



Department
for Education

Greater Essex 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 Sixth Form College Commissioner. The steering group met on 5 occasions between November 2016 and March 2017 and additional informal meetings also took place to consider and develop options in greater detail. Membership of the steering group comprised each college's chair of governors and principal, representatives from the South East Local Enterprise Partnership (SELEP), the three local authorities (Essex County Council, Southend Borough Council and Thurrock Council), the Regional Schools Commissioner, and representatives from the Skills Funding Agency (SFA), the Education Funding Agency (EFA), and the Department for Education (DfE).

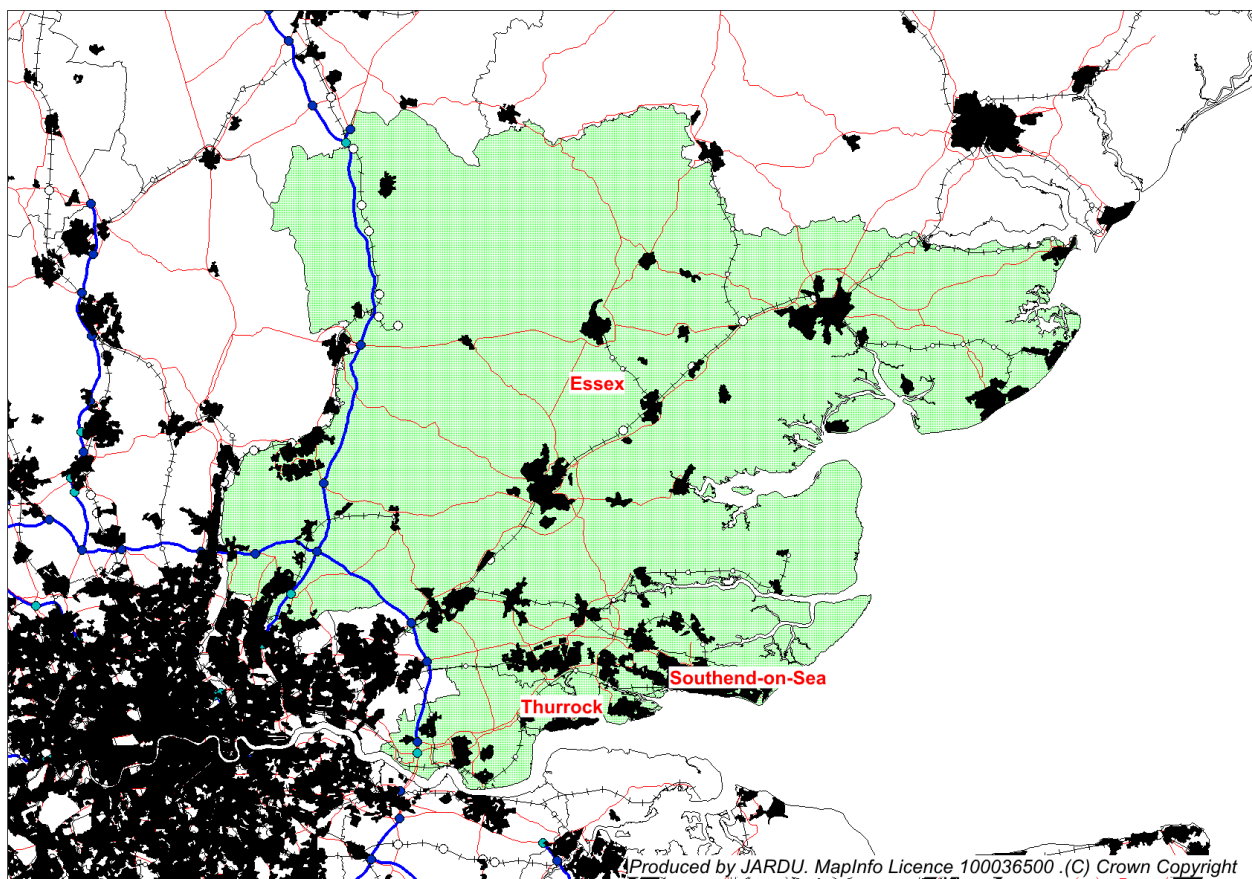
Visits to colleges and support throughout the process were provided by staff from the Further Education and Sixth Form College Commissioners' teams. The Joint Area Review Delivery Unit (JARDU) provided the project management, administrative support and developed supporting materials and papers used by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

The needs of the Greater Essex area

Demographics and the economy

The Greater Essex area review covered the three local authority areas of Essex County Council, Southend on Sea Borough Council and Thurrock Council, The area has a total population of 1,787,100.

The Greater Essex review area is illustrated on the map below:



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

¹ ONS Local Authority Profiles – see data annex – Local socio-economic data. Please note that ONS update the data set on a regular basis and that the data included relates to the point at which the report was written.

	Essex County Council	Southend on Sea Borough Council	Thurrock Council	Great Britain
Total population (2015)	1,443,200	178,700	165,200	63,258,400
Population aged 16 to 64	61.2%	61.8%	63.8%	63.3%
% with higher education qualifications ²	29.1%	26.0%	24.2%	37.1%
Those formally qualified to level 2+ ²	70.4%	64.9%	62.1%	73.6%
Gross weekly pay £ of residents	594.0	562.0	574.1	541.0
Gross weekly pay £ by workplace	523.1	478.9	500.2	540.2
Out-of-work benefit claimants	1.4%	2.0%	1.9%	1.8%
% of main benefit claimants	6.8%	9.6%	7.8%	8.7%
Jobs density ³	0.75	0.69	0.68	0.83
Total workplace units:				Average for the East of England
Micro ⁴	85.9%	86.6%	84.2%	85.1%
Small	11.7%	11.0%	12.1%	12.1%
Medium	2.2%	2.1%	3.2%	2.5%

2 Percentages relate to those aged 16 to 64

3 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 East of England region as a whole is 0.81, which is slightly below the national average.

4 Micro-businesses have a total of 1 to 9 workers; small businesses have 10 to 49 workers; medium have 50 to 249; large have 250+ (2016 data).

