



Department
for Education

Area review: end of programme report

Restructuring of the FE Sector 2015 - 2019

September 2019

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Executive summary

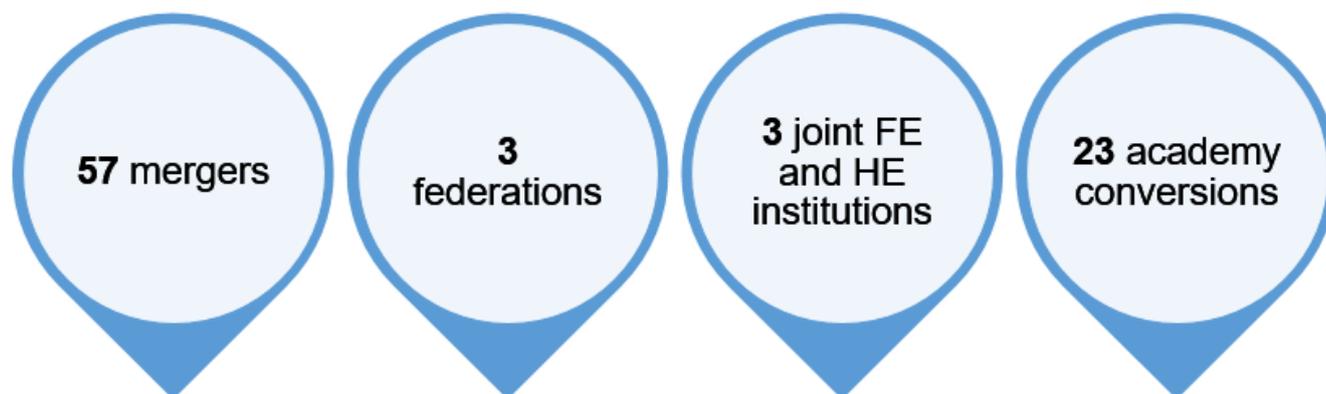


Figure 1: Number of changes implemented by 1 April 2019

On 20 July 2015, the National Audit Office (NAO) published its report “Overseeing the financial sustainability in the further education sector”¹. As well as commenting on the rapidly declining financial health of the further education (FE) sector, who acknowledged the Department for Business, Innovation and Skills (BIS) and the Skills Funding Agency (SFA) had taken steps to deal with, they noted the lack of a clear process to inform decisions about local provision and the need for more than a college-by-college approach.

In response to this, government announced a review of post-16 education and training institutions across England.

The objectives of the area review programme were to achieve²:

- Institutions that are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment;
- An offer that meets each area’s educational and economic needs;
- Providers with strong reputations and greater specialisation;
- Sufficient access to high quality and relevant education and training for all; and
- Colleges well equipped to respond to the reform and expansion of the apprenticeship programme.

¹ [National Audit Office: Overseeing financial sustainability in the further education sector](#)

² See pages 6 – 7 of [Reviewing post-16 education and training institutions - updated guidance on area reviews](#)

Area reviews took place in five waves between September 2015 and March 2017, followed by an implementation phase. The programme officially closed in March 2019. As at the end of March 2019, two merger recommendations were still being implemented³.

Area review recommendations⁴ included a range of structural solutions such as mergers, the creation of federations and colleges joining existing group structures. The programme also resulted in a number of non-structural recommendations to improve collaboration and efficiency, for example shared service arrangements, and the establishment of joint skills ventures and apprenticeship delivery models.

Area reviews also provided an opportunity for sixth form colleges (SFCs) to become academies⁵. This was designed to enable these colleges to make a contribution to the academy programme by setting-up new academy trusts or joining existing trusts, thereby strengthening their relationships with the school sector.

At the start of the area review process, there were 93 SFCs and 241 general FE colleges (GFECs), of which 37 had a Financial Health rating of inadequate. As of April 2019, the number of SFCs had reduced to 54 and the number of GFECs to 193, meaning the number of individual college corporations in the FE sector has been reduced by 26%, whilst provision has been protected. In financial year 2017-2018, 21 colleges had a Financial Health rating of inadequate.

It is too early to assess the true impact of the area review programme on the FE sector, in particular the impact of mergers on both the financial health and quality of the colleges. However, early indications suggest that area reviews have had a broadly positive impact to date. A number of stronger colleges have taken the opportunity to restructure through the area review process and to use their strong leadership to bring about improvement by merging with colleges that needed to improve their quality or finances, or both. By doing so, it has been possible to protect provision in areas that had been under threat of losing access to a local FE college. In time, we expect to see greater efficiencies in the sector resulting from the changes driven by area reviews.

The area review programme and the investment we have made in restructuring has changed the landscape of the further education sector in many areas of the country, driven by those with knowledge of the education and training required in their communities.

³ As of 1 August 2019, one of these mergers has completed and the other is no longer progressing.

⁴ Further education area reviews: policy and reports: <https://www.gov.uk/government/collections/post-16-education-and-training-area-reviews>

⁵ Excluding Catholic SFCs – see see ‘Sixth form colleges converting to academy status’ section

Context

Purpose of this report

The purpose of this report is to provide a factual record of the implementation of the area review programme. This report does not cover individual area reviews and is not an evaluation of the programme. We intend to publish an evaluation report in 2022, which will focus on the impact of the programme. This report also gives us the opportunity to publish information about the restructuring facility (RF) funding and transition grants that were made available to support the implementation of the programme.

Introduction and background to area reviews

On 20 July 2015, the National Audit Office (NAO) published its report “[Overseeing the financial sustainability in the further education sector](#)”⁶. The NAO examined oversight of the financial sustainability of the FE sector in England, with specific focus on general further education colleges (GFECs) (excluding sixth form colleges (SFCs)).

One of the key findings of the report focused on the rapidly declining financial health in the FE sector since 2010/11. Whilst there were, and still are, many excellent further education (FE) colleges, there was an increase in the number requiring exceptional financial support (EFS), or likely to need it in the short to medium term, to continue to operate. Therefore, reform was necessary to address some of the underlying reasons for the financial pressures that many colleges were facing.

The NAO acknowledged that steps had already been taken to tackle the financial decline of individual colleges, for example by creating the role the Further Education Commissioner (FE Commissioner) and the Sixth Form College Commissioner (SFC Commissioner)⁷. However, they observed that the sector lacked a clear process to inform decisions about the restructuring of local FE provision and that the steps already taken were “not likely to be sufficient to address a growing structural problem”⁸.

The work of the FE Commissioner and SFC Commissioner also identified significant scope for greater efficiency in the sector, in a way that would free up resources to deliver high quality education and training to support economic growth.

⁶ <https://www.nao.org.uk/report/oversight-of-financial-sustainability-in-the-further-education-sector/>

⁷ The role of the SFC Commissioner was merged into the role of the FE Commissioner following machinery of government changes in July 2016

⁸ See paragraph 23 of the NAO report “[Overseeing the financial sustainability in the further education sector](#)”

Therefore in response to the NAO report, the Government announced in a [policy statement](#)⁹ on 20 July 2015 a programme of area reviews to review post-16 education and training institutions across England. These reviews were to commence in September 2015 and conclude in March 2017. Each review was designed to cover GFECs, specialist colleges including land-based, and SFCs, and could include other providers where they opted in and this was agreed locally. The area reviews considered all provision delivered in an area, even where those providers were not in scope, but the recommendations focus specifically on those included in the reviews. [Guidance on how the area review process would work](#) was first published in September 2015¹⁰.

The identification of an area, and the colleges to be included within it, was done by looking at the travel to learn patterns of students, the location of colleges, relevant groupings of local authorities and took into account areas with combined authorities. The reviews were carried out in five waves with priority given to areas where there were a number of financially weak colleges.

Each review was led by a local steering group composed of a range of local stakeholders. Members included the chairs of governors of each institution included in the review, supported by their principals or chief executives, the FE Commissioner and SFC Commissioner, local authorities, Local Enterprise Partnerships (LEPs) and the funding agencies (the Education Funding Agency (EFA) and the SFA). BIS and the Department for Education (DfE) were also represented, either directly or by the funding agencies.

Areas with secured devolution deals took a leading role in their area reviews, in most cases taking the role of chair of the steering group, as someone independent from the providers. In other reviews the independent chair was either the FE Commissioner or the SFC Commissioner.

Governing bodies of colleges, as independent bodies, were responsible for deciding whether to accept the area review recommendations and for implementing them¹¹. However, in considering their response, college governors were urged to give careful weight to their responsibilities for ensuring the long-term stability of their institution and to their broader fiduciary duty.

⁹ Post-16 education and training institutions review: <https://www.gov.uk/government/publications/post-16-education-and-training-institutions-review>

¹⁰ [Further education area reviews: how they work](#)

¹¹ Area review implementation guidance: <https://www.gov.uk/government/publications/post-16-education-and-training-institutions-area-based-reviews>

To stress the importance of the opportunity afforded by the area reviews, Government also announced that it was intending to introduce an insolvency regime for GFECs and SFCs, which would come into effect around the end of the implementation of area reviews.

Financial support for change: restructuring facility, transition grants and exceptional financial support



Figure 2: Restructuring facility and transition grant financial support

The Government recognised that as part of the area review process some colleges would face additional costs associated with restructuring in order to deliver long-term savings. In most cases, colleges, as independent institutions, were expected to meet these costs themselves. In cases where the required funding could not be secured, the Government made an offer of funding available to support the implementation of area reviews.

As part of the Spending Review 2015, the Government made available access to the restructuring facility (RF) to facilitate the implementation of area review recommendations. By the end of the programme, up to £432m has been made available to colleges. In total, not including those proposals that received funding for VAT liabilities only, 36 area review proposals benefitted from RF grant or loan funding.

Part of the RF was made available as transition grants¹². Grants of up to £100,000 were available to colleges to make a contribution towards the costs of the implementation of each significant change resulting from an area review in recognition of the challenges and costs associated with implementing recommendations effectively.

- A grant of up to £100,000 was made available for:
- A closure of a college;
- A merger of more than two institutions or of two institutions with a combined turnover of more than £25 million;
- Establishment of a multi-academy trust of two or more colleges.

