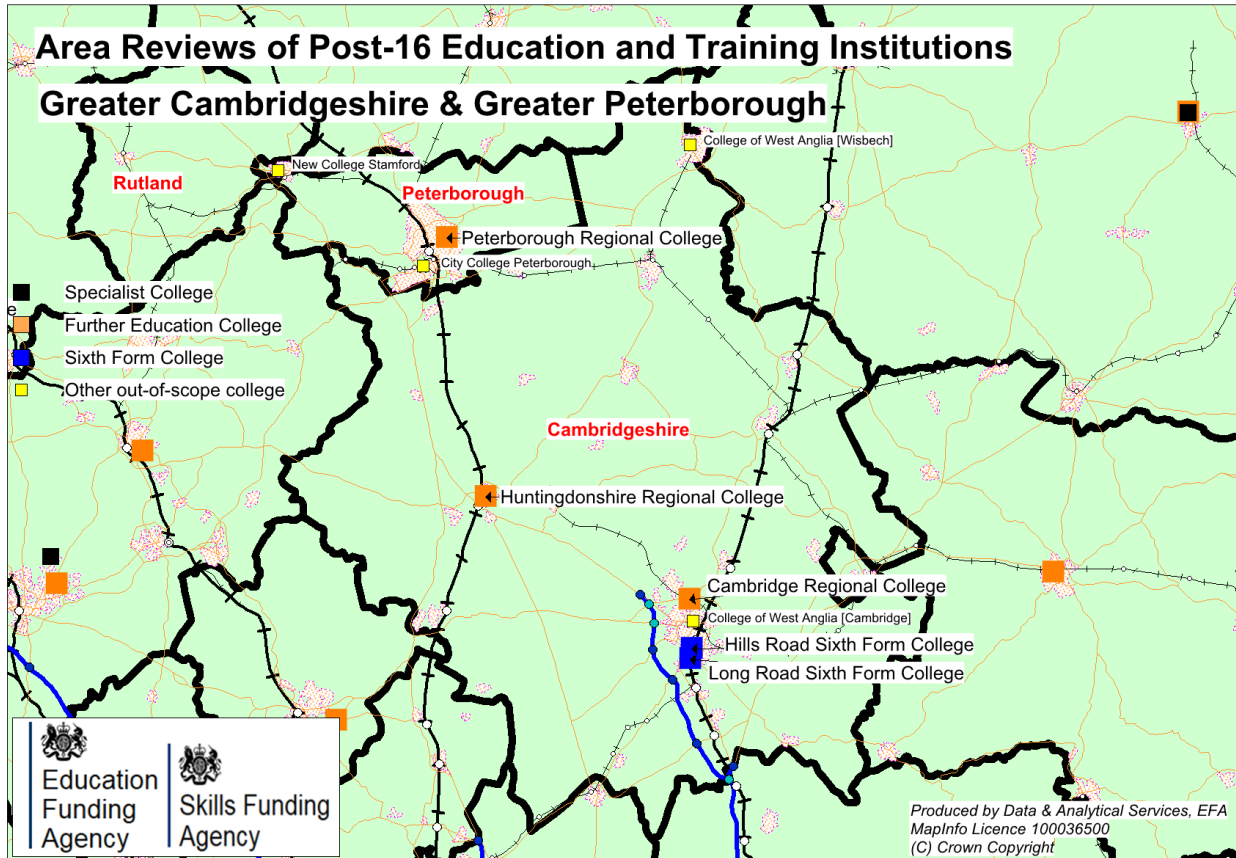
Four general further education colleges and 2 sixth-form colleges participated in this review:

- Cambridge Regional College
- Huntingdonshire Regional College
- Peterborough Regional College
- Hills Road Sixth Form College
- Long Road Sixth Form College
- The College of West Anglia¹⁵.

The location of these colleges is shown on the map overleaf. This also shows the location of a campus of New College Stamford, which has a presence in the area, but was reviewed as part of the Leicester and Leicestershire Area Review:

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 The College of West Anglia was part of the Norfolk and Suffolk area review as their home review area, but was also included in the GCGP area review due to the fact that they have two campuses and significant delivery in the area.



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

The current offer in the colleges

The colleges in the Greater Cambridgeshire and Greater Peterborough review area offer a broad range of provision across the area.

