



Department  
for Education

# **Gloucestershire, Swindon and Wiltshire Area Review**

**Final Report**

**August 2017**

# Contents

Background	4
The needs of the Gloucestershire, Swindon and Wiltshire area	5
Demographics and the economy	5
Patterns of employment and future growth	7
LEP priorities	9
Feedback from LEPs, employers, local authorities, students and staff	9
The quantity and quality of current provision	11
Performance of schools at Key Stage 4	12
Schools with sixth-forms	13
The further education and sixth-form colleges	13
The current offer in the colleges	14
Quality of provision and financial sustainability of colleges	15
Higher education in further education	16
Provision for students with special educational needs and disability (SEND) and high needs	17
Apprenticeships and apprenticeship providers	18
Land based provision	18
The need for change	20
The key areas for change	20
Initial options raised during visits to colleges	21
Criteria for evaluating options and use of sector benchmarks	22
Assessment criteria	22
FE sector benchmarks	22
Recommendations agreed by the steering group	24
Cirencester College	24
Gloucestershire College	25
Hartpury College	25
New College Swindon and Swindon College	26
Wiltshire College	27
Collaboration between the LEPs, local authorities, Regional Schools Commissioner and the colleges	28

Institute of Technology	28
Conclusions from this review	29
Next steps	30

## Background

In July 2015, the government announced a rolling programme of around 40 local area reviews, to be completed by March 2017, covering all general further education and sixth-form colleges in England.

The reviews are designed to ensure that colleges are financially stable into the longer-term, that they are run efficiently, and are well-positioned to meet the present and future needs of individual students and the demands of employers. Students in colleges have high expectations about standards of teaching and learning and the extent to which their learning prepares them to progress further, to higher education or directly into employment.

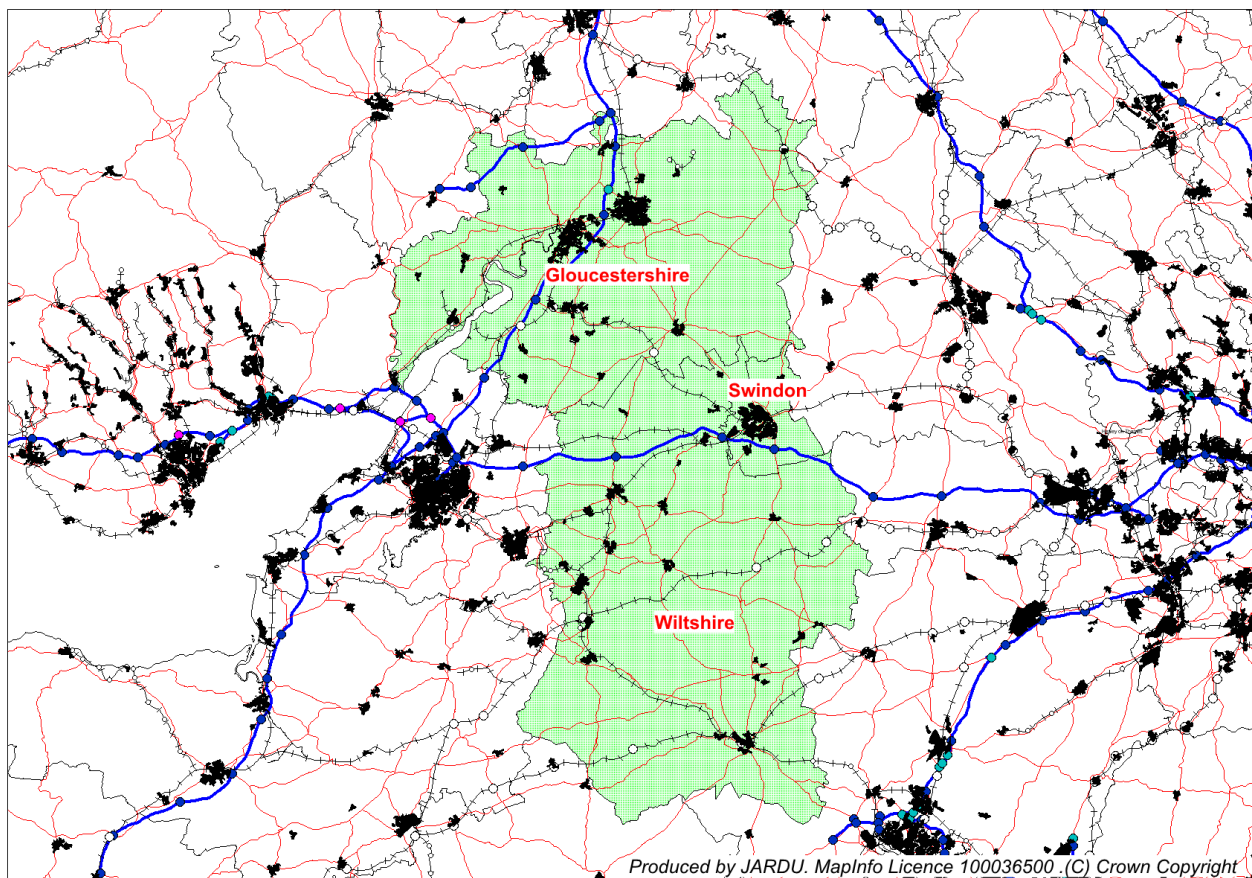
The local steering group was chaired by the Further Education Commissioner. The steering group met on 4 occasions between September 2016 and February 2017 and additional informal meetings also took place to consider and develop options in greater detail. Membership of the steering group comprised each college's chair of governors and principal, representatives from Wiltshire Council, Swindon Borough Council, Gloucestershire County Council, Gloucestershire First Local Enterprise Partnership (LEP), Swindon and Wiltshire LEP, 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 was 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 Gloucestershire, Swindon and Wiltshire area

## Demographics and the economy

Gloucestershire, Swindon and Wiltshire area review covers the 3 local authority areas of Wiltshire Council, Swindon Borough Council and Gloucestershire County Council. The total population is just over 1.3 million. The area is illustrated on the map below:



The table below provides a snapshot of key demographic and economic data<sup>1</sup>, which has acted as a starting point for this review.