¹² [Transition grants guidance: area reviews of post-16 education and training institutions](#)

A grant of up to £50,000 was made available for:

- single sixth form college conversion to a 16 to 19 academy
- merger of 2 institutions with a combined turnover of less than £25 million or
- a significant rationalisation¹³ or other significant change at a college or colleges where this change is reasonably expected to have significant upfront costs

In total there were 157 grants awarded during the programme, totaling just under £11.5 million. See Annex Three for a full list of transition grants awarded.

EFS continued to be made available to colleges in exceptional circumstances to make sure they could continue to operate whilst the recommendations of area reviews, or subsequent changed recommendations, could be implemented. EFS was not intended to fund the implementation of the area review recommendations.

¹³ A significant rationalisation may have included significant curriculum rationalisation, set up of a shared service arrangement or the establishment of a joint venture.

Implementation of area review recommendations

37 locally led area reviews were held across five waves between September 2015 and March 2017 with participation from 332 GFECs and SFCs. Local authorities, LEPs, Regional Schools Commissioners (RSCs), and other parties that may have 'opted in' to the process, also participated. Reports on the outcomes of each of the reviews have already been published.

Following the area review recommendation all proposals had to follow due process, including financial due diligence, before progressing. For a number of reasons, not all recommendations were implemented and some of the recommendations changed. The type of change depended on individual circumstances. In some cases, as independent bodies, college corporations decided not to proceed with the original recommendations for change or looked for other options. In these cases, they were encouraged to take part in an FE Commissioner led structure and prospects appraisal (SPA) to identify the best option for the college. In a few cases college carried out their own SPAs. The FE Commissioner (or the SFC Commissioner whilst this was a separate post) endorsed changes to original recommendations and the local area review steering groups were informed of the changes. By the end of the area review programme in March 2019, the number of recommended mergers had risen from 55 to 68.

The steering groups approved a total of 376 individual recommendations, which included the following structural recommendations:

Table 1: Summary of structural recommendations

Structural recommendation	Number of recommendations at March 2017 ¹⁴	Number of recommendations following SPA or agreed change	Number of changes implemented by 1 April 2019
Mergers	55 (involving 114 colleges)	68	57 mergers
Colleges remaining standalone	133 (of which, 3 were 'fresh start' ¹⁵)	127 (of which 5 were 'fresh start')	N/A
Federations	3 (involving 8 colleges)	N/A	3
Colleges joining an existing group structure	3	N/A	0
Creation of a joint Further Education College with a Higher Education Institution	4	5	3 Joint FE and HE Institutions
Sixth Form Colleges exploring academy status	54	28	23 academy conversions

There were 16 other types of recommendations for individual colleges, which included colleges developing shared services, partnerships, joint ventures, or specific recovery plans. In addition to the above structural recommendations, there were also 61 non-structural recommendations, including the establishment of local steering groups, improved and joint curriculum planning, creation of apprenticeship companies and institutes of technology.

At the end of March 2019, 57 mergers had completed (84%), nine (13%) are not being progressed and a further two merger recommendations were still being implemented (3%).

By 1 April 2019, 23 SFCs had converted to an academy. One SFC assessed and approved during the area review process converted on 1 September 2019. We have now extended the opportunity so that SFCs can continue to convert to academy status by joining or establishing a multi academy trust (MAT).

¹⁴ March 2017 marked the end of the Steering Group process

¹⁵ A 'fresh start' is where the FE Commissioner agrees a recommendation to standalone only if subject to specific leadership and other changes

Overall, the implementation percentage for **all** recommendations (including changed and non-structural recommendations) at end of March 2019 is:

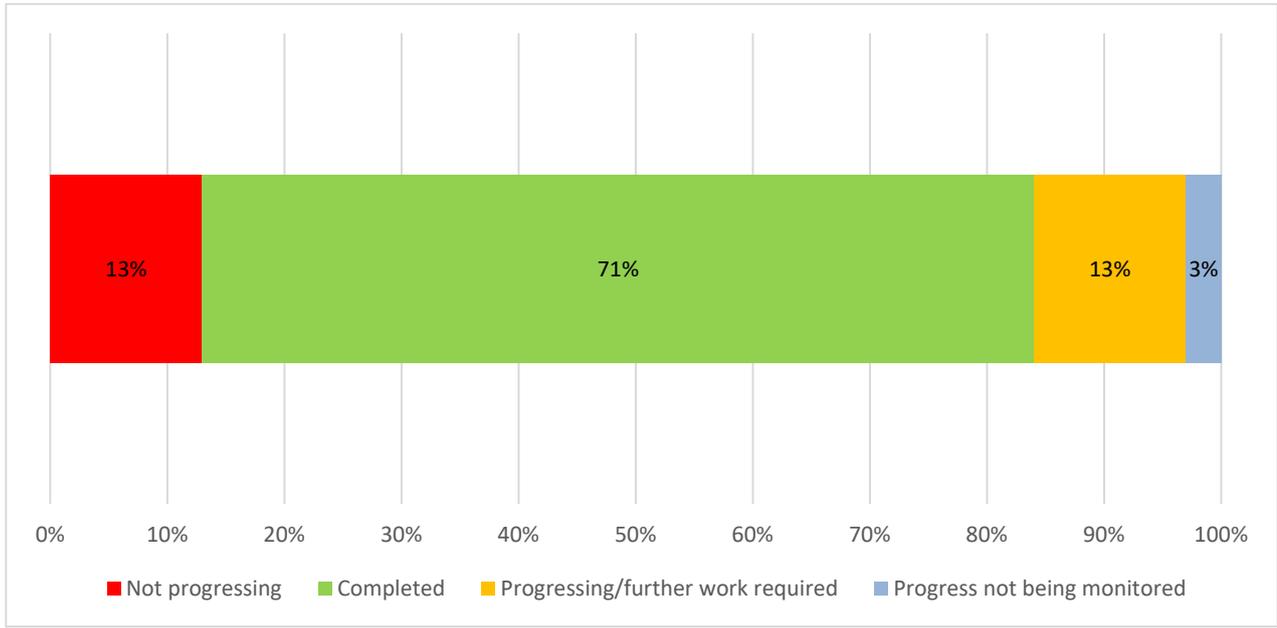


Figure 3: Status of area review recommendations at end of March 2019

* 2% of ‘not progressing’ relate to Catholic SFCs – see ‘Sixth form colleges converting to academy status’ section

**‘Progress not being monitored’ refers to those colleges that had recommendations that were being implemented locally, and therefore have not been nationally monitored

How did the restructuring facility support the implementation of area reviews?

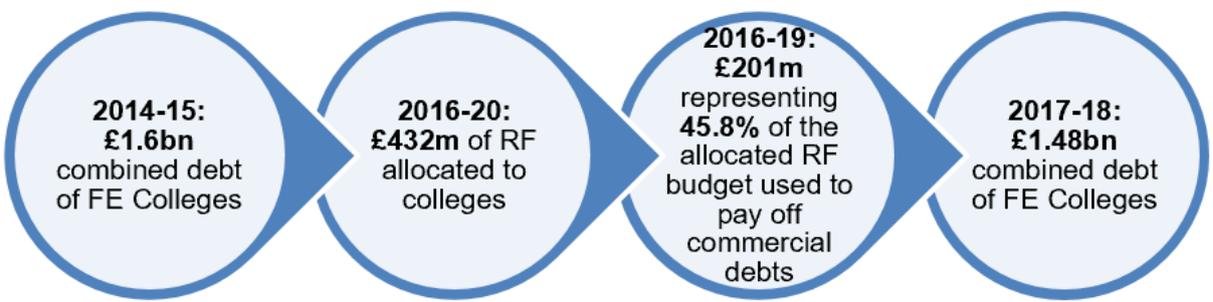


Figure 4: Combined debt and restructuring facility support

RF funding was available across three financial years 2016-17 to 2018-19 with a small amount of funding set aside in 2019-20 to support cases where restructuring could not be completed by March 2019. The responsibility for deciding whether to agree the area review recommendations, and if so whether to apply for RF funding, was for individual colleges as independent corporations. The implementation of some area review recommendations, or changed recommendations, were complex and the full financial business case took time to emerge and develop.

RF funding was profiled in response to the pace of delivery and the final level of available funding was:

Table 2: Restructuring facility funding profile

£m	2016-17	2017-18	2018-19	2019-20*	Total
Total	£21m	£133m	£251m	£40m	£445m

*2019-20 allocation remains subject to drawdown conditions

Applications

In total, 76 RF applications were received. Of these, 62 were approved and 14 were withdrawn or rejected. Of the 62 applications that were approved, 39 related to restructuring proposals from FE institutions, which included GFEC and SFC mergers, with 23 applications from SFC to convert to academies (for both compensatory VAT funding if the liability arises and academy conversion). 36 applications benefitted from funds to support restructuring (i.e. excluding compensatory VAT).

Of the 14 that were withdrawn or rejected, seven of these were from SFCs seeking to convert to academies, where either the SFC chose not to proceed with conversion, or the academy proposal was not approved, two SFCs went on to form different partnership. Four were from GFECs seeking to merge or to stand alone, where the application was rejected because the proposal did not meet the RF objectives or eligibility criteria. Three mergers did not progress because the GFECs seeking to merge could not agree terms with their prospective partners, or were unable to agree on the level of available funding to support the merger. In these cases, applications were withdrawn.

