

<b>CYP Select Committee</b>			
<b>Title</b>	Update on the London area based review of Further Education and the implications locally	<b>Item No</b>	6
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<b>Class</b>	Part 1	<b>Date</b>	10 <sup>th</sup> November 2016

## 1. Purpose of paper

- 1.1 To update the Committee on the progress being made in the Area Review of Further Education in London, with a specific focus on the implications locally.

## 2. Recommendations

- 2.1 That the Committee consider and comment on the report.

## 3. Background to the Area preview process

- 3.1 The overall objectives and context for the area review process are set out in the government policy document: *Reviewing post-16 Education and Training Institutions*.

- 3.2 The guidance says that each area review should establish the appropriate set of institutions to offer high quality provision based on the current and future needs of learners and employers within the local area.

- 3.3 Reviews should deliver:

- *Institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment.*

- 3.3.1 This should take account of the scale of the public finances challenge over the next few years. It should also reflect the findings of a review by BIS, DfE and HMT which identified wide variation in costs at FE colleges, indicating potential for greater efficiency especially in terms of administration costs. This review confirmed that the most efficient and financially strong colleges understood their costs and took them into account in driving efficiencies. An important part of the analysis of each review will be to compare key cost drivers at institutions to national benchmarks identified by the FE Commissioner.

- *An offer that meets each area's educational and economic needs.*

- 3.3.2 This will mean (a) assessing what these needs are, taking account of any local outcome agreements being put in place, (b) considering how existing provision and delivery structures can be adapted to deliver them more effectively and efficiently,

and (c) understanding and, where appropriate, mitigating any adverse impact on other parts of the wider education system including higher education. This should result in closer links between colleges and employers and provision which adapts to the current and future needs of employers and learners. There is a particular role in ensuring individuals have the relevant up to date digital skills increasingly required in the workforce, as well as the basic digital skills needed to engage in an increasingly digital world.

#### **4. Providers with strong reputations and greater specialization**

Providers should focus on what they can deliver effectively and to a high standard. An important outcome of each review will be the establishment of clearly aligned progression routes, from schools through to specialised institutions including new Institutes of Technology, and National Colleges.

#### **5. Provision which reflects changes in government funding priorities and future demand.**

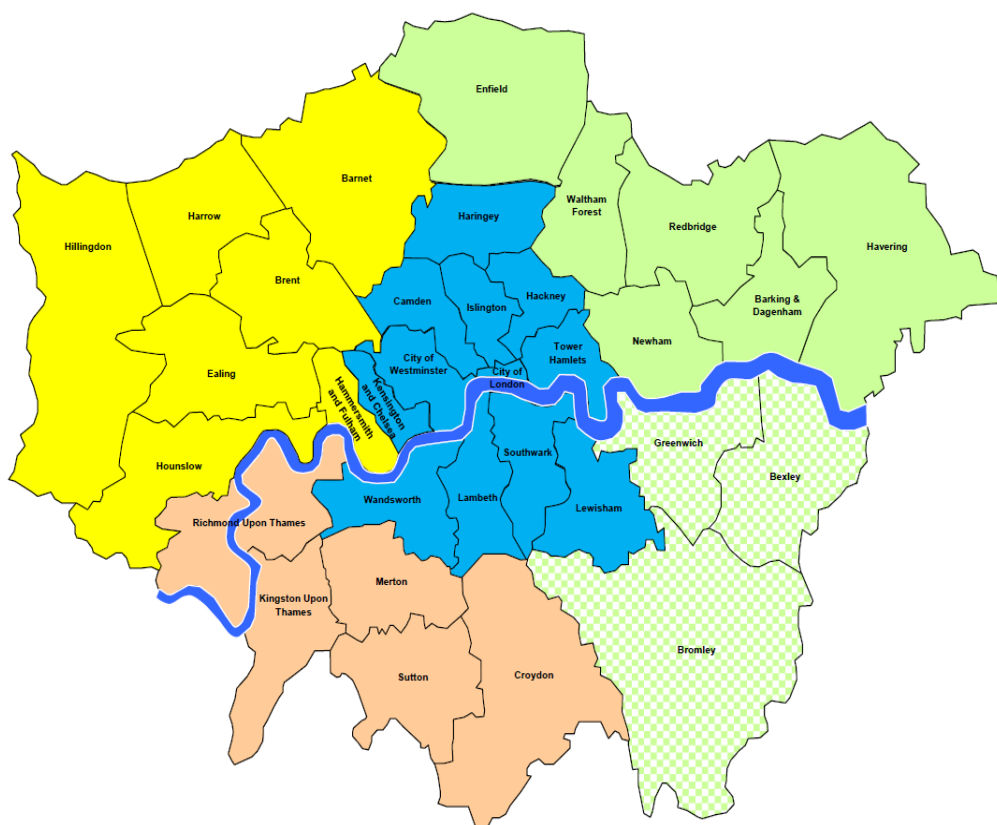
In particular this will mean creating the capacity to support the delivery of 3 million apprenticeships nationally over the life of this parliament. This significant increase in the quantity and quality of apprenticeships will require a step change in funding, routed through employers and supported by the apprenticeship levy. Increasing their delivery of apprenticeships will enable colleges to diversify their sources of income.