	Essex County Council	Southend on Sea Borough Council	Thurrock Council	Great Britain
Large	0.3%	0.3%	0.4%	0.3%

The key points to note are:

- Greater Essex has a lower proportion of residents qualified to level 2 compared with the national average. All 3 local authorities also have noticeably lower levels of residents qualified to degree level, and this is particularly so for Thurrock residents
- earning of Greater Essex residents are higher than the local workplace average and the national average, indicating that individuals are commuting to access better paid jobs
- Southend has higher levels of benefit claimants than both Essex and Thurrock and the national average
- there are fewer jobs in the Greater Essex area per resident than the national average and this is particularly marked in Thurrock and Southend
- Essex and Southend have a slightly higher concentration of micro businesses than the regional average. Thurrock has a higher proportion of medium and large businesses than the regional average.

Patterns of employment and future growth

Information in the South East LEP's Strategic Economic Plan (SEP)⁵ forecasts an increase of 105,000 jobs by 2020 in the South East LEP area. The majority of these jobs are expected to be in professional occupations (+45,000), managers, directors and senior officials (+38,000) and associate professional and technical occupations (+33,000). Although intermediate skill level roles may be in decline overall, there will continue to be large numbers of job openings across the skills range through replacement demand.

The Greater Essex skills evidence base⁶, which was produced by the Greater Essex Skills Board, indicates that the review area has over 71,000 enterprises, with 90% of those having fewer than 10 employees. A high number of these enterprises are in professional, scientific and technical, construction and wholesale, retail and repair sectors. The report indicates that there are high numbers of employees in manufacturing and construction, wholesale and

⁵ [South East LEP Strategic Economic Plan](#)

⁶ [Greater Essex Skills Evidence Base](#)

retail, health and education. Greater Essex has a high level of outward-commuting; 29% of residents commute to work outside the county, with approximately 149,000 commuting to London.

The evidence base suggests that 29% of businesses recruiting staff have experienced hard to fill vacancies. Hard to fill vacancies have been most common in professional (20%), skilled trades (18%), caring, leisure and other services (17%), and elementary administration and service (16%) occupations. Skills shortages have been cited as a reason that vacancies are hard to fill, with technical, practical or job-specific skills thought to be most lacking in applicants. Around a quarter of Greater Essex businesses have recruited from outside Essex (23%) in the last 12 months and anticipate recruiting from outside the area over the next 2 to 3 years. Employers have also mentioned gaps in the skills of their current workforce and those needed to meet current objectives (23%) and future business objectives (28%).

A number of investments/developments are planned across Greater Essex that impact on the area and the future skills needs. The following key developments are proposed⁷:

- Southend Airport growth. Up to 7,000 new jobs to 2026 are predicted in and around Southend Airport as a result of the Airport Business Park in Southend/Rochford
- Better Queensway Southend is a £350-400 million regeneration project that is proposed over the next 5 to 10 years
- London Gateway growth: London Gateway is one of Europe's largest logistics parks and is predicted to grow
- an Amazon warehouse is planned in Tilbury, Thurrock offering approximately 3,900 jobs
- the Port of Tilbury is expected to grow with up to 5,500 jobs at the London distribution park and Tilbury sites⁸
- a lower Thames crossing has been proposed, which could provide up to 25,000 new jobs if confirmed⁹
- Cross Rail Essex routes (Brentwood) with a share of 55,000 jobs to 2020 for the London and South East¹⁰
- a new power station near Maldon (Bradwell Power Station) is proposed, which could generate 25,000 new jobs to 2026¹¹
- Harlow Enterprise Zone is predicted to generate 2,500 additional jobs initially, growing to 5,000 over the next 25 years¹²

7 As described in reports within the [Greater Essex Skills Evidence Base](#)

8 [Port of Tilbury growth](#)

9 [Lower Thames crossing](#)

10 [Cross Rail](#)

11 [Bradwell power station](#)

12 [Harlow Enterprise Zone](#)

- Stansted Airport is estimated to grow, creating up to 10,000 new jobs to 2030¹³
- wind farms of a significant scale are proposed around Greater Gabbard, Gunfleet sands and London Array
- housing projections of up to 100,000 new homes are planned across Greater Essex.

All of these indicate a significant need for construction skills and for engineering skills to manufacture components and to run and maintain facilities.

LEP priorities

The LEP's ambition¹⁴ is to increase the gross value added (GVA) for Greater Essex from £33 billion to £60 billion. The South East LEP has identified 7 growth sectors with current and future skills needs and employment opportunities in Greater Essex and these are:

- advanced manufacturing and engineering
- care
- construction
- health
- finance and insurance
- IT, digital and creative
- logistics.

These sectors currently employ 273,800 people and employers are experiencing high levels of job vacancies across the Greater Essex area. Jobs in these sectors are predicted to increase with both the developments proposed in the area and through replacement demand due to the impact of the ageing population, something that impacts on all of the key sectors. The current job vacancies are hindering economic growth. Residents commute to London to access better jobs and pay and the remaining population working locally is not always trained to the appropriate skills levels to benefit from the opportunities available.

In the case of advanced manufacturing and engineering, the LEP has estimated between 10,000 and 13,000 additional people (new jobs growth and replacement roles) per year will be required up to 2020 to service developments such as the Bradwell Power Station, Lower Thames Crossing, and Cross Rail. Requirements for entry, technical and higher level skills have been highlighted by the LEP along with specialist skills such as computer-aided design (CAD), mechanical engineering, mechanical design, product development, repair electrical engineering and computer numerical control.

¹³[Stansted Development plan](#)

¹⁴ [Greater Essex Skills Evidence Base](#) and [Sector Skills Council data and reports](#)

Research undertaken by the Essex Employment and Skills Board (ESB) and the Construction and Industry Training Board (CITB)¹⁵ indicates there will be at least 12,000 new jobs in the construction industry in Greater Essex up to 2021. The ESB has highlighted that entry, technical and higher level skills are required. The specialised skills in demand include autoCAD, civil engineering, inspection, procurement, contract management and mechanical engineering.