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<sup>1</sup> 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.

	<b>Gloucestershire County Council</b>	<b>Swindon Borough Council</b>	<b>Wiltshire Council</b>	<b>Great Britain</b>
Total population (2015)	617,200	217,200	486,100	63,258,400
Population aged 16 to 64	61.6%	64.5%	60.6%	63.3%
% with higher education qualifications <sup>2</sup>	41.2%	28.8%	37.4%	37.1%
Those formally qualified to level 2+	79.2%	68.9%	78.1%	73.6%
Gross weekly pay £ of residents	524.9	551.6	522.3	541.0
Gross weekly pay £ by workplace	515.8	574.9	495.5	540.2
Out-of-work benefit claimants	1.1%	1.2%	0.9%	1.9%
% of main benefit claimants	6.5	7.1	5.5	8.6
Jobs density <sup>3</sup>	0.89	0.90	0.86	0.83

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<sup>2</sup> Percentages relate to those aged 16 to 64.

<sup>3</sup> 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 South West as a whole is 0.86, which is slightly above the national average.

Total workplace units:				Average for the South West
Micro <sup>4</sup>	84.4%	82.0%	85.9%	84.0%
Small	12.9%	13.6%	11.7%	13.2%
Medium	2.4%	3.7%	2.2%	2.5%
Large	0.3%	0.8%	0.3%	0.3%

The key points to note are:

- Gloucestershire County Council area has the highest percentage of people qualified at level 4 or above in the review area (41.2%). Swindon Borough Council area has the lowest at 28.8% with the national average standing at 37.1%
- 79.2% of the population in the Gloucestershire area, compared to 68.9% in the Swindon area, are formally qualified to level 2 or above. The national average is 73.6%
- over 80% of businesses in the review area are micro which employ 1 to 9 people
- the job density for Gloucestershire, Swindon, and Wiltshire is above the national average of 0.83
- weekly wages of Wiltshire and Gloucestershire residents by workplace are significantly lower than the national average, while Swindon is significantly higher on both measures of weekly wages.

## Patterns of employment and future growth

Across the **Gloucestershire First LEP<sup>5</sup>** area employment is expected to increase by 34,000 over the 13-year period between 2012 and 2025. The health, business administration and support services, construction, and accommodation and food services sectors are projected to create the largest numbers of jobs, while employment in wholesale, manufacturing and education is expected to fall.

The increase in health employment is also significant in percentage terms, representing an expansion in the sector's workforce of more than one-third (34%) by 2025 compared to 2012 levels. Employment in the property sector will also increase at a similar rate (34%)

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<sup>4</sup> Micro-businesses have a total of 1 to 9 workers; small businesses have 10 to 49 workers; medium businesses have 50 to 249; large businesses have 250+ (2015 data).

<sup>5</sup> [Gloucestershire Skills Statement Evidence Base Executive Summary](#)

with business administration and support services (29%), accommodation and food services (27%), construction (26%) and financial and insurance (25%) sectors expanding by one-quarter or more. The contraction in education employment predicted is significant, representing a loss of 8,400 jobs and 30% of the 2012 workforce.

The highest rate of employment growth is expected to be seen in the professional occupations (+43%), in caring, leisure and other service occupations (+25%) and among managers, directors and senior officials (+22%).

There is a clear shift away from lower skilled employment, outside the caring, leisure and other service occupations. The three higher level occupations are forecast to add 23,000 jobs over the next 10 years and to comprise 44.6% of total employment in 2020, compared with 39.8% in 2010.

Replacement demand occurs where there is a need to recruit and train new entrants into jobs to replace those leaving. In occupations where employment is projected to expand, the addition of replacement demand leads to an even greater total net employment requirement. It is estimated that there will be a requirement to fill 142,000 jobs between 2010 and 2020. Total net requirements are positive across all occupations, which shows that there is a continuing need for relevant skills provision, even in areas where overall employment levels may be falling. The overall requirement is skewed towards higher-level occupations.

Currently 25% of vacancies in Gloucestershire are reported to be hard to fill, mainly due to a lack of required skills/qualifications/work experience. The occupations where the skills gaps are most acute are associate professionals, sales and customer service, and skilled trades.

There are good rail and road links through the review area particularly towards the midlands and southwest. There is a low level of outward commuting of skilled people and a relatively high level of graduate retention within the area (88%).

For the **Swindon and Wiltshire LEP<sup>6</sup>** area, total employment is forecast to rise between 7% and 8% between 2015 and 2030. This equates to around 27,000-29,000 additional jobs over the period. This forecast of new jobs does not take into account the need to replace workers who retire or leave the workplace, which is termed 'replacement demand'. It is estimated that the replacement demand will be far more significant, and will total 141,000 jobs between 2012 and 2022.

Taking into account new and replacement demand, the sectors with the greatest requirement for new recruits in the Swindon and Wiltshire LEP area between 2012 and 2022, are forecast to be wholesale and retail, health and social work, and professional

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<sup>6</sup> [Swindon and Wiltshire Economic Assessment 2016 Executive Summary](#)



services. At an occupational level, managers, professionals and associate professionals will account for the greatest demand for both additional workers and to replace existing workers in the period up to 2022. There will also be more employed in caring, leisure and other occupations by 2022, and this will be primarily driven by the demands of the health and social care sector.

## LEP priorities

The **Gloucestershire First LEP**'s priorities for growth as set out in their Strategic Economic Plan are in the following sectors<sup>7</sup>:

- nuclear and renewable energy
- aerospace
- precision engineering and medical instruments
- cyber security.