The 2 sixth-form colleges, which are based in Cambridge City, offer A levels across the Cambridge City and wider Cambridgeshire areas, along with the College of West Anglia which delivers small numbers of A levels. Hills Road Sixth Form College offers only A levels and delivers the largest number of A levels of all the colleges in the review area.

The general further education colleges and Long Road Sixth-Form College offer a range of vocational and technical provision for young people and adults including a focus on level 3 and above in science, manufacturing and engineering, agri-tech and information technology

and computer science. The general further education colleges offer some provision at level 4+, with the largest offer being delivered by Cambridgeshire Regional College and Peterborough Regional College.

All general further education colleges offer apprenticeships in the majority of sectors areas, with the largest being in: business, administration and law; retail and commercial enterprises; engineering and manufacturing technologies; and health public services and care.

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 ¹⁶	EFA allocations (2015 to 16) ¹⁷	SFA allocations (2015 to 16) ¹⁸	Total college income (2014 to 2015) 000s ¹⁹
Cambridge Regional College	Good (October 2016)	£13,183,948	£15,969,172	£38,505
Hill's Road Sixth Form College	Outstanding (November 2006)	£9,289,266	£28,560	£11,080
Huntingdonshire Regional College	Inadequate (November 2016)	£4,289,904	£5,974,524	£12,806
Long Road Sixth Form College	Good (January 2017)	£8,963,659	N/A	£9,127
Peterborough Regional College	Good (December 2011)	£14,698,088	£5,231,425	£26,181
The College of West Anglia	Requires Improvement (January 2017)	£16,872,735	£6,863,450	£33,545

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. Huntingdonshire Regional College is subject to a Skills Funding Agency notice to improve following an Ofsted inspection inadequate judgement in

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 shown in 1000s.

November 2016. Peterborough Regional College was issued with a notice of concern by the Skills Funding Agency in March 2017, having fallen below minimum quality standards for apprenticeships and post-19 education and training.

Overall, the condition of college buildings varies from very good to relatively poor. Colleges report reasonable estates efficiency and running costs and have plans in place to improve where needed. Some colleges have higher average space per student than others, but this does not necessarily indicate being over-spaced. Each college has unique circumstances and constraints regarding estates. The area review has highlighted some instances where rationalisation or further investment might be considered further during implementation.

Higher education in further education

The progression of young people to higher education by age 19²⁰ across Greater Cambridgeshire and Greater Peterborough was variable, with the progression rate for those accessing higher education (HE) in Peterborough at 28%, Cambridge City and Cambridgeshire 33-48% and Rutland 47%, compared to a national progression rate of 33% for the United Kingdom²¹. Of the districts, Fenland had the lowest progression rate at 22%.

The Anglia Ruskin University and The University of Cambridge offer the majority of higher education in the area. Three of the further education colleges offer higher education provision, with the largest number of students studying at Peterborough Regional College where courses are aligned with LEP priorities and whose strategic plan in relation to higher level skills and education was signed off by the LEP.

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

In 2016 to 2017, the EFA funded 347 post-16 high needs places²² across the 3 local authorities in colleges, special schools and specialist post-16 institutions. Colleges delivered 276 funded places between them. The colleges delivering the highest numbers of funded places are Cambridge Regional College and Peterborough Regional College.

During the review, local authorities highlighted the fact that, in Cambridgeshire, there was already a practice in place of individually brokering packages in further education to meet the very complex needs of high needs students in-county. In Rutland, liaison is taking place with further education colleges that border the county to negotiate and develop learning packages that meet learner needs. In Peterborough, both Peterborough City College (the

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

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

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

local authority's adult education arm) and Peterborough Regional College deliver provision for learners with SEND. They plan to work collaboratively in future to support and improve the outcomes for these students.

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, there were 14,360 apprenticeships being delivered by providers in the review area²³, of which 11,330 were delivered by the colleges and 3,030 were delivered by other training providers²⁴. Cambridge Regional College delivered the largest number of apprenticeships (7,570).

All 4 of the general further education colleges sub-contract provision, with some sub-contracting a large proportion of their apprenticeship delivery. This pattern may change in 2017, with the introduction of the apprenticeship levy²⁵ and wider apprenticeships reforms.

Overall, the most popular apprenticeship frameworks in 2015 to 2016 were business, administration and law; health, public services and care; retail and commercial enterprise; and engineering and manufacturing technologies.