Based on developments at the Port of Tilbury and DP World, the LEP has estimated that between 4,000 and 7,000 jobs per year are required up to 2020 in logistics, with entry, technical and machine operation skills required. Specialist skills in demand include forklift operation, warehouse management, stock control, heavy/large goods vehicle driving, efficient transportation. There continues to be demand for drivers and elementary storage.

The UK Commission for Employment and Skills (UKCES)¹⁶ reported that nationally the financial services sector has seen a sharp rise in skills shortages, from 10% in 2013 to 21% in 2015. Greater Essex is seeing an increase in financial firms relocating from London and, based on this, the LEP has estimated there will be between 5,000 to 6,000 jobs per year in the finance sector, both new and replacement demand. Technical and higher level skills are required, with skills demands in areas such as accountancy and claims adjustments.

The estimated job requirement for both health and care combined is an additional 38,000 roles between 2013 to 2020. In the health sector, UKCES Working Futures data¹⁷ shows demand for key occupations such as medical practitioners, physiotherapists and nursing auxiliaries. Technical and higher level skills are required and specialist skills in demand include rehabilitation, mental health, patient care, theatre practitioner, surgery, dementia and therapy work. There continues to be demand for nurses and medical practitioners. In the care sector, the LEP has highlighted that both entry level and higher level skills are required, with specialist skills in care giving, home management, social work and mental health in demand.

The IT, digital and creative sector has seen rapid growth recently, with an additional 8,000 jobs anticipated per year specifically at technical and higher levels. Key job occupations that are in demand include programmers and software development professionals, IT user support technicians, IT business analysts, architects and systems designers, web designers and development professionals.

The LEP is also interested in low carbon technology (specifically in the construction, logistics and advanced manufacturing and engineering sectors), and energy and life

¹⁵ [Essex partnership](#)

¹⁶ [UKCES report on financial services sector](#)

¹⁷ [Working Futures](#)

sciences, including medical technologies, in light of the businesses in the London-Stansted-Cambridge corridor.

Across all the sectors identified, the LEP has highlighted a need and ambition to grow apprenticeships at level 3 and above right across Greater Essex. The LEP views apprenticeships as a key tool to address the needs of employers, and support economic growth and productivity.

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

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

- increasing volumes of high needs students. There is a need for increased provision for learners who are autistic and/or have social emotional and mental health needs and a higher level of sustainable employment outcomes for special educational needs and disabilities (SEND) learners
- although levels of those young people not in education, employment or training (NEET) have declined overall, there are still high levels not participating in certain areas of the Greater Essex area such as Tendring, Harlow, Castle Point, Basildon, Southend and Thurrock
- the high proportion of adults not qualified to level 2 and above
- the need for increased access to higher level skills, with clear pathways to address skills gaps. This could be achieved through further collaboration between further education and higher education institutions
- the need for an increase in volume of apprenticeships in growth sectors and specifically technical, higher and degree level apprenticeships to tackle identified skill shortages
- the need for improved careers education, information, advice and guidance that is inspiring and reflects the local economy and predicted growth. Young people and parents seem to lack awareness of the opportunities and provision available including apprenticeships
- difficulties experienced by employers in recruiting locally due to low skills levels of applicants
- the fact that, while there is a broad range of provision available linked to LEP and local economic regeneration, there is a need for the colleges to collaborate further with employers and other stakeholders to improve curriculum planning and increase specialisation to meet employer needs
- the availability and cost of travel, which remains an issue, especially for young people in more rural areas.

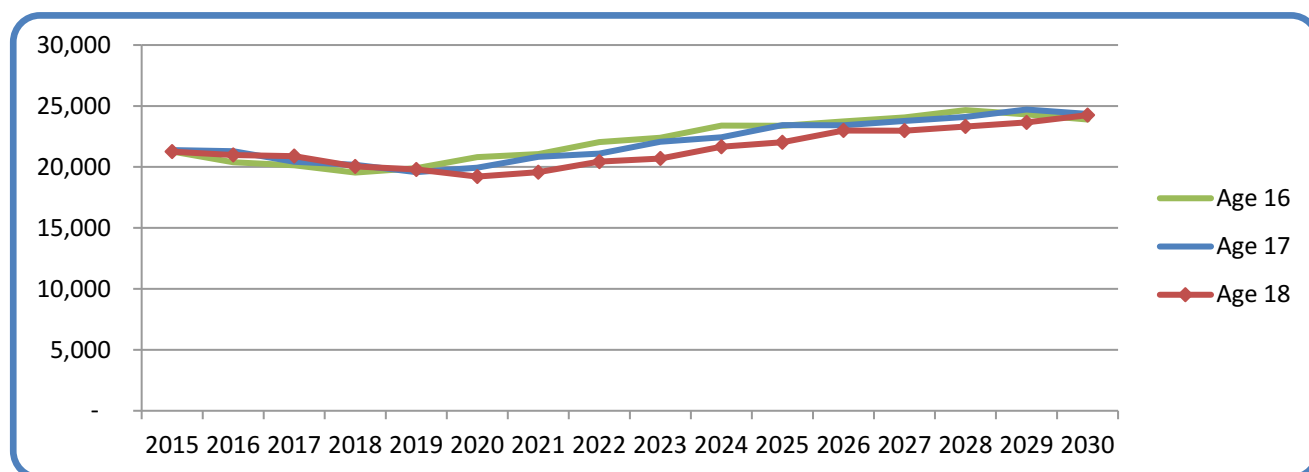
For most area reviews the National Union of Students submitted a report on the views of students which was considered by the steering group. Where the NUS submitted a report these are available on [NUS connect](#).

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 numbers and needs of young people aged 16+.