The **Swindon and Wiltshire LEP**'s<sup>8</sup> key objective in relation to skills and talent is that “We need an appropriately skilled and competitive workforce to achieve our growth ambitions.” The LEP has identified a number of priority sectors where the learning and skills offer reflects the needs of the area, and which are driven by innovation and contribute significantly to productivity. These are:

- advanced engineering and high value manufacturing
- health and life sciences
- financial and professional services
- digital and information and communications technology
- land based industries.

These sectors will all require science, technology, engineering and maths (STEM) skills and high level technical skills.

## 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:

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<sup>7</sup> [Appendixes to Strategic Economic Plan](#)

<sup>8</sup> [Swindon and Wiltshire Strategic Economic Plan January 2016](#)

#### For Gloucestershire:

- an increase in employment opportunities for vulnerable young people and adults
- promoting apprenticeships - the apprenticeship levy presents an opportunity to encourage the use of apprenticeships not only as a route for young people to enter the labour market but also as a tool for workforce development. Colleges are well placed to capitalise on this
- the need for high quality provision in the Central Forest of Dean area. With low aspirations, poor educational outcomes and a lack of jobs, the central Forest of Dean area is the area of greatest concern to Gloucestershire and is one of the building blocks to tackling this area's problems
- any plans for changes to provision in Swindon should consider the provision offered by Cirencester College, which forms an integral part of the offer in the south of the county, which is a predominantly rural area.

#### For Swindon and Wiltshire:

- the need to create the appropriate infrastructure for the future and reduce duplication in both academic and technical provision. This should include strategic and collaborative approaches across the area with specialisms, ensuring duplication is limited
- the need to ensure the colleges in Cirencester and Swindon are sustainable given the increase in school sixth-form provision
- the need to improve outcomes for learners in Swindon. There would be significant advantages in collaborative approaches or a formal merger of the 2 colleges. In the views of Swindon Borough Council and Swindon and Wiltshire LEP, this would be more sustainable than the current arrangement
- the need to improve attainment in technical subjects, particularly at levels 1 and 2 and, at level 3, to ensure that learners are able to achieve good outcomes across all provision and progress to higher levels
- the need to drive up English and maths attainment pre-16 and by the age of 19 to give learners the foundations for progression to employment
- the need to explore a range of options to improve attainment, raise aspirations and improve outcomes for vulnerable young people who have not achieved well in the past
- a requirement for the college offer to include clear pathways into employment, including to apprenticeships
- ensure there is scope for greater specialisation and clear progression pathways to higher education and employment, particularly in STEM subjects to provide the skills that employers need
- the need to develop local higher education provision and close collaboration with universities from outside the LEP area
- the gaps in provision at level 2.

Employers' feedback reflected the following key points:

- the main relationship with colleges is linked to apprenticeships. Some respondents provided work experience placements and supported careers events. Many employers have a good relationship with colleges and are active in the planning of curriculum and involved in employers' groups
- there is a need for more capital investment in STEM areas
- half of the employers were happy that the colleges do provide what they need to deliver their business. They referred to flexibility, new courses and tailored provision
- one third of employers evaluated the level of service the colleges as good, supportive, proactive, and willing to listen. Others suggested that colleges needed a more business like model with a customer service focus and lacked commercial expertise
- most employers suggested that the current skills requirements and forecast need for skills will be met by the colleges in the review area. They suggested that colleges will need to keep up with new technology developments and opportunities for developing higher apprenticeships
- employers look for colleges that are flexible to meet business needs, provide a good quality learning environment and a good level of service building strong, long term relationships.

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

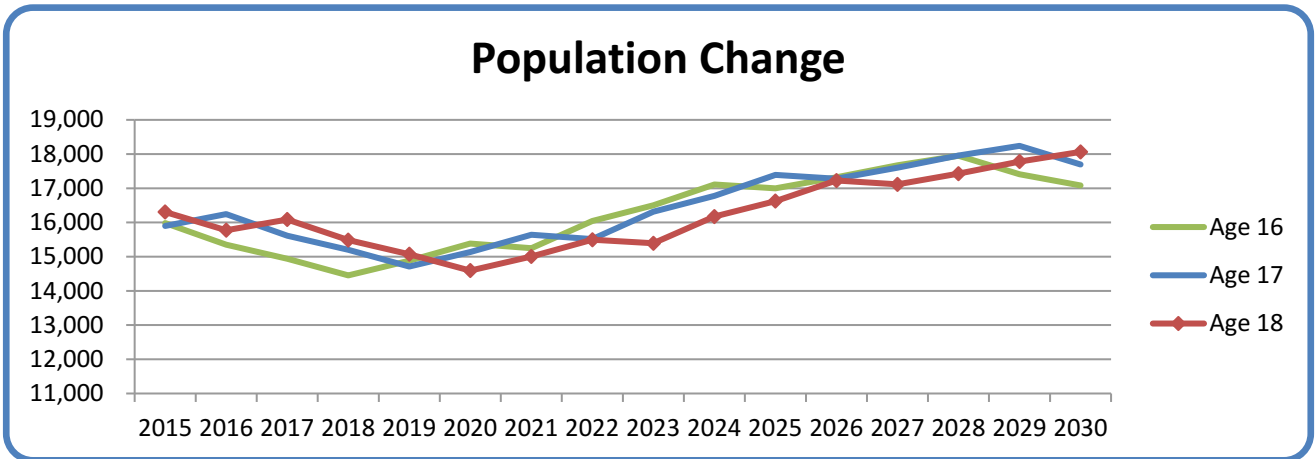
The colleges taking part in the review took primary responsibility for ensuring that their staff and union representatives had an opportunity to provide input throughout the review, which the steering group took into account. The Further Education Commissioner held meetings with staff union representatives prior to some of the steering group meetings to enable them to feed their views into the review.

## **The quantity and quality of current provision**

The steering group considered information provided by each local authority about population projections, focusing on the changes in the number and needs of young people aged 16+.