23 Includes 1,130 delivery by The College of West Anglia, whose main campus is located in the Norfolk and Suffolk review area. Some of these learners will be outside of the Greater Cambridgeshire and Greater Peterborough review area.

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

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

The need for change

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

The key areas for change

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

- travel to learn – access to good quality education is a challenge in some areas such as Fenland, Rutland and East Cambridgeshire
- the need to ensure that the post-16 offer meets business need and growth opportunities, especially in the 5 sector growth areas of aerospace and defence, clean tech, agri-tech, creative and digital and life sciences and areas where there are identified skills gaps, including advanced manufacturing, food manufacturing, logistics and warehousing, health, ICT, financial services and construction
- the need to develop the higher education offer, including for apprenticeships
- the need to develop provision in the sparsely populated areas of Fenland, East Cambridgeshire, Rutland and Peterborough
- the need to engage employers in curriculum development, delivery and providing work placement opportunities
- the need to grow apprenticeships to contribute to the government's target of 3 million by 2020, particularly at the advanced and higher levels
- the need to deliver high quality provision across the area
- how best to ensure that the needs of SEND learners are well-served
- seeking to ensure that all colleges in the area are on a strong, sustainable financial footing
- the need to improve the condition of the estate in some colleges.

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) to improve financial viability, address quality issues and retain a good choice of subjects and options for students.

Options discussed during the review included the potential for a merger between Cambridge Regional College and Huntingdonshire Regional College

- the case for remaining stand-alone where a college could demonstrate long-term financial sustainability. From an early stage this was considered the preferred option for Peterborough Regional College and Hills Road Sixth Form College and was one of the options for Long Road Sixth Form College. This was also the preferred option for the College of West Anglia whose main recommendation falls within the Norfolk and Suffolk area review
- the potential for collaboration to reduce costs and to share services. All colleges discussed the opportunities for sharing services and some were taking this forward through collaboration activities
- collaboration through the creation of a joint venture based on the construction of the iMet Centre by Cambridge Regional College, Huntingdonshire Regional College and Peterborough Regional College to create opportunities to grow provision and deliver specialist higher and degree level technical pathways for the manufacturing, engineering and technology sectors. This option was agreed as a recommendation of the review
- conversion to an academy – this option is available 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 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. The 2 sixth-form colleges considered academisation. This was not the preferred option for Hills Road Sixth Form College, but Long Road Sixth Form College considered this as their preferred option.

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 F²⁶ (revised March 2016).

²⁶ [Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53](#)

Recommendations agreed by the steering group

Nine recommendations were agreed by the steering group at their meeting in March 2017. These were:

- Hills Road Sixth Form College to stand-alone
- Long Road Sixth Form College to explore academisation as its preferred strategic option, or otherwise to remain a stand-alone sixth-form college
- Peterborough Regional College (PRC) to stand-alone with a continued focus on quality improvement
- Cambridge Regional College (CRC) and Huntingdonshire Regional College (HRC) to merge with a specific focus on improvement of quality and long term financial stability
- CRC/HRC and PRC to create a Joint Venture for the iMET centre to deliver specialist higher and degree level technical pathways for the manufacturing, engineering and technology sectors
- The College of West Anglia to work with colleges in the GCGP review area, the LEP and local authorities to develop a coherent offer for GCGP residents (especially in the Fenland area) and explore links with the iMET Centre aligned to specialisms at the Wisbech and Milton Campuses
- GCGP LEP, Cambridgeshire County Council, Peterborough City Council, Rutland County Council and the colleges to explore options to plan and publicise travel arrangements in the interests of efficiency and improved service for students
- GCGP LEP and Cambridgeshire County Council to collaborate with colleges in the Greater Cambridgeshire and Greater Peterborough area to improve and develop an accessible post-16 offer for Fenland and East Cambridgeshire whilst avoiding needless duplication
- The LEP, Combined Authority and colleges to ensure there is a forum to allow a strategic dialogue to take place around skills provision and the needs of local employers and residents, supported by regular intelligence sharing to inform curriculum development. The group will monitor and support the delivery of the area review recommendations.

Each of these options is now outlined in more detail:

Hills Road Sixth Form College

Hills Road Sixth Form College to stand-alone

- in terms of meeting current and future needs the college will continue to meet the local area and employer needs through the delivery of a wide range of academic qualifications and employability-related learning with the majority of their students progressing to university. The college also provides a wide range of accessible part-time adult education programmes to meet the needs of the local community.