In Greater Essex overall, the numbers of young people aged 16 to 18 is expected to fall by 7% between 2015 and 2019, and then increase by 22% between 2019 and 2030. The following chart shows the expected change in the number of young people in the review area, but there are variations by area. The age 16-18 cohort in Thurrock is anticipated to grow by 26% between 2015 and 2030 while in Essex and Southend, it is anticipated to grow by 12% over the same period¹⁸. This may require significant numbers of additional post-16 places from 2020 in both colleges and schools, although the colleges have capacity to increase student numbers and absorb this growth.



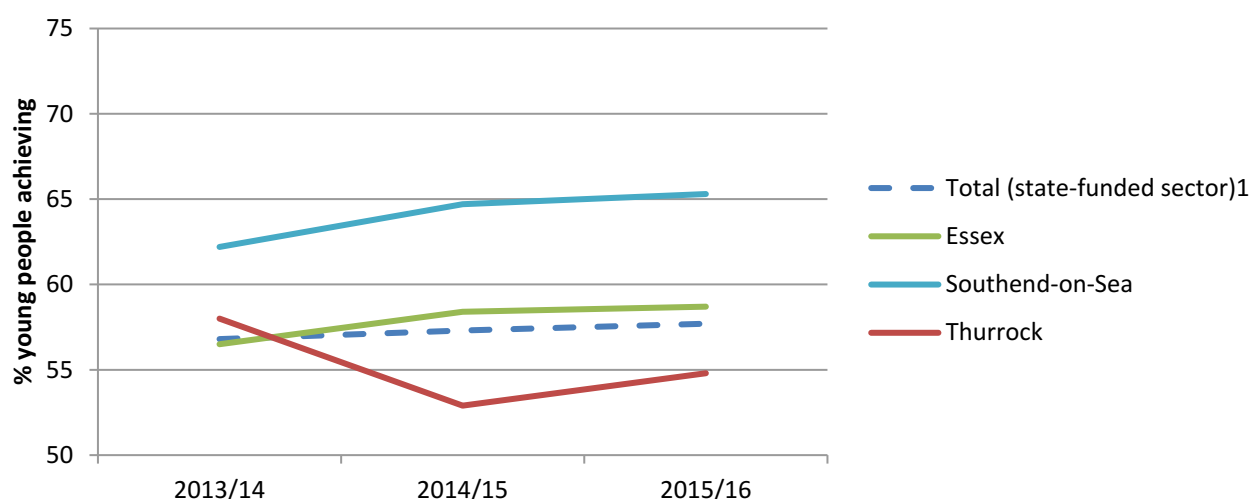
Performance of schools at Key Stage 4

The recent trend in GCSE pass rates for 16 year old school pupils completing year 11 across the 3 local authorities is illustrated overleaf¹⁹.

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

19 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



GCSE results in Essex are above the national average and in Southend-on-Sea well above the average, but for students in Thurrock outcomes remain below the national average despite improvement in 2015/16²⁰. Results improved overall in 2015/16 compared to the previous year in each area.

Schools with sixth-forms

Area reviews of post-16 education and training institutions are predominantly focused on general further education and sixth-form colleges in order to ensure there is a high quality and financially resilient set of colleges in each area of England. Schools with sixth-forms have the opportunity to seek to opt in to a review if the local steering group agrees.

The underpinning analysis for the review included current post-16 provision in the area made by schools with sixth-forms. Regional Schools Commissioners and local authorities have had the opportunity to identify any issues with school sixth-form provision, and feed these into the review. Regional Schools Commissioners take account of the analysis from area reviews in any decisions they make about future provision.

There are currently 68 funded schools with sixth-forms in the review area, including 4 local authority maintained and 62 academies, 1 studio school and 1 university technical college²¹. Most school pupils in the age range 16 to 18 are enrolled on A level courses.

Overall funded student numbers in mainstream school sixth-forms decreased by 140 in the 3 years 2014 to 2015 to 2016 to 2017 with a total of 14,890 young people funded in a

²⁰ 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.

²¹ 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.

mainstream sixth-form setting in 2016 to 2017²². 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 32 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.

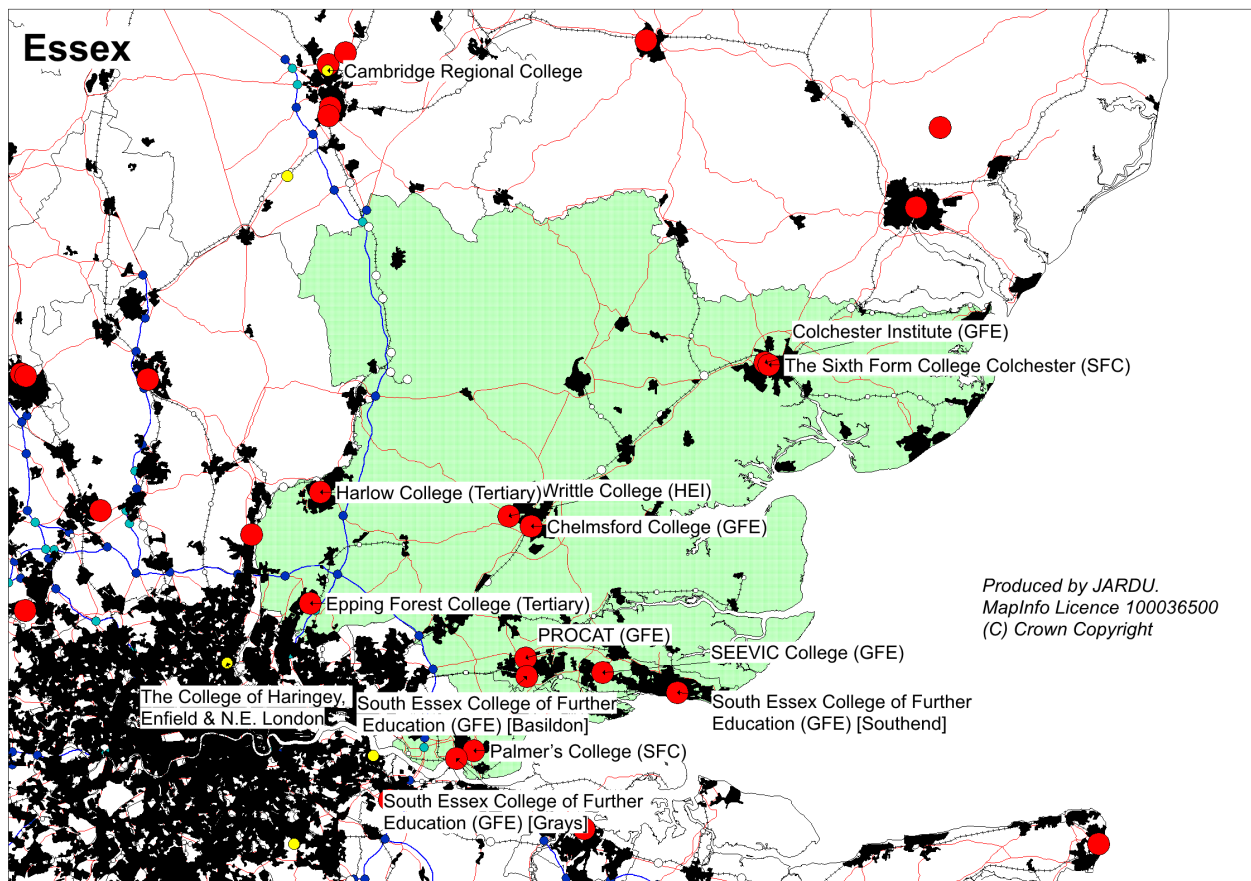
The further education and sixth-form colleges

