



Department
for Education

Liverpool City Region Area Review

Final report

January 2017

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Background

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

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

The Liverpool City Region is served by 7 general further education colleges (Hugh Baird, Wirral Metropolitan, Southport, City of Liverpool, Riverside, St Helens and Knowsley Community College) and 3 sixth-form colleges (Birkenhead, Carmel and King George V). Additionally, South Sefton College requested and received support from the steering group to be included within the process.

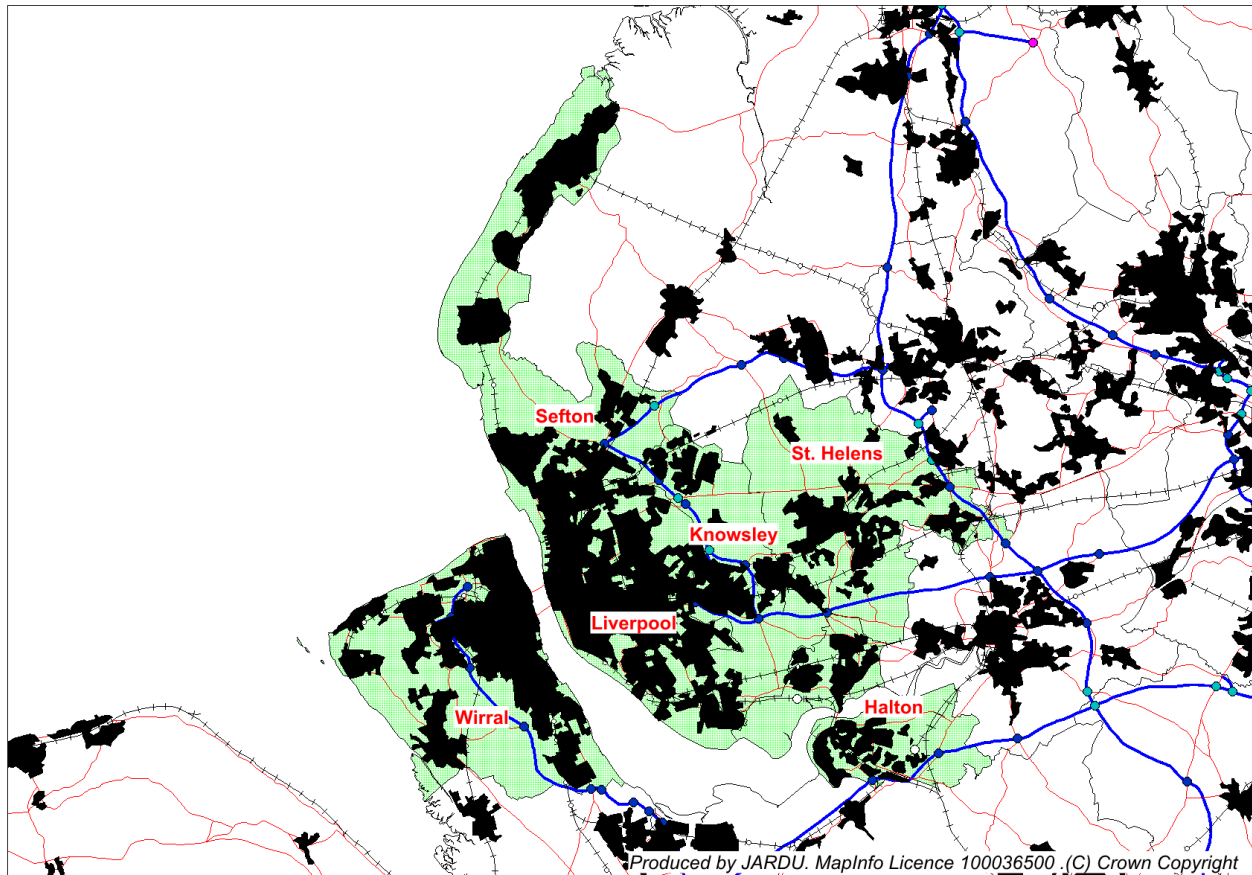
As an area with a devolution agreement (signed in November 2015) the local area review steering group was chaired by Councillor Ian Maher (Liverpool City Region Combined Authority Portfolio Holder for Employment and Skills). The steering group met on 6 occasions between May 2016 and October 2016, and 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 Liverpool City Region Combined Authority (The Combined Authority), Liverpool City Region Local Enterprise Partnership (The LEP), Liverpool City Council, Halton Metropolitan Borough Council, the Archdiocese of Liverpool, the Regional Schools Commissioner, and representatives from the Skills Funding Agency (SFA), the Education Funding Agency (EFA), and the Department for Education (DfE).