- with regard to financial sustainability, no significant risks were identified during the financial assessment, although there may be increased pressure on liquidity in the early years of the plan, partly influenced by ongoing capital projects. The college is predicted to meet 4 of the 5 key financial benchmarks by 2018 to 2019 as a stand-alone college. Whilst the staff costs are higher than the benchmark, this is forecast to reduce, with financial resilience enhanced as costs are better aligned to income.
- in respect of quality of provision, the college was judged as outstanding by Ofsted in all areas in 2006. The college is party to a range of partnerships focused on quality improvement and sharing best practice and is a member of the Cambridge 14-19 Area Partnership, Cambridge and Suffolk Schools Teaching School Alliance and the Maple Group of Sixth-Form Colleges.
- the college's specialisms are high quality academic A levels with around 95% of its students progressing to university. The college will continue to develop links with STEM-related businesses and has recently invested in a new student services centre and new support staff roles to meet the growing demand from students with special educational needs and disabilities.

Long Road Sixth Form College

Long Road Sixth Form College to explore academisation as its preferred strategic option, or otherwise to remain a stand-alone sixth-form college.

- in terms of meeting current and future needs, the college plans to continue to offer a curriculum well aligned to meeting the skills needs of the LEP growth sectors, including science and technology, and to increase student numbers aligned to demographic growth, delivering a mix of academic and vocational/technical education to meet individual need. Academisation with Chilford Hundred Education Trust (CHET) will create a strong academy trust that plans to address both pre-16 and post-16 demographic growth in South Cambridgeshire, providing opportunities to increase accommodation through bidding to create a new 16-19 free school and additional 11-16 secondary school. Currently the college's ability to grow is confined by lack of space.
- with regard to financial sustainability, if the college remains as a stand-alone sixth-form college, it would need to focus on reducing staff costs, which would impact positively on the operating position. The college currently meets 3 of the 5 benchmarks but without action to improve the current position, or share risk, the college lacks resilience to future financial shocks. If a stand-alone option is chosen, the college would continue to explore the potential for efficiency savings through collaboration with other partners, for example Hills Road Sixth Form College. There is a clear strategic rationale for the college and CHET to work together that includes increasing scale to improve efficiency and reduce costs, and enhanced opportunities to access capital grants. Overall the proposal to develop an academisation plan demonstrates better achievement of benchmarks and improved financial resilience

than the stand-alone option, with potential to significantly improve the operating position.

- in respect of quality of provision, the college has a good Ofsted judgement. The report indicates that the college offers very effective support to its students, including to those from disadvantaged groups. The college is party to a range of partnerships focused on quality improvement and sharing best practice including the Cambridge Area 14-19 Partnership, CENBASE Peer Review Group, CASSA Teaching School Alliance and Cambridgeshire School Improvement Board.
- the college's specialisms include a broad range of level 3 courses which combine academic and applied qualifications in any combination to create individualised study programmes. The college plans to continue to recruit students identified with mild to moderate learning difficulties and disabilities and through effective support, enabling them to achieve in line with their peers.

Peterborough Regional College stand-alone

Peterborough Regional College (PRC) to stand-alone with a continued focus on quality improvement.

- in terms of meeting current and future needs the college plans to continue its engagement with the LEP, Chamber of Commerce and local authority to ensure its plans are relevant, up to date and focused on local and regional needs. The college plans to work in partnership with the CRC/HRC merged college to develop a joint venture to ensure delivery of iMET²⁷. The college also plan to explore collaboration opportunities with Peterborough City Council for residents with SEND and high needs.
- with regard to financial sustainability, the college is financially resilient, evidenced in its strong balance sheet and it is predicted to meet 4 of the 5 key benchmarks by 2020. The college does not anticipate meeting the staff costs benchmark by the end of this period, but is keeping its curriculum offer under review along with its staff resources.
- in respect of quality of provision, the college has a good Ofsted judgement and is investing significantly in a number of areas, including food technology and higher level technical pathways in manufacturing and engineering, embedding new quality measures as they are introduced, and this should impact positively on quality improvement. The college was issued with a notice of concern in March 2017, having fallen below minimum quality standards for apprenticeships and post-19 education and training. The college has implemented a refreshed approach to quality improvement to address issues with success rates over the last year.

²⁷ New training concept developed to support growth and skills development in manufacturing.