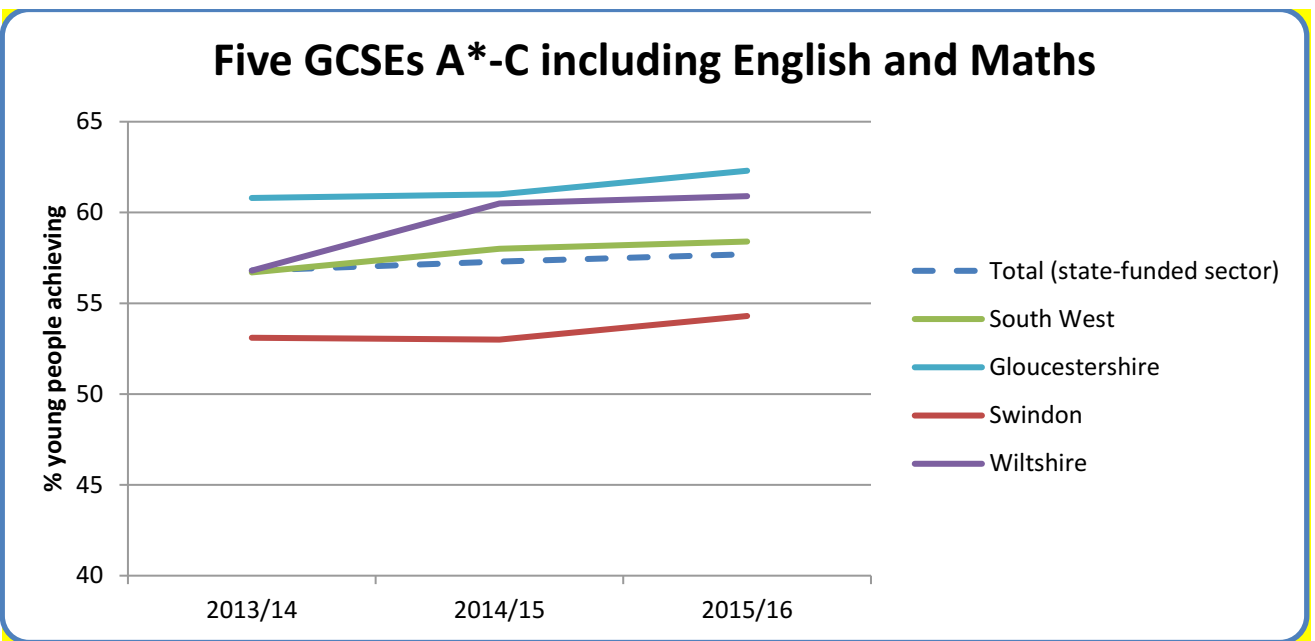
The chart below shows the expected change in the number of 16-18 year olds in Gloucestershire, Swindon and Wiltshire by 2030. The numbers of 16 to 18 year olds is

expected to fall by 7% between 2015 and 2019, and then increase by 15% between 2019 and 2030<sup>9</sup>.



### Performance of schools at Key Stage 4

The recent trend in GCSE results for 16 year old school pupils completing year 11 across the 3 local authority areas is illustrated overleaf<sup>10</sup>.



GCSE results in Gloucestershire are 4.6 percentage points above the 2015 to 2016 national average (57.7%). Wiltshire’s GCSE results are above the national average by 3.2%. GCSE results in Swindon are 3.4% below the national average. All 3 areas showed slight

<sup>9</sup> ONS sub-national population projections – see data annex: Population projections

<sup>10</sup> School Key Stage 4 results – see data annex. Local authority and total (state-funded sector) figures covering achievements in state-funded schools only.

improvements in results between 2014 to 2015 and 2015 to 2016, although Swindon remains below both the national and regional averages<sup>11</sup>.

## Schools with sixth-forms

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

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

There are currently 55 funded schools with sixth-forms in the review area, including 4 local authority maintained schools, 48 academies, 1 free school, and 2 university technical colleges<sup>12</sup>. 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 416 in the 3 years from 2014 to 2015 to 2016 to 2017 with a total of 12,543 young people funded in a mainstream sixth-form setting in 2016 to 2017<sup>13</sup>. 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 24 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

Six colleges (1 sixth-form college, 4 general further education colleges and 1 specialist land based college) participated in this review:

- Cirencester College
- Gloucestershire College
- Hartpury College

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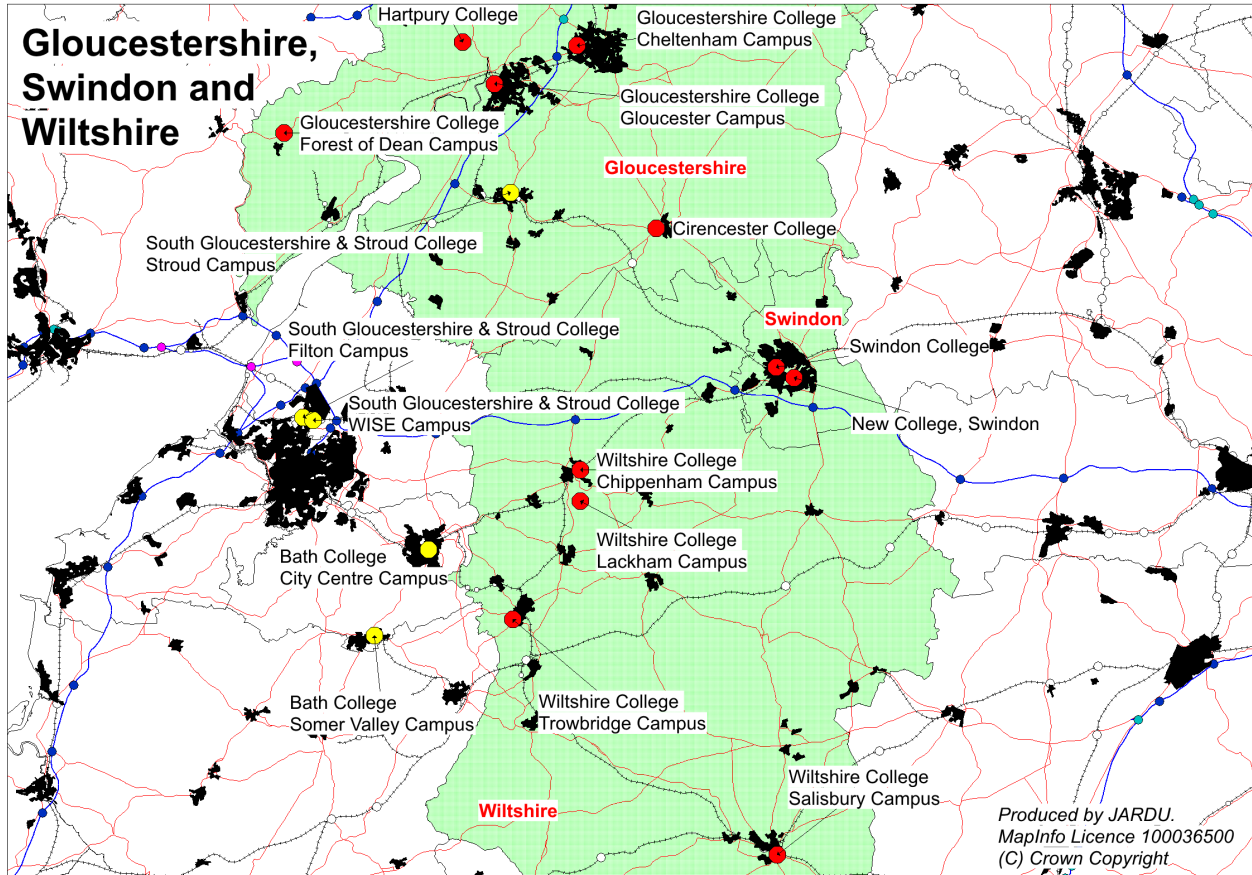
<sup>11</sup> In 2013 to 2014, a change in how the GCSE performance of schools was defined led to a drop in the overall numbers of young people achieving 5 GCSEs A\*-C including maths and English.

<sup>12</sup> 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. Non maintained special schools have been included in total schools.

<sup>13</sup> EFA allocations – see data annex: 16 to 19 funding.

- New College Swindon
- Swindon College
- Wiltshire College.

The location of these colleges is shown on the map overleaf:



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

Cirencester College, a sixth-form college, offers a wide range of A levels, which accounts for 60% of a significant level 3 offer delivered by the college. The most popular A levels offered are maths, psychology, history, english and business.

Cirencester College also offers apprenticeship provision in business administration, and digital and creative media.

Three of the general further education colleges also offer A levels. The 4 general further education colleges and the specialist land based college offer a broad range of technical provision for young people and adults including foundation learning, maths and English, apprenticeships for both age 16-18 learners and adults and some higher education provision.

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

- agriculture, horticulture and animal care
- science and maths
- arts, media and publicity
- health and social care
- leisure, travel and tourism.

## Quality of provision and financial sustainability of colleges

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

College	Most recent overall Ofsted grade <sup>14</sup>	EFA allocations (2016 to 17) <sup>15</sup>	SFA allocations (2016 to 17) <sup>16</sup>	Total college income (2014 to 2015) 000s <sup>17</sup>
Cirencester College	Outstanding (February 2007)	£9,436,175	£710,340	£12,487
Gloucestershire College	Good (November 2016)	£15,246,566	£7,536,050	£37,203
Hartpury College	Good (March 2015)	£8,528,656	£1,052,299	£28,338
New College Swindon	Good (August 2009)	£13,027,409	£3,850,051	£18,530

14 Ofsted – see data annex: College inspection reports

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

16 SFA allocations – see data annex: Adult funding

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

College	Most recent overall Ofsted grade <sup>14</sup>	EFA allocations (2016 to 17) <sup>15</sup>	SFA allocations (2016 to 17) <sup>16</sup>	Total college income (2014 to 2015) 000s <sup>17</sup>
Swindon College	Outstanding (March 2013)	£9,360,521	£6,061,947	£23,297
Wiltshire College	Good (June 2015)	£16,751,640	£6,091,317	£34,734

Overall, the condition of college buildings varies. Some colleges have higher average space per student than others, but this does not necessarily indicate being over-spaced. Each college has unique circumstances and constraints regarding estates. The area review has highlighted some instances where rationalisation or further investment might be considered further during implementation.

## Higher education in further education<sup>18</sup>

Progression of young people to higher education across the Gloucestershire, Swindon and Wiltshire review area is variable. In Gloucestershire the progression rate for young people who reached 18 between 2005-2009 and participated in higher education (HE) was 36.3%, in Swindon it was 24.2% and in Wiltshire 36.4% of young residents progressed to higher education, compared to a national average of 34.7%<sup>19</sup>.

The University of Gloucestershire (UoG) offers the majority of higher education in the area. The Royal Agricultural University (RAU) offers around 20 undergraduate courses, and is based in Cirencester.

The colleges in the Gloucestershire, Swindon and Wiltshire review area deliver a range of higher education courses some directly funded by HEFCE, and in partnership with universities delivering franchised or non-franchised programmes.

- Cirencester College offers a small number of niche higher education subjects delivered in partnership with the RAU
- Gloucestershire College offers higher education provision and university partners include University of Gloucestershire (UoG), University of West of England (UWE) and Birmingham City University

<sup>18</sup> HEFCE POLAR 3– see data annex: Higher education progression

<sup>19</sup> Derived from HEFCE POLAR 3 – see data annex: Higher education progression



- Hartpury College offers higher education provision and university partners include University of West of England
- New College Swindon's higher education partnerships include Bath Spa University and the UoG, and the college offers a range of Higher National Programmes
- Swindon College's higher education partnerships include Oxford Brookes University and UoG
- both Royal Agricultural and Bournemouth Universities are Wiltshire College's core partners.