Visits to colleges and support throughout the process were provided by staff from the Further Education (FE) 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 in accordance with the national process. Additional lines of enquiry and consultations with local stakeholders including employers, schools and universities were led by the Combined Authority in conjunction with the LEP.

The needs of the Liverpool City Region area

Demographics and the economy

Liverpool City Region area review covers the footprint of the Combined Authority and comprises the 6 local authority areas of Halton, Knowsley, Liverpool, St Helens, Sefton, and Wirral. The total population is 1.5 million¹. The area is illustrated on the map below:



¹ ONS Local Authority Profiles – see data annex – Local socio-economic data.

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

	Liverpool	St Helens	Sefton	Knowsley	Wirral	Halton	Great Britain
Total population (2015)	478,600	177,600	273,700	147,200	320,900	126,500	63,258,400
Population aged 16 to 64	68.5%	62%	60.3%	63.7%	60.5%	63.1%	63.3%
% with higher education qualifications ³	30.6%	26.2%	31.2%	22.5%	32.2%	22.3%	37.1%
Those formally qualified to level 2+	67.6%	71.1%	74.1%	65.6%	74.8%	70.3%	73.6%
Gross weekly pay £ of residents	£480.80	£479.10	£473.70	£475.50	£518.60	£480.60	£529.00
Gross weekly pay £ by workplace	£506.30	£443.80	£463.70	£505.10	£500.40	£530.40	£528.50
Out-of-work benefit claimants	3.3%	2.8%	2.5%	3.2%	2.0%	2.7%	1.8%
% of main benefit claimants	14.7%	12.3%	11.4%	15.16%	12.3%	12.2%	8.7%
Jobs density ⁴	0.80	0.62	0.61	0.71	0.57	0.75	0.82

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

³ Percentages relate to those aged 16 to 64

⁴ Job density relates to the level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. The job density for the North West as a whole is 0.78, which is slightly below the national average.

Total workplace units:							Average for the North West
Micro ⁵	78.4%	79.5%	82.1%	78.6%	82.8%	76.9%	79.72%
Small	16.6%	16.4%	14.6%	16.4%	14.4%	18.0%	16.07%
Medium	4.2%	3.6%	3.0%	4.1%	2.5%	4.5%	3.65%
Large	0.7%	0.4%	0.3%	0.8%	0.4%	0.6%	0.53%

The key points to note are:

- of the population of Liverpool City Region, almost a third live in Liverpool, whilst Halton has the smallest population. Liverpool's working age population is high at 68.5%, compared to the national average, whilst the other local authority areas are much closer to, or lower than, the average. This is consistent with the pattern for cities across the country
- the population of young people aged 16 to 19 is an important indicator for the future shape of the labour market and demand for skills provision. Local analysis of Office for National Statistics (ONS) population data shows that there has been a 7% fall in the number of 16 to 19 year olds over the last 15 years. This trend is expected to continue, with a further reduction of 12% in the next 5 years, taking the cohort down to around 64,000 (from around 80,000 in 2001)⁶
- this anticipated reduction, combined with the regional and national trends for an ageing workforce, is likely to have a long-term impact on the working age population and the potential for a tightening in the labour market. This trend may also have implications for the structures and finances of the further education sector within this time period
- the number of out of work benefits claimants, as a proportion of the population, is high across all 6 local authorities, in comparison to the national average. In Liverpool and Knowsley it is almost double the national rate. The proportion of main benefits claimants is also high and again particularly so in Liverpool and Knowsley. The rate of sickness benefits being claimed in the City Region is the highest of any area in the country⁷

⁵ Micro-businesses have a total of 1 to 9 workers; small businesses have 10 to 49 workers; medium have 50 to 249; large have 250+ (2015 data).

⁶ [Liverpool City Region Skills for Growth Priorities](#)