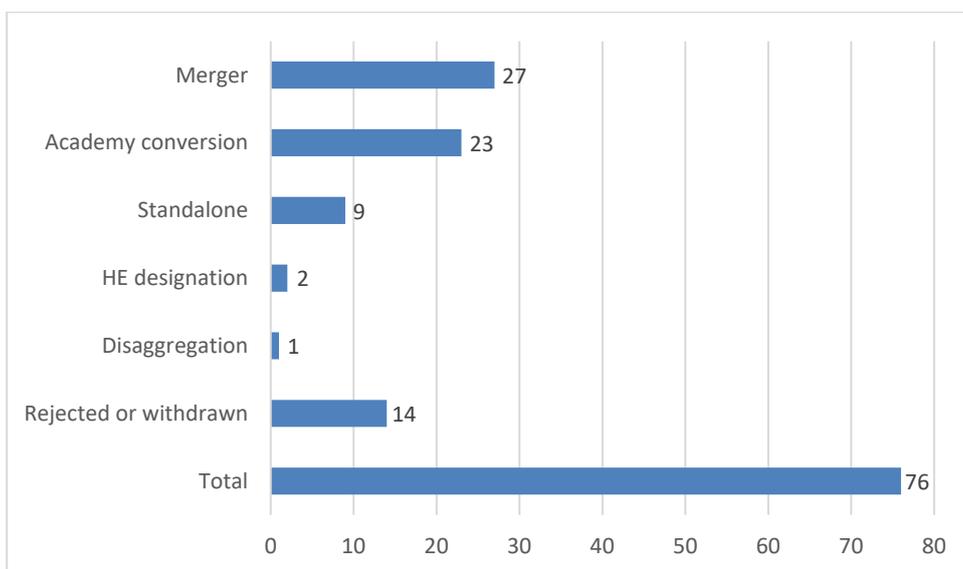


Figure 5: Restructuring facility applications - by type

Restructuring facility governance and decision making

The RF was subject to a rigorous governance and decision-making process in order to make sure that all applications were thoroughly assessed and made best use of public funding. Each case was considered by a Funding Committee chaired by a DfE Director and with a representative from HM Treasury. In line with published guidance some cases required advice from an External Advisory Panel (EAP) of senior advisers with a range of backgrounds including commercial, financial and estates. Recommendations from the Funding Committee and advice from the EAP were submitted to DfE Ministers for approval and to HM Treasury to secure funding.

Allocation of funding

Applications were assessed and scrutinised against [published eligibility criteria](#)¹⁶. Decisions on whether or not to support an application were based on the type of funding required and whether this was in line with the purpose of RF; whether funding could be spent by March 2019; and whether it offered sufficient value for money.

The area review guidance noted that RF funding was being made available where other sources of funding had been exhausted. It also set out the circumstances in which grants would be considered, with the expectation that loan funding would be the default. Pro-active discussions took place with colleges in advance of potential applications to determine their

¹⁶ Further education area reviews: funding to restructure colleges:
<https://www.gov.uk/government/publications/post-16-education-and-training-institutions-apply-for-financial-support-for-area-reviews>

financial position and potential funding need. These discussions in some cases led to colleges borrowing commercially rather than submitting an RF application. This was a positive outcome for the programme and in line with our policy of only funding cases that presented the greatest need and where RF funding was the only solution to bring about the change recommended in the area review.

Many of colleges in greatest financial distress were unable to attract any or further commercial credit facilities, and in some cases existing debt liabilities owed to banks and/or government had become unaffordable. This situation presented a risk to provision of education and training, indicating that there would be a likely need for long-term government support or insolvency. In these cases, there was a need to reduce debts to support the merger of a financially stronger college with a financially weaker college to create a sustainable institution. There was a strong argument for the provision of grant rather than loan funding from the RF. In all cases, the cost was robustly compared to alternatives including closure and leaving the provision to ensure value for money.

A total of £432m was approved. £393m has been paid out and up to £39m is expected to be drawn down during the course of the 2019-20 financial year. £79m of funding has been provided as government loans and over £353m as grant funding, the majority of which is covered by grant terms and conditions whereby the grant is repayable if financial performance improves.

Refinancing commercial debts

45.8% of RF funding has been provided to colleges to reduce their liabilities (i.e. commercial borrowing) to free up resources which would have been used to make repayments. At the start of the area review process the FE college sector held bank debts of £1.6bn. Since colleges were incorporated, they have had the ability to borrow from banks, most commonly to fund capital expansion.

The major change that area reviews would make to the sector presented an opportunity for Government to engage with the main commercial lenders to the sector to explore joint solutions where colleges had a higher level of debt than they were able to service.

For many colleges, RF deals meant deleveraging debts to decrease funds owed to affordable levels and in doing so protect frontline services. RF deals were structured in a way that sought to reduce potential break costs and costs associated with breaches of loan covenants. Some colleges had little capacity to continue to service commercial debts, so their RF deals involved refinancing commercial borrowing to more affordable Government loans or where necessary replacing borrowing with grants. Each RF case was individually negotiated and this often included joint discussions between the colleges, banks and Education and Skills Funding Agency (ESFA). Many deals included changes to lending terms and in some cases banks provided additional funding to colleges to support them in restructuring or investing.

Estates

14.4% of RF funding was allocated to costs associated with colleges' estate. In reviewing the financial sustainability of applicant colleges, their estate was very often a crucial issue. In addition to the relevance of condition and suitability for provision of quality further education and the direct costs associated with required maintenance, particularly in the case of mergers, there can be potential opportunities for rationalisation of college estate. For this reason, an estates strategy, based on the space requirement (guided learner hours) for the relevant curriculum was an application requirement for RF. Site sales require careful consideration and planning and can often be delayed. In some cases, grant and/or loan terms include security over estates to ensure that any cash realised from asset sales, as part of the college's estates strategy, would provide a payback on any public funds extended 'up-front' from the RF.

Further education colleges are expected to fund maintenance from their ongoing operations and can apply for LEP and/or commercial funding for major capital investment projects. RF funding was not available for major capital projects. In a few cases, colleges had attempted to manage their financial position through chronic underinvestment in their estate. RF made provision of funding for urgent maintenance works where this was essential, for example with implication for health and safety of students, and where this was required to secure the long-term sustainability of the college. In some cases, terms of funding included security over estates to ensure that investments supported through RF deals would not be sold off without the RF funds being repaid.

Conditions of funding

The terms and conditions attached to RF deals are outlined in a grant or loan agreement and supplementary agreements where applicable, for example legal charges. Standardised documentation was adapted and changed to reflect individual cases and the terms and conditions applied.

Government loans are repayable with interest, linked in most cases to the Public Works Loan Board rate¹⁷, plus a margin where relevant. Provision of RF funding is expected over time to improve the financial performance of the college. In some cases, grant conditions trigger repayment where financial performance is over and above a certain level of performance, for example, as a result of estate disposals or improved recruitment of learners.

In some cases, colleges had received EFS whilst their area review recommendations were being implemented. The affordability of repaying EFS loans or grants was considered alongside the requirement for RF funding, and in some cases Ministers in the DfE and HM

¹⁷ The Public Works Loan Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The Board's interest rates are determined by HM Treasury in accordance with section 5 of the National Loans Act 1968.

Treasury agreed to waive the repayment of the EFS loans and repayable grants. All waived amounts are published in the ESFA's annual report and accounts.

All RF deals are subject to ongoing monitoring and scrutiny. Grant and loan funding agreements set out delivery milestones for key elements of the turnaround plan and key performance indicators for the new or restructured entity. The period of monitoring for RF cases is generally at least 5 years. Details about providers that benefitted from RF funding are included in Annex Three.

Sixth form colleges converting to academy status

Of the 93 SFCs operating in August 2015, 54 agreed a recommendation to explore conversion to academy status. 24 SFCs made an active decision not to convert to academy status and 30 applied to convert.

All SFCs applying to convert to academy status were subject to a viability and sustainability assessment and these assessments were presented to the Funding Committee. Approval for conversions were subject to Ministerial, RSC and the ESFA's Director of Further Education Directorate's approval.

In principle, Catholic SFCs could access this funding to convert to become 16-19 academies. However, the legal framework for 16-19 academies does not permit them to maintain the freedoms and protections afforded to them by the Further and Higher Education Act 1992 as faith-designated institutions, so the Catholic Education Service has advised these colleges not to convert without these protections.

RF was made available to support colleges in meeting a VAT liability arising from the change of ownership of buildings (which have previously been zero rated for VAT purposes) and other costs where required such as the refinancing commercial borrowing. This was required in a small number of cases where debts could not be paid off before transfer or novated to the academy trust. In total 23 SFCs converted to academy status by 1st April 2019. 19 of these transfers required little or no RF funding to support the conversion.

Outcomes of area reviews

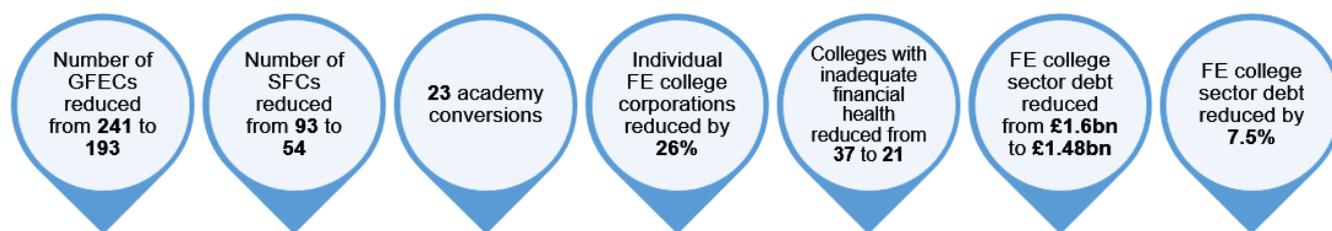


Figure 6: Summary of outcomes at end of area review programme

Although it is too early to determine the long-term financial position of the FE college sector, early analysis suggests that area reviews have had a broadly positive impact to date. It is too early to assess the full impact of the process, in particular the impact of mergers on both the financial health and quality of colleges, because the mergers happened relatively recently, the majority in 2017/18. It will take time for financial efficiencies to be fully realised and for the benefits of stronger leadership to show in improved financial performance and Ofsted grades. Some early inspections have had promising results but we will continue to track and monitor performance.

The area review programme and the financial support it provided delivered a great deal of focussed progress in a relatively short time to re-shape the sector and deal with some of the most difficult financial cases. In terms of immediate measurable outcomes to date, there has been a reduction of 26% in the number of separate college corporations, with the associated running costs, as a result of the FE restructuring process without any reported loss in provision or negative impact on student numbers.