#### **6. Governance of area reviews– local area review steering groups**

- 6.1 Each review is led by a local steering group composed of a range of stakeholders within the area. Members include the chairs of governors of each institution, the FE and Sixth Form College Commissioners, local authorities, LEPs, the funding agencies and Regional Schools Commissioners. The Department for Business, Innovation and Skills and the Department for Education are also represented, either through or alongside the funding agencies, reflecting government's responsibility for protecting students.
- 6.2 The local steering group is chaired by someone who is independent from the providers involved in the review. In London as we have a devolution deal the chair is the Mayor of London, in other cases we would expect the chair to be either the FE Commissioner or the Sixth Form College Commissioner.
- 6.3 The local steering group oversees and steers the review's work. They are able to call on wider expertise such as the Commissioners' advisers in curriculum and financial matters, as well as experts in areas such as special educational needs and disabilities. It is for the governing bodies of each individual institution to decide whether to accept the review's recommendations, reflecting their status as independent bodies. Governing bodies are therefore expected to engage proactively in the review process, and in particular to ensure that the analysis covers the options they would wish to be considered, taking account of their legal responsibilities...

## **7. What is happening in London?**

- 7.1 A London wide review of Further Education is being conducted by the London Local Enterprise Panel. There are four sub-regions in London which are feeding into the London-wide review.
- 7.2 The London area based review aims to develop and deliver a more resilient, high quality and stable post-16 skills and education landscape in London focused on meeting business and local social and economic needs.
- 7.3 It is focused on FE colleges and large standalone sixth form colleges, with adult and community learning and school sixth forms being able to opt in to the review if they choose. In Lewisham, Lewisham Southwark College and Christ the King Sixth Form College have to be part of the area review, and Adult Learning Lewisham opted to be part of the review (although this is being dealt with in a separate process).
- 7.4 In previous statements the Department for Business has made it clear that they see the outcome of area reviews as rationalisation and consolidation of FE provision. Where area reviews have been conducted, this has led to the merging of colleges and sharing of services. In Birmingham for instance, the area review resulted in recommendations for a radical overhaul of post-16 provision in the city reducing the number of colleges from the seven to four.
- 7.5 Although the area review process is not the same as skills devolution to London, the processes are aligned. Negotiations are on-going to devolve the Adult Skills Budget to the London Local Enterprise Panel by 2018. The area review process is being led by the LEP and the FE Commissioner/ Department for Business Innovation and Skills.
- 7.6 The area review process has been carried out over the summer, with recommendations and implementation of the review emerging from late Autumn 2016. The process is not led by local government, but has local government input through chairs of the sub-regional area review groups. In the rest of the country the Area reviews are chaired by the FE Commissioner
- 5.7 The London Area Review Steering Group is chaired by the Mayor of London, with Deputy co-chairs in the form of a Borough Leader & LEP business representative. Its membership consists of Chairs of the Sub Regional groupings, the FE Commissioner, Deputy FE Commissioner, Sixth Form College Commissioner, Regional Schools Commissioner, SEN representative, College Principals (4 FE and 1 SFC from across the sub-regions), College governor representative, LEP business representatives, and central Government representatives.
- 7.8 London has been split into 4 sub regions for the review. Lewisham is in the central sub region and each of the 4 sub-regions will feed into the pan London area review steering group for a single London set of recommendations. The East region is coloured in Green and includes Greenwich, Bromley and Bexley.



- 7.9 Lewisham is in the central sub region, whose steering group consists of Cllr Peter John (Leader of LB Southwark )(LEP member and Chair), and Members being the FE Commissioner, Deputy FE Commissioner, Sixth Form College Commissioner, Regional Schools Commissioner, Local authority representatives -Sean Harris (Chief Executive LB Lambeth) and Lesley Seary (Chief Executive LB Islington), and Chairs of Governors and Principal (Lewisham Southwark College and Adult Learning Lewisham), representative from large / small businesses, and central government (BIS, DfE, SFA, EFA, Joint Area Review Delivery Unit (JARDU)).
- 7.10 Colleges to be included in the central London area review are City and Islington College, City of Westminster College, College of Haringey, Enfield and North-east London, Hackney Community College, Kensington and Chelsea College, Lambeth College, Lewisham Southwark College, South Thames College, Westminster Kingsway College, Brooke House Sixth Form College (BSIX), Christ the King Sixth Form College, St Charles Catholic Sixth Form College, St Francis Xavier Sixth Form College and Tower Hamlets College.
- 7.11 The sub-regional steering groups started meeting in March and will finalise recommendations in November which will feed into the London area based review steering group. The London wide steering group will make recommendations to the FE colleges on potential mergers, curricular needs, areas of specialism and Institute of Technology Colleges in September.
- 7.12 The Colleges do not have to accept the recommendations of the Area Based Review, as they are all independent Corporations. If they choose not to implement the recommendations they will have to present a case to the Steering group on an alternative course of action.