Ten colleges (2 sixth-form colleges, 7 general further education colleges and 1 higher education institution (HEI)) participated in this review:

- Chelmsford College
- Colchester Institute
- Epping Forest College
- Harlow College
- Palmer's College
- Prospects College of Advanced Technology (PROCAT)
- Seevic College
- South Essex College of Further and Higher Education
- The Sixth Form College, Colchester
- Writtle University College.

The location of the colleges are shown on the map overleaf. While the map shows all three of the South Essex College campuses in Southend, Basildon and Grays, it shows only the main campus for Colchester Institute, whereas the college has a number of campuses in Braintree, Clacton and the wider Tendring area, and it does not show the new Harlow College campus under construction.

²² 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 the Greater Essex area all offer a wide range of provision in terms of both subject and level. The provision offered is broadly in line with the priority and growth sectors identified by the LEP. Most of the colleges have a recruitment area that is largely focused around their locality for young people, adults and apprentices, reflecting local transport and travel patterns.

Chelmsford College, Colchester Institute, PROCAT and Writtle University College are the only colleges in the area that do not deliver A levels. The Sixth Form College Colchester delivers the largest number of A levels of all the colleges in the review area, followed by Palmer’s College. Seevic College delivers the largest number of A levels amongst the general further education colleges.

All colleges in the review area offer provision for 16-19 year olds in arts media and publishing. The majority are engaged in craft, creative arts and design subject sector areas. All the general further education colleges offer provision for 16-19 year olds in engineering and manufacturing technologies. The most popular curriculum areas for this sector subject are engineering and transport operations and maintenance.

All the general further education colleges and the HEI offer adult learning in engineering and manufacturing technologies. Provision offered to adults also includes health and social care, public services, science and mathematics, agriculture, horticulture and floristry, animal care and veterinary science, building and construction, ICT, service enterprises, hospitality and catering, sport, leisure and recreation, accounting and finance and business management.

Most of the general further education colleges and the HEI deliver some provision to adults at level 4 and above. This includes accounting and finance, business management, health and social care, agriculture, horticulture and landscape architecture, animal care and veterinary science, engineering, building and construction, ICT, hospitality and catering, sport leisure and recreation, crafts, creative arts and design and media and communications.

All the general further education colleges and the HEI offer apprenticeships and the majority of the general further education colleges offer apprenticeships in business, administration and law. Limited numbers of apprenticeships are delivered by the colleges in the curriculum areas of arts, media and publishing and leisure travel and tourism and all of the apprenticeships delivered in the leisure, travel and tourism sector relate to sport, leisure and recreation. Some higher apprenticeships are offered in administration, accounting and finance, and health and social care.

The majority of the colleges within the review area offer provision for learners with special educational needs and disabilities.

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 grade²³	EFA allocations (2016 to 17)²⁴	SFA allocations (2016 to 17)²⁵	Total college income (2014 to 2015) 000s²⁶
Chelmsford College	Requires Improvement (November 2015)	£9,978,725	£2,140,461	£15,043
Colchester Institute	Good (February 2016)	£19,737,572	£7,051,247	£41,939
Epping Forest College	Inadequate (November 2016)	£9,138,902	£1,641,796	£14,089
Harlow College	Good (January 2016)	£11,630,053	£6,015,185	£23,465
Palmers College	Requires Improvement (December 2015)	£7,721,706	£5,390	£10,756
Prospects College of Advanced Technology (PROCAT)	Good (November 2016)	£2,604,990	£4,636,644	£7,987
Seevic College	Requires Improvement (December 2016)	£10,805,265	£1,721,750	£14,472
South Essex College of Further and Higher Education	Requires Improvement (May 2015) ²⁷	£29,786,958	£10,688,194	£58,221
The Sixth Form College, Colchester	Good (February 2013)	£13,930,798	£0.00	£15,352

23 Ofsted – see data annex: College inspection reports

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

25 SFA allocations – see data annex: Adult funding [Insert total allocation from columns C, D & E from spreadsheet]

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

27 South Essex College was re-inspected in May 2017, resulting in Ofsted judging the college to be good in all areas

College	Most recent overall Ofsted grade ²³	EFA allocations (2016 to 17) ²⁴	SFA allocations (2016 to 17) ²⁵	Total college income (2014 to 2015) 000s ²⁶
Writtle University College	Good (January 2014)	£4,099,758	£1,045,428	See Note ²⁸

Where a college was subject to a financial notice of concern or a financial notice to improve this was a factor that was taken into account in the assessment of options for structural change in the review. Chelmsford College²⁹, Colchester Institute and South Essex College of Further and Higher Education each are subject to a financial notice of concern issued by the Skills Funding Agency. Epping Forest College is subject to a notice of concern issued by the Skills Funding Agency relating to the Ofsted inadequate inspection grade and another for minimum standards. Seevic College is subject to a notice of concern issued by the Skills Funding Agency relating to minimum standards.