- the college's specialisms include facilities for severely disabled learners, a sports centre, college gym, enterprise lounge, a restaurant, college nursery and a hair and beauty salon, all located on the college campus. The college plans to be part of a joint venture for the iMET to deliver higher and degree level technical pathways for manufacturing, engineering and technology sectors. The college is working with the LEP and has recently established a food technology centre.

Huntingdonshire Regional College and Cambridgeshire Regional College Merger

Cambridge Regional College (CRC) and Huntingdonshire Regional College (HRC) to merge with a specific focus on improvement of quality and long term financial stability.

- in terms of meeting current and future needs the merged college plans to establish a curriculum offer that supports the GCGP priority sectors, especially at higher levels, including advanced manufacturing and engineering, construction and science and pharmaceuticals, along with establishing a joint function for employer engagement to support apprenticeship growth in the region. The merged college will also work in partnership with PRC to develop a joint venture to ensure delivery of the iMET Centre.
- with regard to financial sustainability, initial assessment indicates that the merger plan is strategically sound. It will combine 2 financially vulnerable colleges to create a large, financially sustainable and resilient college, benefitting significantly from economies of scale and improving financial resilience. Based on the current plan, the merged colleges are projecting to meet all the key benchmarks in 2017/18.
- in respect of quality of provision, CRC was judged as good by Ofsted in October 2016 and HRC was judged as inadequate by Ofsted in November 2016. HRC has some good provision to build upon, which includes SEND provision and employability programmes that result in over 90% of participants gaining employment. CRC will share quality improvement processes and good practice, with the intention for the merged college to achieve an outstanding judgement within 2 years of the merger.
- the colleges' specialisms, when taken together, include clean technology²⁸, agri-tech, life sciences, IT and digital and engineering and high value manufacturing along with provision for high needs students. The merged college will build on these specialisms through their involvement in a joint venture with Peterborough Regional College to develop the iMET Centre to deliver higher and degree level technical pathways for manufacturing, engineering and technology sectors. The college will also continue to develop its SEND provision.

²⁸ **Clean technology** refers to any process, product, or service that reduces negative environmental impacts through significant energy efficiency improvements, the sustainable use of resources, or environmental protection activities.

iMET Joint Venture

CRC/HRC and PRC to create a joint venture for the iMET Centre to deliver specialist higher and degree level technical pathways for the manufacturing, engineering and technology sectors.

- in terms of meeting current and future needs the iMET Centre will align to LEP priorities and will be supported by a £10.5m capital investment from the LEP. A joint venture will be established between the college formed by the HRC and CRC (post-merger) and PRC, which will enable the pooling of resources, expertise and existing client base and will deliver higher and degree level provision for the manufacturing, engineering and technology sector.
- with regard to financial sustainability, the financial risks are up-front and a key risk is start-up funding, which could be a drain on the colleges' finances. However, the financial forecasts appear prudent in earlier years, particularly given employer interest and engagement, with initial deficits followed by surpluses as capacity and efficiency builds. The plan is in its early stages and needs to take account of contingency actions, including sensitivity analysis. A key risk is maintaining relevant skills, leadership and management capacity whilst simultaneously managing a merger and joint venture.
- the iMET Centre will have a clear focus on higher and degree level technical pathways for manufacturing, engineering and technology sectors and may have the potential to meet the criteria that will be attached to the government Institute of Technology initiatives.

College of West Anglia – Collaboration

The College of West Anglia to work with colleges in the GCGP review area, the LEP and local authorities to develop a coherent offer for GCGP residents (especially in the Fenland area) and explore links with the iMET Centre aligned to specialisms at the Wisbech and Milton Campuses.

- in terms of meeting current and future needs, the college has committed to work with partners in the GCGP review area and will join working groups, including the strategic forum mentioned below. This should result in provision that better meets the needs of the area because of improved access, coherence and choice for local residents and employers.
- this college was included as a main member of the steering group in the Norfolk and Suffolk area review, which is where its main campus is located. The report emerging

from this review²⁹ will provide more detail on the outcome for the college overall, and the plans they will take forward for the college and for the Norfolk and Suffolk area.

- the college was included as a member of the steering group in this review because they have 2 main campuses in Cambridgeshire, are a key provider of learning in Fenland and East Cambridgeshire and make an important contribution to meeting the needs of people and businesses in the LEP and local authority area.