There were 37 colleges with inadequate financial health based on their 2014/15 finance records. There were 21 in 2017/18. Nineteen colleges that had inadequate financial health in 2014/15, and nine that had an Ofsted grade of inadequate prior to merger have now dissolved, with stronger colleges taking the opportunity to restructure through the area review process and to use their strong leadership skills to bring about improvement by merging with other colleges to improve their quality or finances, or both. By doing so, it has been possible to maintain provision in areas that could have been under threat of losing access to a local FE college.

As well as achieving these structural changes, the area review steering groups brought together the colleges, LEPs, Mayoral Combined Authorities, local authorities and other stakeholders in localities to discuss issues and recommended solutions together. In some areas these partnerships have continued to work together to improve and plan provision to meet local demands.

A number of the proposals that are being developed further through new government policies and strategies, including the Social Mobility plans and the Industrial Strategy, were developed

as non-structural recommendations from the area reviews, for example, Institutes of Technology, Skills Advisory Panels and skills partnerships.

Following this large investment in the FE sector, the expectation is that, going forward, colleges will manage themselves effectively to ensure their sustainability, and support will be available through early engagement with the ESFA or the FE Commissioner. The [College oversight: support and intervention guidance](#)¹⁸ sets out how we will continue to monitor colleges, offer support and intervene when necessary.

¹⁸ College oversight: support and intervention: <https://www.gov.uk/government/publications/post-16-education-and-training-institutions-apply-for-financial-support-for-area-reviews>

Associated research publications

This report is being published alongside the two research reports that have been commissioned:

- 'FE College merger impacts' report. Frontier Economics were commissioned to carry out an econometric evaluation of the impact of FE college mergers between 2005 and 2015.
- 'Further Education sector reform case studies: area reviews' report. CFE Research were commissioned to carry out a process evaluation of the areas reviews that took place between 2015 and 2017.

Annex One: NAO recommendations and associated government response

Table 3: NAO recommendations and associated government response

NAO recommendations	Departmental/Agency response
BIS, working with DfE, should consider whether the existing college-by-college approach to intervention will address the more fundamental structural problems faced by the FE sector.	Area review process introduced aimed at restructuring the FE college sector. Expanded FE Commissioner Role and early ESFA intervention measures introduced aimed at reaching colleges in financial difficulty before they get to a stage of formal intervention.
Where major decisions are taken relating to individual colleges, BIS, working with DfE, should clarify roles and responsibilities for informing decisions about local provision.	Central Intervention Team established – with local territorial intervention teams working with individual colleges. Good use is made of the ESFA and FE Commissioner resources to influence local decisions.
BIS should reconsider the extent to which the current approach to oversight of public investment in the sector, and the responsibilities of the various parties involved, helps to resolve problems quickly to the long-term benefit of students and taxpayers.	Area reviews of FE colleges introduced from August 2015 – led by local steering groups, aimed at restructuring the post 16 FE sector to make it more financially resilient.
BIS and SFA, working with relevant sector bodies, should consider how they might better support the development of the management skills needed in this more challenging environment.	Governance and training for senior managers introduced by ESFA – working with the Education Training Foundation. Better support provided through the Strategic Quality Improvement Fund and National FE Leaders scheme.
SFA should build on the action it is taking to provide benchmark information to college governing bodies and their management teams.	ESFA has developed a financial benchmarking tool, published on GOV.uk, to help colleges compare their financial performance with the sector. See Financial benchmarking tool for colleges .
BIS, working with DfE, should ensure that there is capacity to deal with the expected increase in the number of colleges requiring support.	The restructuring facility introduced to provide financial support to those eligible colleges requiring help to restructure as a result of the area review process.