Overall, the condition of college buildings is good. The colleges report reasonable estates efficiency and running costs, but plans are in place to develop estates where this is necessary. 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 education³⁰

Progression of young people to higher education across Greater Essex has been variable. In Essex and Southend, the progression rate for young people who reached 18 between 2005 and 2009 and participated in higher education (HE) was 31.9% and 30.2% respectively and in Thurrock it was 22.6% compared to a national progression rate of 32.6% for the United Kingdom for the same period³¹.

Anglia Ruskin University and the University of Essex offer the majority of higher education in the area. Six of the further education colleges and Writtle University College offer higher

²⁸ As Writtle University College is a higher education institution, financial information is not available and published in the same way as for FE and sixth form colleges.

²⁹ The notice of concern relating to Chelmsford College was removed shortly after the area review was completed.

³⁰ HEFCE POLAR 3 – see data annex: Higher education progression.

³¹ Derived from HEFCE POLAR 3 – see data annex: Higher education progression.

education provision (directly funded and through partnership arrangements) and of the general further education colleges, South Essex College, Harlow College and Colchester Institute have the largest number of higher education students.

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

In 2016 to 2017, the EFA funded 817 post-16 places³² across the 3 local authorities in colleges, special schools and specialist post-16 institutions. Colleges delivered 291 funded places between them. The colleges delivering the highest numbers of funded places are South Essex College of Further and Higher Education, Colchester Institute and Chelmsford College.

During the area review, local authorities expressed general satisfaction that the high needs provision offered by colleges has been responding to local needs. However, the 3 local authorities identified a future need for increased provision for learners who are autistic and/or have social emotional and mental health needs and a need for further places linked to sustainable employment outcomes for SEND learners was also highlighted. The 3 local authorities will need to work closely with the colleges to provide a more detailed forecast of future need to support future planning for places.

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, 9,840 apprenticeships were delivered by providers based in the review area. 5,150 of those apprenticeships were delivered by the colleges in the review area and 4,520 apprenticeships were delivered by a wide range of other learning providers³³.

Overall, the most popular frameworks delivered in the area in 2015 to 2016 were in business administration and law, health, public services and care, retail and commercial enterprise, engineering and manufacturing technologies subject sector areas.

This pattern may change in 2017 with the introduction of the apprenticeship levy³⁴. And the need to continue to increase apprenticeships in the growth sectors outlined by the LEP and specifically at technical, higher and degree level to tackle skill shortages was raised as part of the steering group discussions.

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

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

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

Competition

Growth in numbers of school sixth-forms in Greater Essex over recent years has increased competition, led to duplication of provision and contributed in some instances to a decline in college enrolments. Over the last few years, a number of new sixth-forms have opened around the areas of Epping, Harlow and Benfleet, impacting on college A level delivery. At one time, Palmer's College was the sole sixth-form provider in Thurrock, but at the beginning of this decade several new sixth-forms were opened and have become established within the area. Chelmsford and its surrounding area also has a large number of sixth-forms. Where colleges have experienced a reduction in demand, most have implemented savings to try to maintain financial health.

Land based provision

Landex, the sector organisation that represents a significant number of colleges which deliver land based provision, has provided information to land-based colleges 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. 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.

Writtle University College is a specialist land based university college situated in Writtle near Chelmsford, offering both higher education and further education. The largest areas of land-based provision at Writtle are in animal care and veterinary science and horticulture and floristry, with a significant offer both for classroom-based technical courses. While the university college also offers apprenticeships, 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, are:

- the need to focus and develop skills and provision at level 4 and above, to meet the shift to higher technical level skills within the labour market and provide the best opportunities for local people
- the need to grow apprenticeships in priority sectors to contribute to the Government's target of 3 million by 2020, address skill shortages and develop more opportunities to progress to higher education
- improve careers education, information, advice and guidance linked to the local economy highlighting growth sectors required
- the need for sector specialisms, possibly delivered through Institutes of Technology
- the need to deliver high quality provision and drive quality improvement
- the need to grow local provision for SEND and high needs learners, specifically those with autism and/or who have social emotional and mental health needs, and courses that lead to sustainable employment opportunities
- the need to ensure that colleges in the area are on a strong, sustainable financial footing and are able to maintain a broad, stable and suitable learning offer.

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. This was the preferred option for Palmer's College and Seevic College
- the potential for collaboration to share services and reduce costs . The expansion the Essex shared services model developed by South Essex College and Chelmsford College was discussed, with interest expressed by 4 other colleges
- discussion between colleges about the case for specialisation. The general further education colleges identified potential specialisms each could focus upon and further

work will be done on this. Interest was expressed in developing Institutes of Technology (IOTs)

- the case for remaining stand-alone where a college could demonstrate long-term financial sustainability. This was the preferred option for most of the colleges in the area
- 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 that become academies would be eligible to receive reimbursement of their non-business VAT and would be classified as public sector bodies. The Sixth Form College Colchester expressed interest in exploring academisation.

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 F³⁵ (revised March 2016).