- 7.13 The council is engaged in supporting the sub-regional central Area Based Review steering group through the provision of data on the needs of our residents and on local labour market information identifying employer need. An internal officer group from across the council will feed data and evidence into central London area review steering group.
- 7.14 Officers have worked with Lewisham Southwark College on sharing data, evidence and information to feed into the process. We have also been working closely with the College through the Skills Funding Agency/ Education Funding Agency case conference system instigated when the College was graded inadequate by Ofsted. The College has been in a turnaround programme, and achieved an improved Ofsted rating of 3 in its recent inspection, with some aspects of their work praised.
- 7.15 School Sixth Forms are not part of the FE review. CYP officers are however working with school leaders and governors to support improvement and, where appropriate, rationalisation of provision. At this stage the only change planned is that the governing body of Addey & Stanhope School has consulted on closing its Sixth Form due to non-viability.
- 7.16 As said in a previous All Member briefings on FE, ultimately the council wants the very best FE for our residents and is working with other stakeholders to achieve this.

## **8. Emerging findings from the Area Review process**

- 8.1 The process is moving towards the end of the steering groups and the Pan London financial steering group will take place at the end of November.
- 8.2 All the Colleges within the Central London region have been in merger discussions with other institutions to ensure their financial viability in the new funding regime. The FE commissioner has been clear with Colleges about whether a future exists in a stand-alone model.
- 8.3 Lewisham and Southwark College has been having merger conversations with a variety of potential partners. They have been in a process of options appraisal on a number of merger options, and due diligence on their preferred option which is a merger with the Newcastle College Group. They have presented this option to the Central London Steering Group.
- 8.4 For the council, our single concern is that we have a high performing local provider meeting the needs of our residents and learners, with a great vocational offer and a good pathway to jobs or higher education. Officers will work with the College whatever merger options are pursued as we will wish to ensure that the College has the right curriculum offer that meets the local need and the needs of employers, is performing well and that learners are achieving well. We are also mindful of the negative impact of the last merger between Lewisham College and Southwark College which saw Lewisham College moving from a Grade 2 to a Grade 4, and will wish to be re-assured of the strategic and operational planning being undertaken.

- 8.5 The sixth forms have not been subjected to the same expectation of merger. Christ the King College is already a very large institution, with a site in Bexley as well as the two sites in Lewisham and plans to remain as it is.
- 8.6 The area review has many objectives, outlined at the beginning of this briefing. In reality the clear focus has been the financial health and ensuring that mergers and groupings are recommended that satisfy Skills Funding Agency financial criteria. Many of the issues that we as local authorities are particularly interested in have not been covered in depth- local need and curricula, impact on estates and footprints, employer demand and engagement, provision for young people and adults with special educational needs and disabilities. It is clear that this area review will be the start of a reorganisation of FE and there will be a need for on-going continuing engagement to ensure that our colleges meets our needs.
- 8.7 At the beginning of the review, the Adult and Community Learning providers such as our Adult Learning Lewisham proposed that they wished to 'opt in' to wider FE review. The area review's focus has been largely on ensuring the financial sustainability of the FE sector so a separate ACL review has been conducted, with its recommendations scheduled to be presented to Steering Group 6 in November.
- 8.8 Final recommendations of the Central Steering Group will be fed into the Pan London Steering Group for the final London report.
- 8.9 As pointed out earlier in this brief there is an inextricable link between the Area Based Review and the devolution of skills to London. The GLA will be responsible for the funding of London based post 19 education from 2017/7, it already controls the FE Capital pot, and a further devolution ask is being negotiated between London Councils/ GLA and HM Treasury.
- 8.10 There will be a need for a new London wide governance for skills devolution and a new London skills strategy. At a central London level there is also likely to be a sub-regional skills board established, but the role and structure of this will depend upon the nature of the skills devolution gained. This will become clearer in the Autumn statement.

## **9. Legal implications**

- 9.1 There are no specific legal implications arising from this report.

## **10. Crime and Disorder Implications**

- 10.1 There are no specific crime and disorder implications arising from this report

## **11. Equalities implications**

- 11.1 There are no specific equalities implications arising from this report.

## **12. Environmental implications**

- 12.1 There are no specific environmental implications arising from this report.

**13. Background documents and originator**

13.1 If there are any queries on this report, please contact Robyn Fairman on 0208 314 6635