Annex Two: College mergers – original and changed area review recommendations

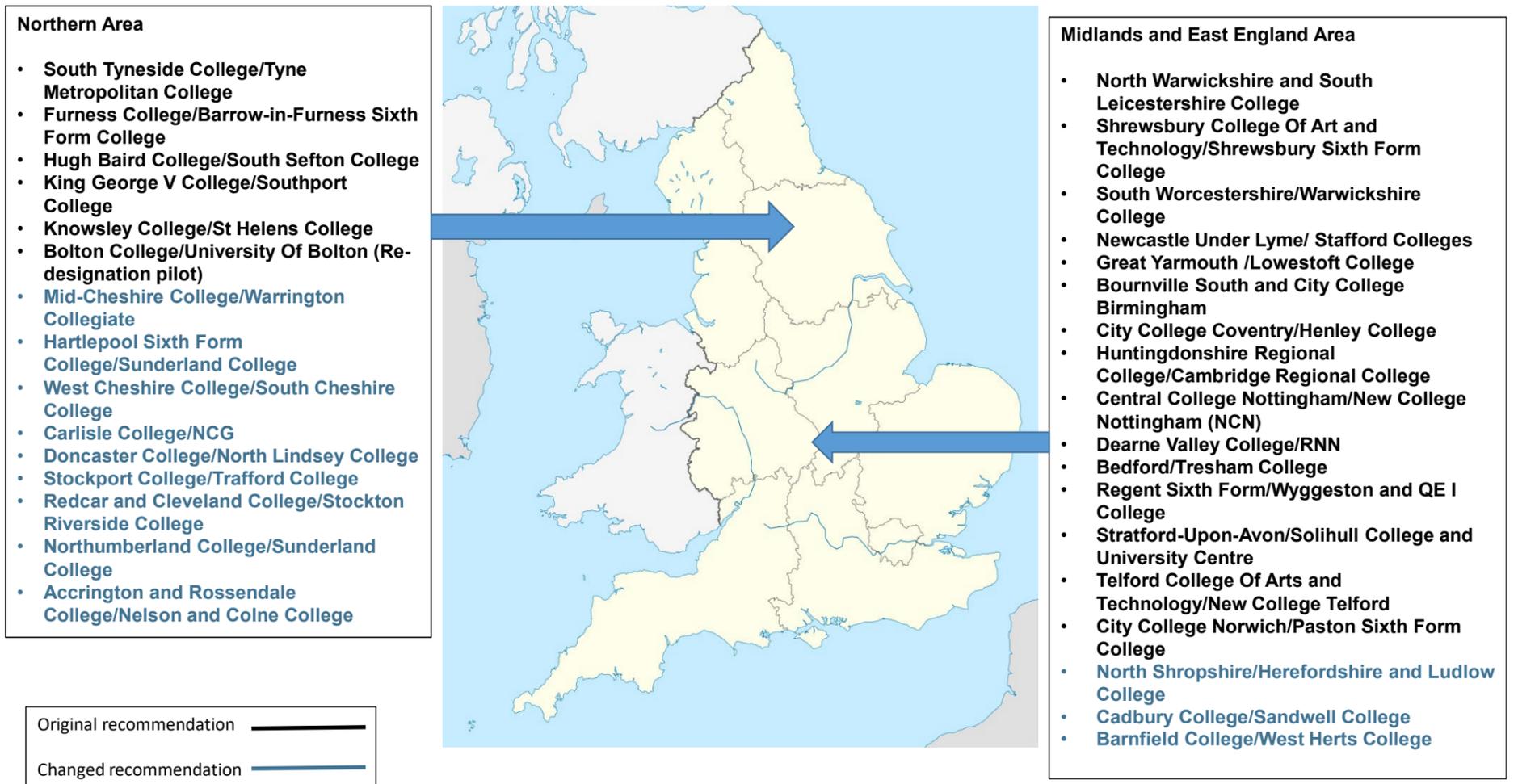


Figure 7: College mergers - Northern area and Midlands s and East England area

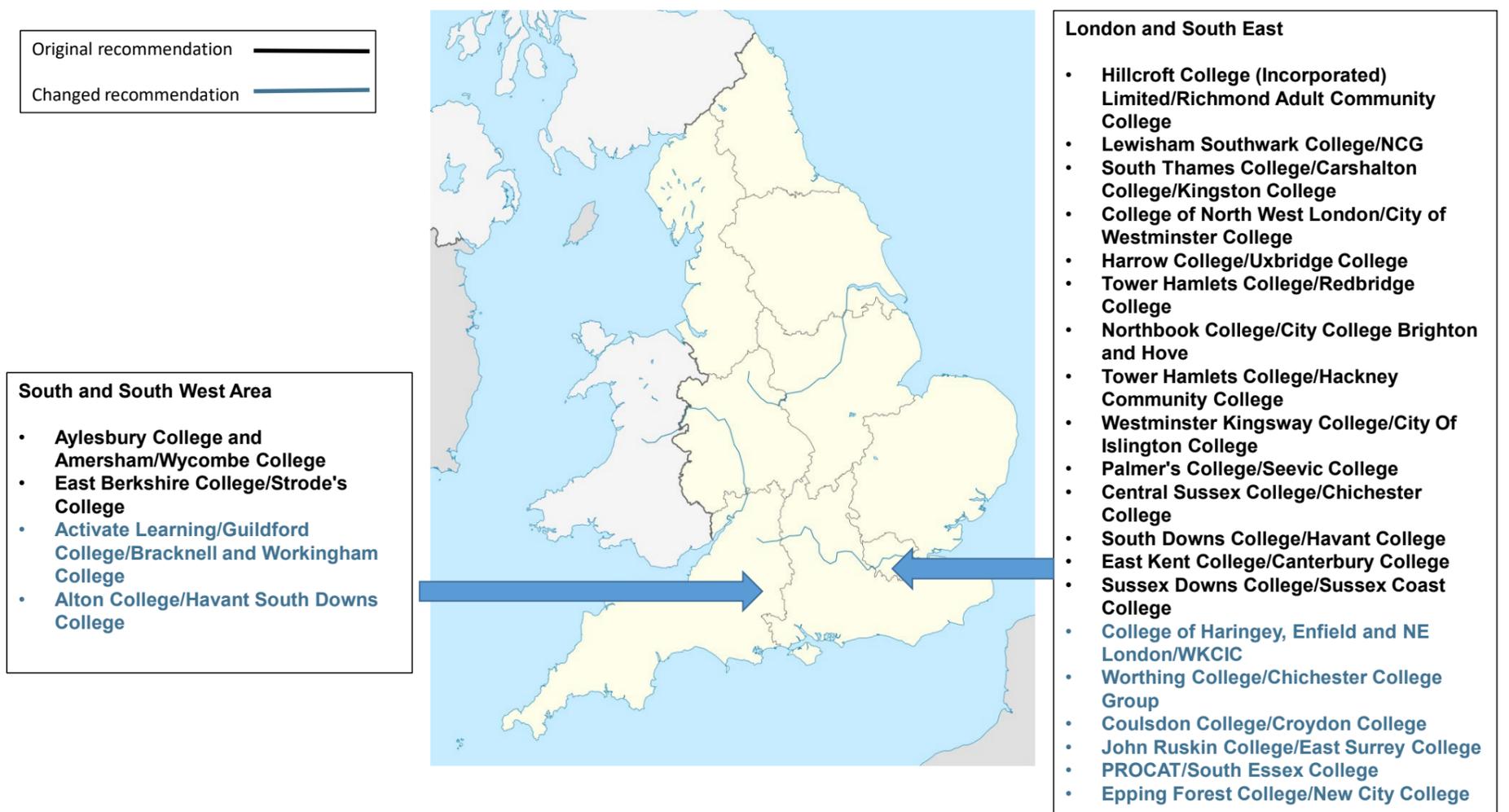


Figure 8: College mergers - South and South West area and London and South East

Annex Three: Area review implementation funding

Funding for college mergers

Table 4: Funding for college mergers

Total number of FE colleges August 2015	Area review recommendation for mergers	Total number of mergers by 31 March 2019	Total restructuring facility funding provided for mergers	Number of self-funded mergers
241	55 (involving 114 colleges)	57	£281,385k	*30

*This includes those mergers that benefitted from RF grant to meet VAT liabilities only

Table 5: Funding for college mergers - individual colleges

College name	Type of change	Date	RF funding £	In receipt of EFS
Cheshire College, South and West (South Cheshire College, West Cheshire College)	Merger	01/04/2017	£23,135k	Y
Greater Brighton Metropolitan College (City College Brighton and Hove and Northbrook College Sussex)	Merger	01/04/2017	£2,850k	N
The Windsor Forest Colleges Group (East Berkshire College and Strode's College)	Merger	09/05/2017	*£60k	N
Nottingham College (New College, Nottingham and Central College Nottingham)	Merger	08/06/2017	£16,200k	N
HCUC (Harrow College and Uxbridge College)	Merger	01/08/2017	*£397k	N
South and City College Birmingham (Bournville College of FE)	Merger	03/08/2017	£9,082k	Y
a) East Coast College (Lowestoft College and Great Yarmouth College of Further Education) b) Lowestoft Sixth Form College)	Mergers	a) 01/08/2017 b) 01/08/2018	a) £4,017k b) No RF	Y
SK Group (merger of Knowsley Community College and St Helens College)	Merger	12/12/2017	£15,242k	Y
New College Telford (merger with Telford College of Arts and Technology)	Merger	20/12/2017	£11,386k	Y
Southport College (merger between King George V College, Southport College)	Merger	31/01/2018	£6,240k	N
Solihull College and University Centre (merger between Solihull College and Stratford upon Avon College)	Merger	01/02/2018	*£50k	Y
East Kent College Group (merger of Canterbury College and East Kent College)	Merger	01/02/2018	£16,976k	N
East Sussex College Group, ESCG (merger of Sussex Coast College Hastings and Sussex Downs College)	Merger	29/03/2018	£8,465k	Y
Trafford College Group (Stockport College of Further and Higher Education and Trafford College)	Merger	05/04/2018	£26,024k	Y
New City College (merger of Tower Hamlets and Hackney Colleges, Redbridge College and Epping Forest College)	Merger	01/08/2018	*£735k	N
Stockton Riverside College (merged with Redcar and Cleveland College)	Merger	01/08/2018	£12,332k	Y
Herefordshire, Ludlow and North Shropshire College (merger of Herefordshire and Ludlow College and North Shropshire College)	Merger	31/10/2018	£8,616k	Y
Nelson and Colne College (merger of Accrington and Rossendale College and Nelson and Colne College)	Merger	30/11/2018	£14,166k	Y
South Essex College (merger of South Essex College of Further and Higher Education and Prospects College of Advanced Technology aka PROCAT)	Merger	31/01/2019	£6,240k	Y

Croydon College (merger of Coulsdon Sixth Form College and Croydon Further Education College)	Merger	12/02/2019	£5,181k	Y
a) Havant and South Downs College b) Merger of Alton College with Havant and South Downs College	Mergers	a) 01/08/2017 b) 01/03/2019	a)*£281k b) £6,178k	N
a) City of Sunderland College (merged with Hartlepool SFC b) Merger with Northumberland College	Merger	a) 01/08/2017 b) 22/03/2019	a) No RF b) £21,323k	N
a) Chichester College Group (Central Sussex College, Chichester College of Arts, Science and Technology b) Merger with Worthing College)	Mergers	a) 01/08/2017 b) 29/03/2019	**£34,297k	Y
a) Activate Learning (merger Bracknell and Wokingham College) b) Merger with Guildford College of Further and Higher Education)	Mergers	a) 10/01/2019 b) 29/03/2019	£32,283k	Y

* RF grant to meet VAT liabilities only

**£13,700k relates to the purchase of the Hayward Heath site.

Funding for standalone or other area review recommendations

Table 6: Funding for standalone or other area review recommendations

Number of standalone or other area review recommendations	Total restructuring facility funding provided for mergers
159	£145,524k

Table 7: Funding for standalone or other area review recommendations - individual colleges

College name	Type of change	Date	RF funding £	In receipt of EFS
Hull College Group	Fresh start	28/02/2018	£30,410k	Y
City of Wolverhampton College	Standalone	29/03/2018	£12,500k	Y
City of Bristol College	Fresh start	30/07/2018	£9,449k	Y
Berkshire College of Agriculture	Standalone	30/07/2018	£5,559k	N
Bolton College (subsidiary of Bolton University)	HE Designation	01/08/2018	*£293k	N
Stoke-on-Trent College	Fresh start	27/09/2018	£16,374k	Y
Kirklees College	Fresh Start	22/11/2018	£7,605k	Y
South Bank Colleges (subsidiary of London South Bank University previously Lambeth College)	HE Designation	31/01/2019	£18,126k	Y
Bradford College	Standalone	14/03/2019	£17,837k	Y
Cornwall College	Fresh start	22/03/2019	£23,449k	Y
Weymouth College	Standalone	29/03/2019	£2,419k	Y
Harrogate College Campus (Hull College Group and Leeds City College)	Disaggregation	31/07/2019	£1,501k	N

* RF grant to meet VAT liabilities only

Funding for sixth form colleges to academy status

Table 8: Funding for sixth form colleges to academy status

Total number of sixth form colleges August 2015	Number of academy area review recommendation	Total number of sixth form colleges converted to academies start April 2019	Total restructuring facility funding
93	54	23	£4,763k

Table 9: Funding for sixth form colleges to academy status - individual colleges

College and academy trust name	Date	RF funding £
Hereford Sixth Form College (Heart of Mercia Trust)	01/03/2017	No RF
The Rochdale Sixth Form College (Altus Education Partnership)	01/04/2017	No RF
Priestley College (The Challenge Academy Trust)	01/05/2017	No RF
New College Pontefract (New Collaborative Learning Trust)	01/05/2017	£2,416k
Birkenhead Sixth Form College (BePART Educational Trust)	01/08/2017	*£141k
Longley Park Sixth Form College (Brigantia Learning Trust Limited)	01/08/2017	No RF
The Sixth Form College, Solihull (Summit Learning Trust)	01/08/2017	No RF
Reigate College (Reigate Learning Alliance)	01/09/2017	No RF
Woking College (Woking College Trust)	01/09/2017	No RF
The Sixth Form College Farnborough (The Prospect Trust)	01/09/2017	No RF
City of Stoke-On-Trent Sixth Form College (Potteries Educational Trust)	01/09/2017	No RF
Oldham Sixth Form College (The Pinnacle Learning Trust)	01/09/2017	No RF
Queen Mary's College (North Hampshire Education Alliance)	01/10/2017	No RF
Prior Pursglove College and Stockton Sixth Form College (Tees Valley Collaborative Trust)	01/11/2017	*£250k
Thomas Rotherham College (Inspire Trust)	01/11/2017	No RF
Richard Taunton Sixth Form College and St Vincent College (Lighthouse Learning Trust)	01/11/2017	£533k
Godalming College (Godalming College Trust)	01/01/2018	No RF
Sir John Deane's College (The Sir John Brunner Foundation)	01/04/2018	*£371k
East Norfolk Sixth Form College (East Norfolk Multi-Academy Trust)	01/08/2018	No RF
King Edward VI College Nuneaton (Better Futures Multi-Academy Trust)	01/01/2019	*£102k
Ashton-Under-Lyne Sixth Form College (Stamford Park Trust)	01/02/2019	£949k
Worcester Sixth Form College (Heart of Mercia Trust)	01/04/2019	No RF