³⁵ [Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53](#)

Recommendations agreed by the steering group

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

- Chelmsford College and Writtle University College to establish a formal collaborative partnership to rationalise and improve the curriculum offer, drive up quality and share services to reduce costs. As stand-alone institutions, the colleges should continue to review provision and collaboration to ensure a sustainable local offer is available for employers and learners.
- Colchester Institute to remain as a stand-alone institution, focusing on developing greater financial resilience and continuing to develop provision aligned to local need
- Epping Forest College to focus on rapid quality improvement whilst seeking structural change following a Further Education Commissioner-led structure and prospects appraisal, to be completed by April 2017.
- Harlow College to remain as a stand-alone institution, with a focus on developing a campus at Stansted that will better meet employer and learner need.
- Palmer's College and Seevic College to merge, developing a coherent offer that will meet local learner and employer needs, provide a high quality academic offer in Thurrock and lead to rapid quality improvement across both campuses.
- Prospects College of Advanced Technology (PROCAT) to remain as a stand-alone institution, focusing on specialist provision to meet national employer demand as well as providing a local offer to learners.
- South Essex College to remain as a stand-alone institution, focusing on improving quality, developing its estate in Basildon and developing greater financial resilience
- The Sixth Form College Colchester to explore conversion to a single academy trust (SAT) or retain stand-alone sixth-form college status.
- Greater Essex colleges to review the potential for shared services, through scaling up the current shared services arrangement between South Essex College and Chelmsford College to provide cost savings.
- The Federation of Essex Colleges to work collaboratively to develop a mechanism to support quality improvement across the colleges in Greater Essex. This should result in an increase in the number of colleges in the area that have good or better Ofsted outcomes, better achievement rates and an improvement in the colleges' position in the national performance tables.

Each of these options is now outlined in more detail:

Chelmsford College and Writtle University College

Chelmsford College and Writtle University College to establish a formal collaborative partnership to rationalise and improve the curriculum offer, drive up quality and share services to reduce costs. As stand-alone institutions, the colleges should continue to review

provision and collaboration to ensure a sustainable local offer is available for employers and learners. The two colleges will remain independent, with no merger planned in the future, but will work collaboratively on the curriculum areas where there are areas of synergy that will allow them to develop a more coherent offer to meet employer and learner need.

- in terms of meeting current and future needs, the collaborative approach will enable the mapping of provision and progression routes, including to higher education, enhancing delivery in mid-Essex. The colleges intend to expand provision to higher level skills, including apprenticeships, aligned to LEP priorities such as construction and engineering, which will meet the needs of learners and employers. This will also include growth in high needs places.
- with regard to financial sustainability, Chelmsford College is in a stable position and showing signs of improving. While it currently meets only the staff costs benchmark, the position is forecast to improve from 2018 with a move towards all other benchmarks. Writtle University College is in a relatively strong position meeting most of the benchmarks currently. The initial financial assessment and college accounts indicate that the partnership will place both institutions in a stronger position and they will meet all the financial benchmarks by 2018.
- in respect of quality of provision, the most recent Ofsted inspection judged Chelmsford College to be requires improvement. Writtle University College currently has a good Ofsted rating. The proposed partnership will provide an opportunity to further improve quality through the sharing of good practice across learning delivery teams and to develop aligned systems and processes.
- the colleges' joint specialisms include construction, engineering, land-based provision and med-tech, all of which are LEP priorities. Chelmsford College offers provision for learners with special educational needs and disabilities and plans to increase this. The partnership will enable opportunities to combine and co-ordinate expertise and facilities.

Colchester Institute

Colchester Institute to remain as a stand-alone institution, focusing on developing greater financial resilience and continuing to develop provision aligned to local need.

- in terms of meeting current and future needs, the college offers a broad curriculum from entry level to level 6, closely aligned to LEP priorities, which meets the needs of learners and employers well. The college is planning to further develop provision in priority areas such as science, technology, engineering and maths (STEM) to meet skills shortages.
- with regard to financial sustainability, the college is stable and taking action to improve its financial position and invest in the provision and estate. It is forecasting to meet 4 of the 5 benchmarks by 2018, with staff costs remaining above the benchmark. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and 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 good.
 - the college's specialisms include advanced manufacturing, engineering, construction, computing, health and hospitality. The college has developed provision to meet the LEP priorities.

Epping Forest College

Epping Forest College to focus on rapid quality improvement whilst seeking structural change following an Further Education Commissioner-led structure and prospects appraisal, to be completed by April 2017.

- in terms of meeting current and future needs, the college currently serves learners from London and Essex, offering a large proportion of students construction, business, sports and creative arts programmes. A structure and prospects appraisal (SPA) led by the Further Education Commissioner will look at long term structural change with a focus on ensuring that the offer meets local needs.
- with regard to financial sustainability, although not in financial difficulty currently, the college has experienced a fall in recruitment and this could continue following the recent Ofsted inspection outcome. The need to invest in quality improvement may also impact on the college's finances moving forward. The college will need to develop a revised financial plan which takes account of essential quality improvement work and the future direction agreed following the outcome from the SPA.
- in respect of quality of provision, the most recent Ofsted inspection judged the college to be inadequate. The college is working with the Further Education Commissioner and funding agencies on plans to address this and actions plans are already being put in place. A merger partner will be selected on the basis of being able to support the rapid quality improvement journey the college needs to take as well as other factors.
- the college's specialist facilities include motor vehicle, electrical installation and plumbing workshops, theatre and dance studio, HD TV studio, air cabin crew training room, music studios and open-plan art studios. The future direction of the college will shape the delivery specialisms and this will become clear following the structure and prospects appraisal, when a merger partner for the college will be identified.

Harlow College

Harlow College to remain as a stand-alone institution, with a focus on developing a campus at Stansted that will better meet employer and learner need.

- in terms of meeting current and future needs, the college offers a broad curriculum from entry level to level 6 that meets the needs of learners and employers well. The college is proposing to develop a technical and professional skills centre at Stansted which will focus on LEP priorities, helping to meet skills gaps and provide learning where there is currently no further education provision. The college is also looking at how it can increase SEND provision to meet the needs of learners in the area.
- with regard to financial sustainability, the initial financial assessment and college accounts indicate that the college is in a strong position with the financial resilience needed to remain stand-alone. It is meeting most of the financial benchmarks currently and forecasts to meet the current ratio benchmark by 2020. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and 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 good.
- the college's specialisms include construction and the built environment, business and IT, engineering and manufacturing, journalism, media and digital technology, science, health and care and support for the unemployed. These reflect the LEP and local authority priority areas.