## **Provision for students with special educational needs and disability (SEND) and high needs<sup>20</sup>**

In 2016 to 2017, the EFA funded 1,289 post-16 places across the 3 local authorities in colleges, special schools and specialist post-16 institutions. Colleges delivered 740 funded places between them. The colleges delivering the highest numbers of funded places are Gloucestershire College, Swindon College and Wiltshire College.

During the review, Gloucestershire County Council stated that it has had some success in working with colleges and others to increase employment opportunities for students with high needs. However, there are still high levels of young people not in education, employment or training (NEET).

Swindon Borough Council and Wiltshire Council suggested that the majority of high needs students are catered for by the further education sector as part of the strategy to meet needs in the local community. There are limited out of area placements for students with SEND. In the Swindon and Wiltshire areas have been some key developments in provision for high needs students, including supported internships, but numbers are small.

Gloucestershire County Council identified that, while the supported internship programme is working well for 18+ students at 2 colleges, there are concerns about lack of employment based education and training for 16-18 year olds at foundation level. Swindon Borough Council and Wiltshire Council suggested that a wider strategy is needed to improve outcomes and progression for this cohort.

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.

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<sup>20</sup> EFA Allocations – see data annex: 16 to 19 funding: High needs

## Apprenticeships and apprenticeship providers

In 2015 to 2016, there were 13,560 apprenticeship starts delivered in the review area. These were students who are resident in the area<sup>21</sup>. Overall, the most popular frameworks were business, administration and law, public services and care, retail and commercial enterprise, and health.

The colleges in the review area delivered 5,780 apprenticeships between them in 2014 to 2015. Of these, 49% were at level 2 and 51% at level 3. In total, the colleges reported 80 higher level apprenticeships in the same period.

Twenty independent training providers based in the review area were publicly funded to deliver apprenticeships. These providers delivered a total of 4,640 apprenticeships in 2014 to 2015 across the review area.

## Land based provision

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

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

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

Hartpury College is a specialist mixed-economy land based and sports college in Hartpury, a village some 6 miles from Gloucester. The college offers provision in a small number of areas: agricultural; animal care; equine; veterinary nursing and sport. Its provision ranges from FE level 2 up to Masters Degrees. Hartpury College currently offers intermediate and advanced apprenticeships in agriculture and advanced apprenticeships in sporting excellence. It recruits both locally from the Forest of Dean sub-region and nationally from 43 different local authority areas.

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<sup>21</sup> Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

Wiltshire College has a land based college campus at Lackham, which includes an estate with a range of land based enterprises including a farm and a specialist animal centre. The largest areas of land based provision offered are horticulture and forestry, and animal care and veterinary science, with a significant offer in classroom-based technical courses. While the college offers apprenticeships also, the numbers here are lower, following the national pattern.

## The need for change

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

At the start of the review the Gloucestershire County Council, Swindon Borough Council and Wiltshire Council, and the Swindon and Wiltshire LEP and Gloucestershire First set out their priorities that provision in the area should:

- develop aspirations, improve attainment and progression, especially amongst vulnerable groups of learners, and develop employability
- develop the local workforce in line with labour market needs, taking advantage of the growing demand for higher levels skills across the review area
- grow apprenticeships and higher education provision.

## The key areas for change

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

- improve attainment post-16 in local areas where attainment is below national benchmarks, including English and maths, and amongst groups of learners for whom there is a performance gap
- develop opportunities for students with high needs to increase choice locally and offer employment based education
- support the provision of impartial and independent information, advice and guidance
- develop a strategic approach to the delivery of apprenticeships and increase supply throughout the Gloucestershire, Swindon and Wiltshire area, particularly higher level apprenticeships, contributing to the government's 3 million target
- grow employer links and develop the learning offer to meet current and future workforce requirements to achieve economic growth ambitions including in media, tourism, STEM subjects, higher level technical and professional skills, as well as in sectors where the workforce is expected to expand, such as health and social care
- develop a broader higher education offer that encourages progress beyond level 3, particularly in Swindon where the progression rate to higher education is amongst the lowest in the country
- ensure that the learning offer is accessible by students living in the more rural parts of the review area where public transport can be limited
- develop good quality further education provision that contributes to regeneration in the central area of the Forest of Dean by developing skills and employability
- address the configuration of further education provision in Swindon to secure efficiencies and provide a single further education offer, whilst ensuring that the high

quality level 3 further education provision in the south of the Cotswold district is preserved

- a wider strategy is needed to improve outcomes and progression for high needs students across Swindon and Wiltshire.

## Initial options raised during visits to colleges

During their visits, advisers reported that all colleges had given considerable thought to potential strategic options in advance of the review. In some cases, this meant informal discussions with neighbouring colleges and stakeholders to canvas views and to assess the potential level of support for change.

The types of options discussed were:

- formal structural change (mergers or federations) which, if well planned and carefully managed, were considered to have the potential to improve financial viability, address quality issues, and retain a good choice of subjects and options for students. Options raised at an early stage included a merger between Swindon College and New College Swindon
- the potential for collaboration to reduce costs and to share services. Cirencester College has recently contracted out payroll
- discussion between colleges about the case for specialisation and further collaboration, particularly for Cirencester College, Gloucestershire College, and Hartpury College
- the case for remaining stand-alone if a college could demonstrate long-term financial sustainability. This was the preferred option for 5 of the colleges: Cirencester College, Gloucestershire College, Hartpury College, New College Swindon and Wiltshire College
- conversion to an academy. This option is available primarily but not exclusively to sixth-form colleges. By becoming an academy, a college is able to develop partnerships more easily with other schools in the area. In order to be approved, academisation proposals must be able to demonstrate how they will lead to strong links with schools, whether through joining or establishing a multi-academy trust (with other academies) or as a single academy trust collaborating with other schools in the area. Like other academies, sixth-form colleges which become academies would be eligible to receive reimbursement of their non-business VAT and would be classified as public sector bodies. Academising and becoming part of a multi-academy trust was considered as an option by Cirencester College.