* RF grant to meet VAT liabilities only

Funding for transition grants

Table 10: Funding for transition grants - individual colleges

UKPRN	College Name	Area Review Wave/Name	Area review recommendation being pursued	Value of grant	Relevant skills	Relevant services
10000055	Abingdon and Witney College	Thames Valley	Following an FE Commissioner-led structure and prospects appraisal, Moulton College agreed to merge with Abingdon and Witney College	£100,000	Project management, Legal, Finance	Due diligence
10004927	Activate Learning	Thames Valley	The original recommendation was changed following an FE Commissioner led SPA process. The outcome of this process was that Bracknell and Wokingham College has agreed to merge with the Activate Learning group	£100,000	Project management, Legal, Estates	Due diligence
10004927	Activate Learning	Thames Valley	The agreed recommendation of the Surrey area review was for Guildford to explore options for federation or other structural partnership. A subsequent FE Commissioner led structure and Prospects Appraisal resulted in a recommendation for Guildford to merge with Activate Learning	£100,000	Project management, Legal, Estates	Due diligence
10000409	Ashton Sixth Form College	Greater Manchester	Academy conversion	£50,000	Project management, Legal, Finance	Due diligence
10000473	Aylesbury College	Thames Valley	Merger with Amersham and Wycombe College	£100,000	Project management, Legal, Commercial, Estates, Turnaround	Due diligence
10000528	Barking and Dagenham College	London East	Merger of Barking and Dagenham College and Havering College of Further and Higher Education (HCFCE)	£100,000	Project management, Legal, Finance	Due diligence
10000528	Barking and Dagenham College	London East	The South London boroughs to explore ways of formal collaboration sub-regionally to deliver adult community learning services	£50,000	Project management	
10000533	Barnet and Southgate College	London West	Barnet Southgate college to merge with Waltham Forest College	£100,000	Project management, Legal, Finance	
10000533	Barnet and Southgate College	London West	The West London boroughs, to explore ways of formal collaboration sub-regionally to deliver adult community learning services where it can be shown that savings could be made and/or quality and/or effectiveness of delivery can be improved	£50,000	Project management	
10000552	Barton Peveril Sixth Form College	Solent	Establish a single-academy trust	£36,000	Legal, Finance	
10000560	Basingstoke College Of Technology	North and Mid-Hampshire	Merge with Alton College	£100,000	Project management, Legal	Due diligence, Asset or liability valuation

10000610	Bedford College	South East Midlands	Bedford College and Tresham College to merge to form a single college	£100,000	Project management, Legal, Finance, Commercial, Estates	Due diligence, Asset or liability valuation
10000654	Berkshire College Of Agriculture, The (BCA)	Thames Valley	Due to the college being unable to secure a suitable merger partner to implement the Area Review recommendation, it was agreed that BCA will continue as an independent institution with some restructuring	£50,000	Legal	Due diligence
10000695	Bilborough College	Derby, Derbyshire, Nottingham and Nottinghamshire Derby	Bilborough Sixth Form College to continue to take short-term actions to improve its financial position pending completion of a Structure and Prospects Appraisal	£49,860	Legal, Finance	Due diligence
10000702	Birkenhead Sixth Form College	Liverpool City Region	Birkenhead Sixth Form College to convert to an academy and join a multi-academy trust	£50,000	Legal, Estates	Due diligence
10006442	Birmingham Metropolitan College	Birmingham and Solihull	To remain as a standalone institution and concentrate on financial recovery, working in collaboration with other colleges, in particular on shared services, apprenticeships and an Institute of Technology	£50,000	Finance, Commercial, Turnaround	
10000796	Bolton Sixth Form College	Greater Manchester	Academy conversion - new multi-academy trust with a school	£50,000	Legal, Finance, Commercial	Due diligence
10000887	Brighton Hove and Sussex Sixth Form College	Sussex	Academy conversion	£45,000	Legal	Due diligence
10000944	Brockenhurst College	Solent	Establish an apprenticeships joint venture	£50,000	Commercial	
10001000	Burnley College	Lancashire	Burnley College and Accrington and Rossendale College merger	£100,000	Project management, Legal, Finance	Due diligence
10001005	Bury College	Greater Manchester	Dissolution of Bury College and Incorporation into University of Bolton Group and Dissolution of Bolton College and Incorporation into University of Bolton Group	£100,000	Legal, Finance	Due diligence
10001082	Cadbury Sixth Form College	Birmingham and Solihull	Academy conversion - new multi-academy trust with Coventry University	£50,000	Legal, Finance, Commercial, Turnaround	
10001116	Cambridge Regional College	Greater Cambridgeshire and Greater Peterborough	Cambridge Regional College and Huntingdonshire Regional College to merge	£100,000	Project management, Legal, Finance	Due diligence
10001116	Cambridge Regional College	Greater Cambridgeshire and Greater Peterborough	To support the creation of a Joint Venture for the iMET Centre to deliver specialist higher and degree level technical pathways for the manufacturing, engineering and technology sectors	£50,000	Project management, Legal	
10001207	Carshalton College	London South	Kingston College and Carshalton College to merge with South Thames	£100,000	Legal, Finance, Estates	Due diligence

10001744	Central Sussex College	Sussex	Chichester/Croydon merger exploration	£80,000	Project management, Finance	
10001346	Cheadle and Marple Sixth Form College	Greater Manchester	Academy conversion - multi-academy trust with South Manchester Learning Trust	£50,000	Project management, Legal, Finance, Turnaround	Due diligence
10001353	Chelmsford College	Essex	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	£50,000	Project management, Legal, Commercial	
10007817	Chichester College	Sussex	Merger exploration with Central Sussex	£10,000	Project management, Legal, Estates	Due diligence
10007817	Chichester College	Sussex	Shared Services lead college	£48,750	Commercial	
10007817	Chichester College	Sussex	Additional £10,000 for the merger with Central Sussex when an alternative merger partner was not identified	£10,000	Project management, Legal, Finance, Estates	Due diligence
10007817	Chichester College	Sussex	The Sussex Coast Area Review recommendation was for Worthing College to remain standalone. However following a Structure and Prospects Appraisal, the recommendation was for Worthing College to merge with the Chichester College Group	£100,000	Legal, Finance, Estates	Due diligence
10001446	Cirencester College	Gloucestershire, Swindon and Wiltshire	Cirencester College to remain a standalone sixth-form college continuing to explore opportunities for further collaboration or academy conversion	£50,000	Project management, Legal, Finance, Estates	Due diligence
10001457	City College Brighton and Hove	Sussex	Merger with Northbrook College	£100,000	Project management, Finance, Commercial	Due diligence
10004772	City College Norwich	Norfolk and Suffolk	A merger between City College Norwich and Paston Sixth Form College	£100,000	Project management, Legal, Finance	Due diligence
10001467	City Of Bristol College	West of England	Administered status: fresh start arrangement	£33,750	Finance, Commercial	
10001474	City Of Stoke-On-Trent Sixth Form College	Stoke on Trent and Staffordshire	Academy conversion	£50,000	Project management, Commercial	Due diligence, Asset or liability valuation
10007578	City Of Wolverhampton College	Black Country	City of Wolverhampton College to explore and identify future options for college estate by December 2016 and subsequently to establish a strategic partnership with the City of Wolverhampton Council to maintain a thriving, high quality	£50,000	Project management, Legal, Finance	Due diligence

			independent FE College in the interests of the City of Wolverhampton and its communities			
10001548	College Of Haringey, Enfield and North-East London, The	London Central	Westminster Kingsway College and City and Islington College to explore options for collaboration with the College of Haringey, Enfield and North East London	£100,000	Project management, Legal, Finance	Due diligence, Asset or liability valuation
10001549	College Of North West London, The	London West	Merge with City of Westminster College	£100,000	Project management, Legal, Finance, Commercial, Estates	Due diligence
10001696	Cornwall College	Somerset, Devon, Cornwall and Isles of Scilly	Cornwall College to remain as a standalone institution with a fresh start approach to deliver financial stability	£75,000	Commercial, Estates, Turnaround	
10001705	Coulsdon Sixth Form College	London South	Coulsdon College to remain a standalone sixth form college, developing its federated partnership with Reigate College	£50,000	Legal	
10001705	Craven College	West Yorkshire	Craven College to progress towards a three-way merger of Craven College, Shipley College and the Keighley Campus of Leeds City College to create a single 'Aire Valley College' which will share services with an expanded Craven Educational Trust (a multi-academy trust)	£100,000	Project management, Legal, Finance, Estates	Due diligence, Asset or liability valuation
10001778	Croydon College	London South	AR change recommendation for Croydon College and Coulsdon College to merge	£100,000	Project management, Legal, Finance, Commercial, Estates	Due diligence, Asset or liability valuation
10001850	Darlington College	Tees Valley	Merge with Stockton Riverside College to form a single college	£100,000	Project management, Legal, Commercial	Due diligence, Asset or liability valuation
10001919	Derby College	Derby, Derbyshire, Nottingham and Nottinghamshire Derby	Bilborough Sixth Form College to continue to take short-term actions to improve its financial position pending completion of a Structure and Prospects Appraisal (SPA) within a year of the end of the review. The outcome of the SPA was the recommendation to merge with Derby College	£39,000.00	Project management, Legal, Finance	Due diligence
10001919	Derby College	Derby, Derbyshire, Nottingham and Nottinghamshire Derby	To stand alone working with Chesterfield College to create a Joint Venture Company to cover a range of shared services	£49,500	Project management, Legal, Finance, Commercial	
10002094	Ealing, Hammersmith and West London College	London West	To establish an employer and learner-facing hub	£50,000	Project management, Finance, Commercial	

10002094	Ealing, Hammersmith and West London College	London West	Kensington Chelsea College to merge with Ealing, Hammersmith and West London College, following the original AR recommendation of KCC and the City of Literary Institute (forming a larger SDI), not proceeding	£100,000	Project management, Legal	Due diligence
10002107	East Berkshire College	Thames Valley	Merge with Strode's College in Surrey	£100,000	Project management	Due diligence
10006570	East Kent College	Kent	East Kent/Canterbury merger	£100,000	Legal, Estates	Due diligence, Asset or liability valuation
10002122	East Norfolk Sixth Form College	Norfolk and Suffolk	Explore academy conversion or remain standalone Sixth Form College	£50,000	Project management, Legal, Finance, Commercial, Turnaround	Due diligence
10002130	East Surrey College	Surrey	Brooklands College, Guildford College and North East Surrey College of Technology (Nescot) shared services	£50,000	Commercial	
10002130	East Surrey College	Surrey	East Surrey and John Ruskin College to merge	£100,000	Legal, Finance, Commercial, Estates	Due diligence, Asset or liability valuation
10002143	Eastleigh College	Solent	Southampton City College to form a partnership with Southampton Solent University. If this proves not to be practicable, then Southampton City College and Eastleigh College will explore merger	£100,000	Project management, Legal, Finance, Commercial, Estates	Due diligence
10002297	Epping Forest College	Essex	Epping Forest College to merge with Barnet and Southgate College	10854 15	Project management, Legal, Finance	Due diligence
10002314	Esher College	Surrey	Academy conversion	£21,825	Legal, Finance, Commercial	Due diligence
10002412	Farnborough College of Technology	North and Mid-Hampshire	Either pursue a merger with Guildford College or to stand alone as a GFE	£50,000	Project management, Legal, Finance, Commercial, Estates	Due diligence
10002570	Franklin College	Greater Lincolnshire	Franklin Sixth Form College and John Leggott Sixth Form College to establish a formal federated structure with Wyke Sixth Form College and Wilberforce Sixth Form College (SFC)	£100,000	Legal, Finance	
10002599	Furness College	Cumbria	Joint venture between Furness College, Carlisle College, Kendal College, Lakes College and University of Cumbria	£50,000	Project management, Legal, Finance	Due diligence
10002710	Godalming College	Surrey	Academy conversion	£12,465	Legal	
10007938	Grimsby Institute of Further and Higher Education	Greater Lincolnshire	Grimsby Institute (GI) to retain its position as the leading general further education college for Grimsby and the Scarborough area of North Yorkshire. The college will enter a	£100,000	Project management, Legal, Finance, Commercial	