Palmer's College and Seevic College

Palmer's College and Seevic College to merge, developing a coherent offer that will meet local learner and employer needs, provide a high quality academic offer in Thurrock and lead to rapid quality improvement across both campuses.

- in terms of meeting current and future needs, the merged college proposes to focus on LEP priorities including finance and health at the Seevic campus in Benfleet to address skill shortages and meet the needs of local learners and employers. The merged college will offer academic and technical pathways with progression routes to higher education. The Palmer's college campus in Thurrock will focus on the delivery of a high quality academic offer.
- with regard to financial sustainability, as stand-alone institutions, neither college currently meets either the staff costs or operating surplus ratios, although they meet all of the others. However, the merged college should be in a strong position and forecast to meet all financial benchmarks in 2017/18 following the merger.
- in respect of quality of provision, while both colleges are currently graded as requires improvement by Ofsted, Seevic College's most recent Ofsted inspection report identifies progress is being made by the new senior management team. The colleges are developing a robust quality improvement plan for implementation through the merger.

- the colleges' specialisms include sport and CILEX legal secretaries courses and the merged college will also focus on provision that supports the LEP priority around finance.

Prospects College of Advanced Technology (PROCAT)

Prospects College of Advanced Technology (PROCAT) to remain as a stand-alone institution, focusing on specialist provision to meet national employer demand as well as providing a local offer to learners.

- in terms of meeting current and future needs the college will focus on specialist curriculum areas with pathways to advanced and higher level skills in engineering and robotics, construction and building technologies, and transportation. This is both a local LEP priority and an area of provision in demand nationally.
- with regard to financial sustainability, the initial financial assessment and college accounts indicate the college has the financial resilience needed to remain stand-alone. It is currently meeting all the financial benchmarks in 2017 and is forecasting this to continue. 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 good.
- the college's specialisms include provision to meet the needs of the rail industry, Aircraft MRO and the college is CAA licensed.

South Essex College of Further and Higher Education

South Essex College to remain as a stand-alone institution, focusing on improving quality, developing its estate in Basildon and developing greater financial resilience.

- in terms of meeting current and future needs, the college offers provision in all 15 subject sector areas from entry level to level 3 and up to level 4, 5 and 6 in key sectors, meeting learner and employer needs well. The college proposes to expand provision, including apprenticeships and higher education, to further support local developments and LEP priorities.
- with regard to financial sustainability, the college is stable and taking action to improve its financial position and to invest in provision and the estate. The initial assessment of the current financial plan indicates that the college will meet 4 of the 5 benchmarks by 2020, but the operating surplus will remain just below the benchmark. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and 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 at the time of the area review³⁶ judged the college to be requires improvement but the report identified that standards in teaching, learning and assessment, although improving due to strong leadership and effective management of staff.
 - the college has identified specialisms across its campuses that are aligned to LEP priority sectors such as creative and cultural skills (levels1-6), health and care (levels1-6), construction, digital technology (level 3-6) and logistics.

The Sixth Form College, Colchester

The Sixth Form College, Colchester to explore conversion to a single academy trust (SAT) or retain stand-alone sixth-form college status.

- in terms of meeting current and future needs, the college offers a broad general curriculum that supports national and local priorities, including STEM-related subjects, providing learners with a broad choice and it prepares students for higher education.
- with regard to financial sustainability, initial financial assessment and college accounts indicate that, although the financial plans do not currently meet the benchmarks for operating surplus or staff costs, the college has remained financially resilient and is working on a plan for cost reduction. The college will be required to submit a detailed financial plan as part of its application to convert to academy status. The assessment of 'stand-alone' college options resulting from an area review assumes both financial sustainability and 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 good.
- the college works collaboratively with schools and is a member of the Colchester Teacher Training Consortium and North East Essex Teaching School Alliance, supporting teacher training and driving up quality improvements. The college plans to convert to academy status to enable the college to continue to play an active role within these groups. It will be required to submit a plan for how it will add value to the local schools' educational landscape in its academy application.

³⁶ South Essex College was re-inspected in May 2017, after the closure of the area review, and was judged as good by Ofsted

Shared Services

Greater Essex colleges to review the potential for shared services, through scaling up the current shared services arrangement between South Essex College and Chelmsford College to provide cost savings.

- further work is required by the colleges on describing what the wider shared services offer may be and whether a menu of options can be provided to extend the service to other colleges. There is some interest in this, especially for aspects such as shared procurement, but the plan will need to be more fully developed.

Quality Improvement

The Federation of Essex Colleges to work collaboratively to develop a mechanism to support quality improvement across the colleges in Greater Essex. This should result in an increase in the number of colleges in the area that have good or better Ofsted outcomes, better achievement rates and an improvement in the colleges' position in the national performance tables.

- the colleges will work collaboratively through the Federation of Essex Colleges to extend and further develop the mechanisms that can support them in quality improvement in order to raise attainment and outcomes for learners across the area.

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:

- colleges working collaboratively to map provision and develop progression routes to ensure that the local learning offer meets learner and employer needs and to provide routes to higher level technical and professional learning. This will include further developing provision for SEND and high needs learners
- developing progression routes beyond level 3 to increase the skills levels of local residents so that they can access higher level and better paid jobs
- increasing delivery of apprenticeships in key sectors, particularly at higher levels
- supporting better careers education, information, advice and guidance through collaborative working with colleges, the LEP and local authorities
- the collaboration between Chelmsford College and Writtle University College, which will provide a more coherent offer locally that will address LEP skills needs in priority areas
- the merger of Palmer's College and Seevic College, driving up quality and providing a more coherent local offer
- the development of greater financial resilience and continued responsiveness to skills needs in colleges that are to remain stand-alone
- colleges working collaboratively to drive up quality improvement through the Federation of Essex Colleges
- colleges exploring shared services to reduce costs to help ensure colleges are on a strong, sustainable financial footing
- colleges developing their estates to ensure facilities are suitable to support the delivery of provision in priority skills areas
- the development of greater specialisation in key areas where colleges have expertise in order to provide level 4+ provision in priority areas.

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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