# Criteria for evaluating options and use of sector benchmarks

## Assessment criteria

In each area review, 4 nationally-agreed criteria are used for the process of assessment. These are:

- meets the needs of current and future students and employers
- is feasible and generates financial sustainability
- raises quality and relevance of provision, including better outcomes
- achieves appropriate specialisation

## FE sector benchmarks

To support rigorous assessment of proposals, particularly options leading to major structural change, DfE have developed a series of sector 'quality and financial indicators and related criteria'.

Financial benchmarks relate to delivering operating surpluses of 3% to 5%, ensuring borrowings stay below 40% of annual income (the maximum threshold set for affordability), staff costs of no more than 65% of total income (FE sector average) and a current ratio greater than 1. Financial plans were assessed for each option, including colleges seeking to stand-alone, prior to consideration by the local steering group.

A number of other indicators are also taken into account by the steering group. These relate to the impact of proposed changes on quality of provision, on teaching efficiency, and how they actively support growth in apprenticeships and work at levels 4 and 5. Within proposals, overall levels of provision for high needs students should be maintained. New strategic plans need to be supported by LEPs and local authorities. Colleges may also need to review their senior staffing and their governance to ensure that they have the required skills, and the capacity to implement rapid change.

The assessment of options indicated that, based on the information available to the area review steering group, the colleges would move towards the benchmarks and indicators through successful implementation of options, and that the protected characteristics groups, including high needs students, would retain at least equal access to learning.

More detail about these benchmarks is contained in area review guidance Annex F<sup>22</sup> (revised March 2016).

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<sup>22</sup> [Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53](#)

## Recommendations agreed by the steering group

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

- Cirencester College to remain a stand-alone sixth-form college continuing to explore opportunities for further collaboration or academisation.
- Gloucestershire College to remain a stand-alone further education college.
- Hartpury College to remain a stand-alone specialist land based college, exploring options to secure higher education title.
- Wiltshire College to remain a stand-alone further education college.
- New College Swindon and Swindon College will develop a proposal to merge by March 2017 with a view to implementing a type B merger by January 2018. The detail of the proposal will be developed by the colleges to reduce overlap of technical programmes and grow higher level skills provision (including apprenticeships). The colleges' next stage will be supported by the DfE, funding agencies and, where appropriate, the Further Education Commissioner.
- The LEPs, local authorities and colleges form 2 strategic planning groups (co-terminous with each LEP) to monitor implementation of the review recommendations and to drive the collaborative agenda relating to post-16 learning and skills.
- The strategic planning groups to review the potential for the development of an Institute of Technology for their area.

Each of these options is now outlined in more detail:

### Cirencester College

Cirencester College to remain a stand-alone sixth-form college continuing to explore opportunities for further collaboration or academisation.

- in terms of meeting current and future needs, the college's curriculum maps to the sector priorities of both LEPs in the review area. There is a strong contribution to the development of STEM skills. Apprenticeships delivery in media, digital, ICT, and financial and professional services corresponds to local employment priorities. The college hopes to extend its facilities with an Animal Science Centre. Gloucestershire First LEP has stated that it is important to preserve the high quality provision delivered by Cirencester College. The college is also in discussion with the Swindon and Wiltshire LEP about how it can support its priorities, given the geographical proximity. There is a small cohort of learners with high needs at the college and this provision will continue to be offered
- with regard to financial sustainability, initial financial assessment demonstrated that, provided the college's growth targets are achieved, the college will achieve nearly all financial benchmarks by 2018/19 and while it does not achieve the remaining



operating surplus benchmark by 2019/20, it is forecast to make steady progress towards this

- Cirencester College is rated by Ofsted as outstanding and has a strong reputation locally, attracting learners from a wide catchment area. Overall success rates apprenticeship success rates are above the national benchmarks
- the college will continue to provide a primarily level 3 offer, with plans to grow apprenticeships and higher education provision that are relevant to the needs of students and the local economy including the LEP priorities.

## Gloucestershire College

Gloucestershire College to remain as a stand-alone further education college.

- in terms of meeting current and future needs, the college will continue to offer a broad curriculum across 3 main campuses in Gloucestershire to young people and adults, including those with high needs. This includes a small A level offer in Cheltenham and the Forest of Dean. The college offers predominantly technical provision from levels 1 to 3 across all subject areas except land based. Apprenticeships are one of the LEPs priorities and the college is the largest apprenticeship provider in Gloucestershire
- with regard to financial sustainability, initial financial assessment demonstrated that, with the exception of staff costs which the college will keep under review, the college achieves all the financial benchmarks immediately, and it shows a strong balance sheet
- in respect of quality of provision, the college was assessed as good by Ofsted. Overall success rates are just above national benchmarks. Overall apprenticeship success rates also above national benchmarks
- the college will continue to deliver a broad curriculum including specialisms in engineering and construction, which are identified by the LEP as priority sectors in Gloucestershire. The college also offers a broad range of apprenticeships across 20 or more subject areas and works with over 1,000 employers each year. The college, together with the University of Gloucestershire and South Gloucestershire and Stroud College, has jointly funded a post within the LEP to determine a skills strategy for the county. The college will continue to work with the LEP to adapt provision in line with the emerging strategy. The new facility in Cinderford will extend the impact of the college in that part of the county.

## Hartpury College

Hartpury College to remain a stand-alone specialist land based college, exploring options to secure higher education title through a higher education and further education group structure.

- in terms of meeting current and future needs Hartpury will continue to deliver local, regional and national priorities in the land based sector. The college has a small number of high needs students and will continue to develop provision to meet future needs. The college has applied for taught-degree status with ambitions to be badged as a university, but retaining its separate further education provision
- with regard to financial sustainability, the college has a significant asset base and robust balance sheet sustained by strong operating performances. Initial financial assessment demonstrated that it is projected to be sustainable as a stand-alone institution, moving towards achieving three of the five key financial benchmarks by 2017/18 and making progress towards the remaining benchmarks thereafter
- in respect of quality of provision, the college was assessed as good by Ofsted. Sports provision is graded by Ofsted as outstanding. The college's residential facilities were inspected in March 2016 and graded as outstanding (for overall effectiveness, outcomes for learners, quality of service, safeguarding and effectiveness of leadership and management). The college's overall success rates for 16 to 18 year olds were above national benchmarks.
- the college is a specialist land based provider. This is recognised by both the local authority and the LEP and Gloucestershire has an above average reliance on land based employment. One of the LEP priorities is the need for high levels skills, to which Hartpury will continue to make a significant contribution.