			formal collaborative partnership with Lincoln College to improve the local education and skills offer			
10002815	Guildford College	Surrey	College to undertake a detailed options appraisal to determine the best partner and structures for a federation/merger	£37,500	Project management, Legal, Finance, Commercial	
10002843	Hadlow College	Kent	The outcome of the Kent ABR was subject to a review by the FE Commissioner, which has concluded that Hadlow College and West Kent and Ashford College should merge	£100,000	Legal, Finance, Estates	Asset or liability valuation
10002907	Harrow College	London West	Harrow College, Uxbridge College and West Thames College to merge	£100,000	Project management, Legal, Finance	Due diligence
10002917	Hartlepool College of Further Education	Tees Valley	Merger with Hartlepool SFC	£49,500	Project management, Commercial, Estates	Due diligence
10005979	Havant and South Downs College	South and South-West	The outcome of the SPA was a decision by Alton College Board to seek a merger with HSDC subject to due diligence and approval from both Boards	£100,000	Project management, Legal, Finance, Commercial, Estates	Due diligence
10002935	Havering College of Further and Higher Education	London East	Merger with New City College	£100,000	Legal, Finance	Due diligence
10002937	Havering Sixth Form College	London East	Merger with New City College	£100,000	Legal, Finance	Due diligence
10003010	Henley College Coventry	Coventry and Warwickshire	Merger between Henley and City College Coventry	£100,000	Project management, Legal, Finance	Due diligence
10003021	Hereford Sixth Form College	The Marches and Worcestershire	Academy conversion - single-academy trust	£42,750	Legal, Finance, Commercial	
10003023	Herefordshire and Ludlow College	The Marches and Worcestershire	Recommendation changed from remain standalone to a merger with North Shropshire College	£100,000	Legal, Finance, Estates	Due diligence
10003193	Hugh Baird College	Liverpool City Region	Creation of a single Sefton College	£50,000	Project management, Legal, Finance, Estates	
10003200	Hull College	York, North Yorkshire, East Riding and Hull	Hull College Group to remain as an independent institution under a 'fresh start' arrangement	£100,000	Turnaround	

10003200	Hull College	York, North Yorkshire, East Riding and Hull	The FE Commissioner and team have been working with the college on a SPA for Harrogate College and are now working on the disaggregation with Hull College Group and four potential acquiring colleges	£100,000	Project management, Legal, Finance	Due diligence
10003564	Kensington and Chelsea College	London Central	The AR recommendation was for Kensington and Chelsea to merge with City Lit institute. A series of events have led to a SPA. There are two options 1) To merge with Morley College or 2) Standalone TG is to explore the standalone option	£30,000	Project management, Finance	
10003564	Kensington and Chelsea College	London Central	Merger with Morley College	£70,000	Legal, Finance, Commercial, Estates	Due diligence
10003624	King Edward VI College Nuneaton	Coventry and Warwickshire	Enter into a SFC multi-academy trust arrangement with Coventry University	£50,000	Project management, Legal, Finance	
10003674	Kingston College	London South	Representatives from the Central, West, South and East London area reviews to support the proposed pan-London review of SEND and high needs provision	£50,000	Project management	
10003674	Kingston College	London South	The South London boroughs to explore ways of delivering adult community learning services	£50,000	Project management, Legal, Finance	Due diligence, Asset or liability valuation
10003189	Kirklees College	West Yorkshire	Kirklees to remain as standalone institution focusing on the education and skills needs of the communities it serves in Kirklees. A change to the recommendation was agreed for Kirklees to become a 'fresh start'	£50,000	Project management, Finance, Turnaround	
10003755	Lambeth College	London Central	Lambeth College to form a partnership with (1) London South Bank University (the college's preferred option) or to merge with either (2) Lewisham Southwark College or join the new grouping of (3) City of Westminster College and The College of North West London	£100,000	Project management, Legal, Finance, Estates	Due diligence
10003755	Lambeth College	London Central	For additional costs Lambeth College has incurred resulting from the Structure and Prospect Appraisal to secure a new merger partner for the College	£10,000	Legal, Finance	
10003894	Lewisham Southwark College	London Central	Merger with NCG	£100,000	Project management, Legal, Finance	Due diligence
10003899	Leyton Sixth Form College	London East	The creation of a London Sixth Form Partnership, a new pan-London collaborative venture to share best practices and services	£50,000	Project management	
10004088	Long Road Sixth Form College	Greater Cambridgeshire and Greater Peterborough	Long Road Sixth Form College to explore academy conversion as its preferred strategic option, or otherwise to remain a standalone sixth form college	£50,000	Legal, Finance	Due diligence
10008655	Longley Park Sixth Form College	Sheffield City Region	Academy conversion	£50,000	Legal, Finance, Turnaround	Due diligence

10004112	Loughborough College	Leicester and Leicestershire	Stephenson College to merge with Loughborough College. Type B merger with Stephenson College to dissolve	£100,000	Project management, Legal, Finance, Commercial, Estates	Due diligence
10004116	Lowestoft College	Norfolk and Suffolk	Merger of Lowestoft College and Great Yarmouth College	£100,000	Project management, Legal, Finance, Estates	Due diligence
10029916	Lowestoft Sixth Form College	Norfolk and Suffolk	The planned merger between Great Yarmouth College and Lowestoft College to be completed in 2017 to form East Coast College, with Lowestoft Sixth Form College joining the merged college in 2018	£50,000	Project management, Legal, Finance	Due diligence
10004125	Luton Sixth Form College	South East Midlands	Luton Sixth Form College leaders and governors have concluded that the preferred option is academy conversion within a single-academy trust	£30,750	Finance	
10004144	Macclesfield College	Cheshire and Warrington	Macclesfield college to decide one of 2 options	£100,000	Project management, Finance, Estates	
10023139	Manchester College, The	Greater Manchester	Trafford College joining the LTE Group on the equivalent basis to The Manchester College	£100,000	Project management, Legal, Finance, Commercial	
10004344	Middlesbrough College	Tees Valley	Merger with Redcar and Cleveland College	£100,000	Finance, Commercial, Turnaround	Due diligence
10004552	Nelson and Colne College	Lancashire	Following an FE Commissioner-led SPA for Accrington and Rossendale College to merge with Nelson and Colne College	£100,000	Project management, Legal, Finance, Commercial, Estates	Due diligence
10006963	New City College	Essex (Epping Forest)	Merger of Epping Forest College with NCC. This merger follows intervention by the FE Commissioner and a selection process by Epping Forest College	£100,000	Project management, Legal, Finance	Due diligence, Asset or liability valuation
10004577	New College Nottingham (NCN)	Derby, Derbyshire, Nottingham and Nottinghamshire	Merger with CCN	£100,000	Project management, Legal	Due diligence
10004578	New College Pontefract	West Yorkshire	Academy conversion (a multi-academy trust with sponsored Free Schools)	£50,000	Project management, Legal, Finance, Commercial	Asset or liability valuation
10004580	New College Telford	The Marches and Worcestershire	TCAT and New College Telford merger	£100,000	Project management	Due diligence

10004603	Newcastle and Stafford Colleges Group	Stoke on Trent and Staffordshire	Merge with Stafford College	£100,000	Project management, Estates	Due diligence
10004607	Newham College of Further Education	London East	Newham College to create a shared service and apprenticeship company with Tower Hamlets, Hackney and Redbridge colleges	£50,000	Legal, Finance, Commercial	
10004695	North Lindsey College	Sheffield City Region	North Lindsey College to maintain its standalone position as a financially strong college serving Scunthorpe and to continue to explore options for merger including with Doncaster College subject to due process	£100,000	Project management, Legal, Finance	Due diligence
10007299	North Shropshire College	The Marches and Worcestershire	Merge with Reaseheath College	£100,000	Project management, Legal, Commercial	Due diligence
10004861	Oldham Sixth Form College	Greater Manchester	Academy conversion	£50,000	Project management, Legal	Due diligence
10004969	Palmer's College	Essex	Palmer's College and SEEVIC College to merge, developing a coherent offer that will meet local learner and employer needs	£100,000	Project management, Legal, Finance	
10005200	Preston College	Lancashire West	Preston's College to merge with the University of Central Lancashire	£100,000	Project management, Legal, Finance, Estates	Due diligence
10005206	Priestley College	Cheshire and Warrington	Academy conversion	£50,000	Project management, Legal	Due diligence
10005220	Prior Pursglove College	Tees Valley	Stockton and Prior Pursglove SFC Academy conversion	£50,000	Legal, Commercial	Due diligence
10005325	Queen Elizabeth Sixth Form College	Tees Valley	Remain independent and pursue academy status as part of a multi-academy trust with local schools	£50,000	Legal, Finance	Due diligence, Asset or liability valuation
10005339	Queen Mary's College	North and Mid-Hampshire	Academy conversion	£50,000	Project management, Legal, Finance, Estates	Due diligence
10005404	Reaseheath College	The Marches and Worcestershire	Planned group structure with University of Chester	£50,000	Legal, Finance	Due diligence
10005435	Reigate College	Surrey	To form a multi-academy trust	£50,000	Legal, Finance	Due diligence
10005466	Richmond Adult Community College (RACC)	London South	Merge with Hillcroft College and create Apprenticeship company	£50,000	Project management, Legal, Finance	Due diligence