Access to Provision

GCGP LEP, Cambridgeshire County Council, Peterborough City Council, Rutland County Council and the colleges to explore options to plan and publicise travel arrangements in the interests of efficiency and improved service for students.

- in terms of meeting current and future needs, the LEP and the local authorities committed to work with the colleges to plan travel routes and arrangements and produce a summary to be communicated locally so that learners are better informed.
- This should result in improved access, coherence and choice for local residents and employers.
- the partners committed to begin work immediately on this plan and intend to monitor progress at the strategic forum once identified. Cambridgeshire County Council agreed to lead on gathering information to produce and publish a document for local people on current and future travel arrangements.

Post- 16 Offer – Fenland and East Cambridgeshire

GCGP LEP and Cambridgeshire County Council to collaborate with colleges in the Greater Cambridgeshire and Greater Peterborough area to improve and develop an accessible post-16 offer for Fenland and East Cambridgeshire whilst avoiding needless duplication.

- at the outset of the area review process the steering group identified that the areas of the Fenland and East Cambridgeshire required a specific focus if improvements to learner access was to be achieved. To this end the steering group agreed to work together to develop more accessible provision and to identify areas where collaboration would improve access to good quality provision.
- the dialogue to support this recommendation will take place at the strategic group mentioned below and the outputs from discussions will be fed into the Opportunity Area structures that will emerge now that Fenland and East Cambridgeshire has been selected as an Opportunity Area.

²⁹ [Norfolk and Suffolk Area Review](#) published report

- GCGP area review steering group members agreed that they will take part in Opportunity Area Partnership Boards in future as the structures for delivery are established.

Greater Cambridgeshire and Greater Peterborough Area Review Implementation

The LEP, Combined Authority and colleges to ensure there is a forum to allow a strategic dialogue to take place around skills provision and the needs of local employers and residents, supported by regular intelligence sharing to inform curriculum development. The group will monitor and support the delivery of the area review recommendations.

- in terms of meeting the current and future needs, this recommendation will enable a continuation of a strategic dialogue between the colleges, the local authorities and the LEP.
- the appropriate forum will be identified by the newly emerging Greater Peterborough and Greater Cambridgeshire combined authority and LEP, taking account of the remit and membership of existing groups and agreement of partners regarding the need to include the employer voice as well as that of other stakeholders.
- one of the purposes of the group will be to support the implementation of the recommendations from the area review, as well as promoting the ability of colleges to meet the evolving needs of employers, especially in the priority areas for economic growth.

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:

- improvements to quality through a renewed focus on learner outcomes and quality improvement undertaken by Peterborough Regional College and quality improvement measures being put in place at Huntingdonshire Regional College through the merger with Cambridge Regional College.
- improved access to good quality provision in the area, particularly in the Fenland and East Cambridgeshire through LEP, local authority and college collaboration on travel arrangements and access, and the commitment to work together to improve access and coherence through involvement with the Opportunity Area activities due to start in March 2017.
- growth of provision in the LEP priority areas at higher and degree levels, including through the establishment of the iMET Centre joint venture.
- ensuring the long term financial resilience of the Greater Cambridgeshire and Greater Peterborough area colleges, through both cost reductions and structural change. This will include: Peterborough Regional College and Hills Road Sixth Form College managing costs to ensure they can work towards meeting all of the key financial benchmarks; and the Huntingdonshire Regional College/Cambridge Regional College merger, which will enable economies of scale to be exploited, building a strong basis for future sustainability.
- the broadening of local specialist provision to support learners with SEND and high needs through: collaboration between Peterborough Regional College and Peterborough City Council; Long Road Sixth Form College, where provision will be further developed; and the continued development of specialist provision by HRC/CRC following the merger.
- growing apprenticeship provision to contribute to the government's target of 3 million by 2020, particularly at advanced and higher levels. This will be delivered through both the Huntingdonshire Regional College/Cambridge Regional College merger plan to establish a joint function for employer engagement to support apprenticeship growth in the region and the collaboration of all the general further education colleges

in the area to develop the iMET Centre, which will deliver higher level apprenticeships for the manufacturing, engineering and technology sectors.

- ensuring that provision delivered by the colleges meets the needs of local businesses and growth areas through the commitment of all steering group stakeholders to partake in a continuing dialogue around skills provision and the needs of local employers and residents in a local forum.

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.



Department
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