## **New College Swindon and Swindon College**

New College Swindon and Swindon College will develop a proposal to merge by March 2017 with a view to implementing a type B merger by January 2018. The detail of the proposal will be developed by the colleges to reduce overlap of technical programmes and grow higher level skills provision (including apprenticeships). The colleges' next stage will be supported by the DfE, funding agencies and, where appropriate, the Further Education Commissioner.

- in terms of meeting current and future needs, the merged college would provide a single 'Swindon curriculum' aligned to the skills needs and employment opportunities across Swindon and its wider recruitment area. Progression routes and technical education pathways will be developed through to high levels, particularly in STEM related areas to meet employment priorities for the area and help to raise aspirations
- with regard to financial sustainability, initial financial assessment demonstrated that New College Swindon is sustainable and resilient with a robust balance sheet achieving three of the financial benchmarks by 2019/20. If the college addresses its staff costs, which are high for the college sector, it would likely make good progress towards the operating surplus benchmark and enhance financial resilience. Swindon College demonstrates a sound financial position which improves strongly as they deliver their plan, achieving four benchmarks by 2019/20 and making good progress towards the remaining benchmark of operating surpluses. Initial financial assessment

has indicated that the merged 's position would be financially strong and it will likely meet all of the benchmarks for financial sustainability by 2019 to 2020 through exploiting opportunities for economies of scale, including the release of savings in curriculum, management and support functions.

- in respect of quality of provision, Swindon College is graded as outstanding by Ofsted, and New College Swindon is graded as good, with apprenticeships graded as outstanding. Both colleges' capacity to raise quality to outstanding could be reinforced further by a successful merger, building on the strengths of each college
- the 2 colleges' specialisms would be brought together, complementing each other and eliminating duplication and unnecessary competition where it exists. The merged college would have a curriculum spanning all sectors (other than land based) and would be in a strong position to meet local authority and LEP needs and ambitions for the area and grow higher education, apprenticeship and high needs provision.

The New College Swindon Corporation declined to pursue this option and wishes to remain a stand-alone institution.

## Wiltshire College

Wiltshire College to remain a stand-alone further education college.

- in terms of meeting current and future needs, the college's curriculum delivers to the priority sectors identified by the LEP (establishing a new civil engineering academy, for example) whilst maintaining provision in all areas where there is employment demand in the region and beyond, such as construction, health and tourism. Collaborative working discussions are taking place with Bath College and Swindon College on joint promotion and delivery of higher level apprenticeship provision. The college will continue to offer provision for high needs students and is developing its specialist support team
- with regard to financial sustainability, initial financial assessment demonstrates that, in achieving nearly all the financial benchmarks by 2017/18 and making good progress on the remaining operating surplus benchmark by 2019/20, the college is projecting to be sustainable as a stand-alone institution
- in respect of quality of provision, the college is rated as good by Ofsted. This demonstrated progress since the previous inspection, under the leadership of the new principal
- the college will continue to deliver its broad curriculum offer, including specialisms in engineering and land based programmes, which both reflect LEP and national priorities.

## **Collaboration between the LEPs, local authorities, Regional Schools Commissioner and the colleges**

The LEPs, local authorities and colleges will form 2 strategic planning groups (co-terminous with each LEP) to monitor implementation of the review recommendations and to drive the collaborative agenda relating to post-16 learning and skills.

This will include (but is not limited to):

- discussions to address gaps in particular sectors where higher and degree level apprenticeship are needed
- joint promotion of apprenticeships to meet the needs of employers and the LEPs in the review area
- apprenticeship delivery and end point assessment
- promotion of adult loans
- consideration of out of area travel flow issues
- recruitment and staff sharing in hard to recruit areas
- addressing science, technology, engineering and maths (STEM) needs, potentially through development of an Institute of Technology
- general further education colleges individually or collectively, where it is mutually beneficial, continuing to work together on benchmarking, sharing expertise and models of shared service or federation both within and across review areas.

## **Institute of Technology**

The strategic planning groups to review the potential for the development of a proposal for an Institute of Technology (IoT) for their area aligned to the requirements of emerging national policy.

- IoTs should meet local economic needs for higher technical STEM skills by strengthening and growing provision to fill gaps in the market. There is a need in the Gloucestershire, Swindon and Wiltshire review area, as prioritised by both LEPs, for increased specialisation in STEM related areas and a focus on the higher-level skills.

## 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:

- a recommended merger of the 2 Swindon colleges which would reduce duplication and build capacity to grow higher education and apprenticeships provision in Swindon
- growing the breadth of apprenticeships and the higher level offer through greater collaborative working across the review area
- utilising the 2 new strategic skills groups to help support and drive developments to meet local and employer needs. This will be done through identifying and addressing any gaps in types or level of provision including media, tourism, STEM subjects, higher level technical and professional skills, as well as in sectors where the workforce is expected to expand, such as health and social care, and particularly in relation to apprenticeships, high needs learners, higher level education and information, advice and guidance
- a strategy to improve outcomes and progression for high needs students in the Swindon and Wiltshire areas can be further developed through the strategic skills groups
- having financially resilient colleges that develop clear pathways leading to skilled employment or higher education, helping to raise aspirations and attainment of learners in the area
- collaboration between colleges to reduce duplication and ensure the needs of learners and employers are met. This includes sharing best practice in areas such as English and maths provision
- development of a proposal for an Institute of Technology to address low levels of aspiration and progression to higher level skills training.

## 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 FE 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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