10005534	RNN Group	Sheffield City Region	Merge with Dearne Valley College	£100,000	Project management, Legal, Commercial, Estates	Due diligence
10005534	RNN Group	Sheffield City Region	Barnsley College, Chesterfield College, Dearne Valley College, Doncaster College, the RNN group, and Sheffield College to develop a shared apprenticeship company	£50,000	Legal, Commercial	
10005669	Sandwell College	Black Country	Cadbury College to merge with Sandwell College following a Structure and Prospects Appraisal, no later than December 2018	£100,000	Legal, Finance	Due diligence
10005687	Scarborough Sixth Form College	York, North Yorkshire, East Riding and Hull	To support and enable faster working and collaboration and joint working between the two colleges as detailed	£27,015	Project management	
10005822	Shrewsbury Colleges Group	The Marches and Worcestershire	Merger with Shrewsbury CAT	£50,000	Finance, Commercial	Due diligence
10005864	Sir John Deane's College	Cheshire and Warrington	Academy Conversion	£25,800	Legal, Finance	
10005946	Solihull College and University Centre	Birmingham and Solihull	Development of Apprenticeship Company	£50,000	Project management, Legal, Finance	
10005967	South and City College Birmingham	Birmingham and Solihull	Merger with Bournville College	£100,000	Commercial	Due diligence, Asset or liability valuation
10005972	South Cheshire College	Cheshire and Warrington	Creation of a single Cheshire College involving: Warrington, Mid Cheshire, South Cheshire and West Cheshire Colleges	£200,000	Project management, Legal, Finance, Commercial	Due diligence
10005979	South Downs College	Solent	Merger with Havant College	£100,000	Project management, Legal, Commercial, Estates	Due diligence
10005981	South Essex College of Further and Higher Education	Essex	Following a FE Commissioner led Structure and Prospects Appraisal for PROCAT, the outcome was the recommendation to merge with South Essex College	£100,000	Project management, Legal, Finance, Commercial	Due diligence
10023526	South Staffordshire College	Stoke on Trent and Staffordshire	Merge with Walsall College	£100,000	Project management, Legal	Due diligence
10005999	South Tyneside College	North East	A merger between South Tyneside College and Tyne Metropolitan College	£100,000	Project management, Legal, Finance, Estates	Due diligence

10002356	South Worcestershire College	The Marches and Worcestershire	Merge with Warwickshire College	£100,000	Legal	Due diligence
10006020	Southampton City College	Solent	Southampton City College to form a partnership with Southampton Solent University. If this proves not to be practicable, then Southampton City College and Eastleigh College will explore merger	£100,000	Legal, Finance	Due diligence, Asset or liability valuation
10006038	Southport College	Liverpool City Region	Merger of Southport College and KGV SFC	£50,000	Project management, Legal, Finance, Estates	Due diligence
10006226	St Mary's College	Lancashire	St Mary's College will Federate with Cheadle and Marple Sixth Form College and Liverpool Hope University	£50,000	Legal, Finance, Commercial	
10006268	St Vincent College	Solent	Formal partnership with Richard Taunton SFC and create a SFC multi-academy trust	£100,000	Project management, Finance, Commercial	Due diligence
10006331	Stockport College	Greater Manchester	Oldham, Stockport and Tameside Colleges merger	£100,000	Project management, Legal, Finance, Estates	Due diligence
10006341	Stockton Riverside College	Tees Valley	Merge with Redcar and Cleveland College	£100,000	Project management, Legal, Finance, Commercial, Estates	Due diligence
10006349	Stoke On Trent College	Stoke on Trent and Staffordshire	Fresh start	£50,000	Finance, Turnaround	
10006002	Stratford-Upon-Avon College/Solihull College	Coventry and Warwickshire	Merger with Solihull College	£100,000	Legal, Finance	Due diligence
10001475	Sunderland College	Tees Valley	Merger with Northumberland College	£100,000	Project management, Legal, Finance, Estates	Due diligence
10006432	Sussex Downs College	Sussex	To form a legally binding federation with Sussex Coast College	£100,000	Project management, Finance	Due diligence
10001463	The City Literary Institute	London Central	Merger with Kensington and Chelsea College	£100,000	Legal, Finance	Due diligence
10023525	The Rochdale Sixth Form College	Greater Manchester	Academy conversion	£34,500	Legal, Commercial	Due diligence
10005881	The Sixth Form College Colchester	Essex	The Sixth Form College, Colchester to explore conversion to a single-academy trust (single-academy trust) or retain standalone Sixth Form College status	£50,000	Legal, Finance	Asset or liability valuation

10006814	The Sixth Form College Farnborough	North and Mid-Hampshire	SFCF to convert to an Academy	£50,000	Legal, Finance	Due diligence
10006815	The Sixth Form College, Solihull	Birmingham and Solihull	To pursue conversion to academy status and merger with the Ninestiles Academy Trust to form a new multi-academy trust	£50,000	Project management, Legal, Finance, Commercial, Estates	Due diligence, Asset or liability valuation
10006892	Thomas Rotherham College	Sheffield City Region	Academy conversion	£50,000	Legal	Due diligence
10006963	Tower Hamlets College	London Central	Tower Hamlets College to merge with Hackney College	£100,000	Legal, Finance	Due diligence
10006963	Tower Hamlets College	London Central	Tower Hamlets College and Hackney College to merge with Redbridge College	£100,000	Legal, Finance	Due diligence
10005998	Trafford College	Greater Manchester	Stockport College and Trafford College to merge	£100,000	Project management, Legal, Finance, Estates, Turnaround	Due diligence, Asset or liability valuation
10001476	United Colleges Group	London Central	Costs associated with the development of a detailed application to partner with Lambeth College, as part of the recent Structure and Prospects Appraisal	£10,000	Estates	
10007212	Varndean College	Sussex	Shared service option with Brighton and Hove Sixth Form College	£28,125	Commercial	
10007339	Warrington Collegiate	Cheshire and Warrington	Creation of a single Cheshire College involving: Warrington, Mid Cheshire, South Cheshire and West Cheshire	£100,000	Project management, Legal, Finance, Commercial, Estates, Turnaround	Due diligence, Asset or liability valuation
10007859	Warwickshire College	Coventry and Warwickshire	Create Joint Venture Company (single lead)	£50,000	Legal	
10007417	West Herts College	Hertfordshire	A changed recommendation was agreed Barnfield College to merge with West Herts College rather than Central Bedfordshire College following a Structure and Prospects Appraisal	£100,000	Project management, Legal, Finance, Estates	Due diligence
10007456	WKCIC Group	London Central	Westminster Kingsway College and City and Islington College to remain stand alone as WKCIC Group and explore options for collaboration with COHENEL	£100,000	Legal, Finance, Estates	Due diligence
10007566	Woking College	Surrey	Explore Academy conversion	£25,650	Legal, Finance	Due diligence
10008025	Worcester Sixth Form College	The Marches and Worcestershire	Academy conversion - single-academy trust	£50,000	Project management, Legal, Finance, Estates	Asset or liability valuation

10008025	Worcester Sixth Form College	The Marches and Worcestershire	Worcester Sixth Form College should become part of a multi-academy trust with Hereford Sixth Form College - multi-academy trust	£50,000	Legal, Finance	
10007636	Working Men's College Corporation	London Central	The Central London boroughs, to explore ways of formal collaboration sub-regionally to deliver adult community learning services where it can be shown that savings could be made and/or quality and/or effectiveness of delivery can be improved	£50,000	Project management	
10007643	Worthing College	Sussex	Remain as independent college and explore potential for academy conversion	£37,500	Project management	Due diligence
10007671	Wyggeston and Queen Elizabeth I College	Leicester and Leicestershire	Wyggeston and Queen Elizabeth I Sixth Form College and Regent Sixth Form College will develop the option of a full merger	£50,000	Project management, Legal, Finance, Estates	Due diligence

Annex Four: Related / associated publications and links

Overseeing financial sustainability in the further education sector. Published 20 July 2015.

<https://www.nao.org.uk/report/oversight-of-financial-sustainability-in-the-further-education-sector/>

Further education area reviews: how they work. Updated 1 March 2016.

<https://www.gov.uk/government/publications/post-16-education-and-training-institutions-area-based-reviews>

Further education area reviews: policy and reports. Updated 3 August 2017.

<https://www.gov.uk/government/collections/post-16-education-and-training-area-reviews>

Transition grants guidance: area reviews of post-16 education and training institutions. Published 11 April 2016.

<https://www.gov.uk/government/publications/post-16-education-and-training-institutions-transition-grants-for-area-reviews>

Further education area reviews: guidance for providers. Updated 10 January 2017.

<https://www.gov.uk/government/collections/further-education-area-reviews-guidance-for-providers>

Further education area reviews: guidance on restructuring. Published 19 October 2016.

<https://www.gov.uk/government/publications/further-education-area-reviews-guidance-on-restructuring>

Further education area reviews: guidance for LEPs and LAs. Published 19 October 2016.

<https://www.gov.uk/government/publications/further-education-area-reviews-guidance-for-leps-and-las>

Further education area reviews: due diligence framework. Published 19 October 2016.

<https://www.gov.uk/government/publications/further-education-area-reviews-due-diligence-framework>

Reviewing post-16 education and training institutions: area reviews (waves 1 to 5). Updated 21 October 2016.

<https://www.gov.uk/government/publications/reviewing-post-16-education-and-training-institutions-list-of-area-reviews>

Restructuring Facility: guidance for applicants. Annex C includes restructuring facility case summaries. Updated 16 May 2019.

<https://www.gov.uk/government/publications/post-16-education-and-training-institutions-apply-for-financial-support-for-area-reviews>

Further education area reviews: standards colleges can expect. Published 10 January 2017.

<https://www.gov.uk/government/publications/further-education-area-reviews-standards-colleges-can-expect>

College oversight: support and intervention. Published 1 April 2019.

<https://www.gov.uk/government/publications/college-oversight-support-and-intervention>



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