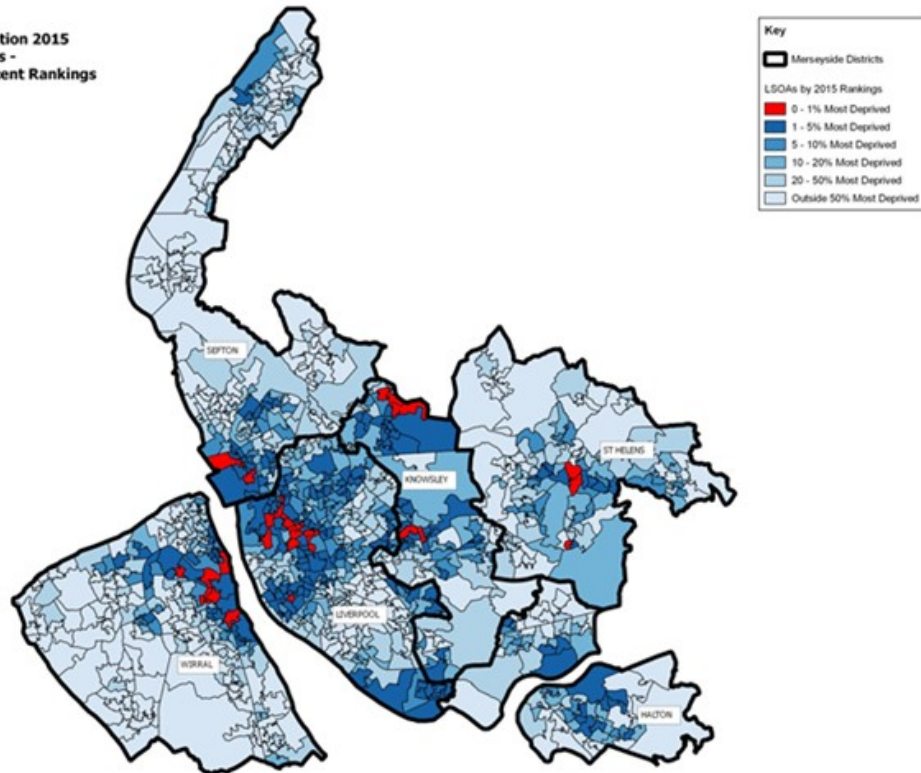
⁷ [ONS Local Authority Profiles](#)

- Wirral has above the national average percentage of residents qualified to level 2, whilst the other areas fall below the average. Compared to the national average, a low percentage of residents have higher level qualifications
- weekly wages of residents are lower than average. Based on workplace location Halton has the highest weekly wages, above the national average and significantly higher than the other local authorities in Liverpool City Region
- job density is higher in Liverpool than in the other areas within the City Region (0.8 jobs per resident), but this is still slightly below the national average. St Helens, Sefton and Wirral have particularly low numbers of jobs in comparison to their population
- the Index of Multiple Deprivation (IMD)⁸ show that Liverpool City Region ranks as the most deprived of the 39 LEP areas in England. The area has the highest ranking of relative deprivation for income, employment and health deprivation and disability. It also ranks highly for deprivation in terms of education, crime and living environment
- at local authority level, Liverpool and Knowsley are ranked in the 10 most deprived areas in the country. Of Liverpool City Region's 989 neighbourhoods, over 30% are within the most deprived 10% nationally. The pattern by neighbourhood across Liverpool City Region is illustrated overleaf⁹. The overall assessment of deprivation across the Liverpool City Region is influenced by concentrated pockets of high relative deprivation within areas throughout the Liverpool City Region. The Liverpool City Region has 16 areas in the most 100 deprived across all of England; 8 of which are in Liverpool, 4 are in Wirral, and 2 each are in Knowsley and in St. Helen's.

⁸ Index of Multiple Deprivation – see data annex: Deprivation

⁹ Map provided by LCR Combined Authority. The map is reproduced from Ordnance Survey material with the permission of Ordnance Survey on behalf of the controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings (Knowsley MBC) (100017655) (2016)

Liverpool City Region
Index of Multiple Deprivation 2015
Lower Super Output Areas -
National Deprivation Percent Rankings



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Like many areas of the country the City Region has an ageing population and also has a long standing skills gap which widens at level 3, level 4 and above.

Young people in the City Region are more likely to go to college at age 16 than nationally and less likely to go to university at age 18¹⁰.

Patterns of employment and future growth

Liverpool City Region has a £28.3 billion economy, with output increasing by 8.4% in the 5 years up to 2014. Gross value added (GVA) per head in the Liverpool City Region is currently around £4,000 lower than the average across Local Enterprise Partnership areas¹¹.

¹⁰ [Liverpool City Region Skills for Growth Priorities](#)

¹¹ [Liverpool City Region Growth Strategy 2016](#)

In order to capitalise on its geographical location and existing industrial strengths, the Liverpool City Region has a number of priority growth sectors:

- advanced manufacturing and manufacturing
- creative and digital
- financial and professional
- health and life sciences
- low carbon and energy
- maritime and logistics
- visitor economy.

A series of employer led Skills for Growth Agreements have been published over the past 4 years, setting out current and future skills needs in the above sectors.

The geographical centres for the priority growth sectors are illustrated in the map below¹².



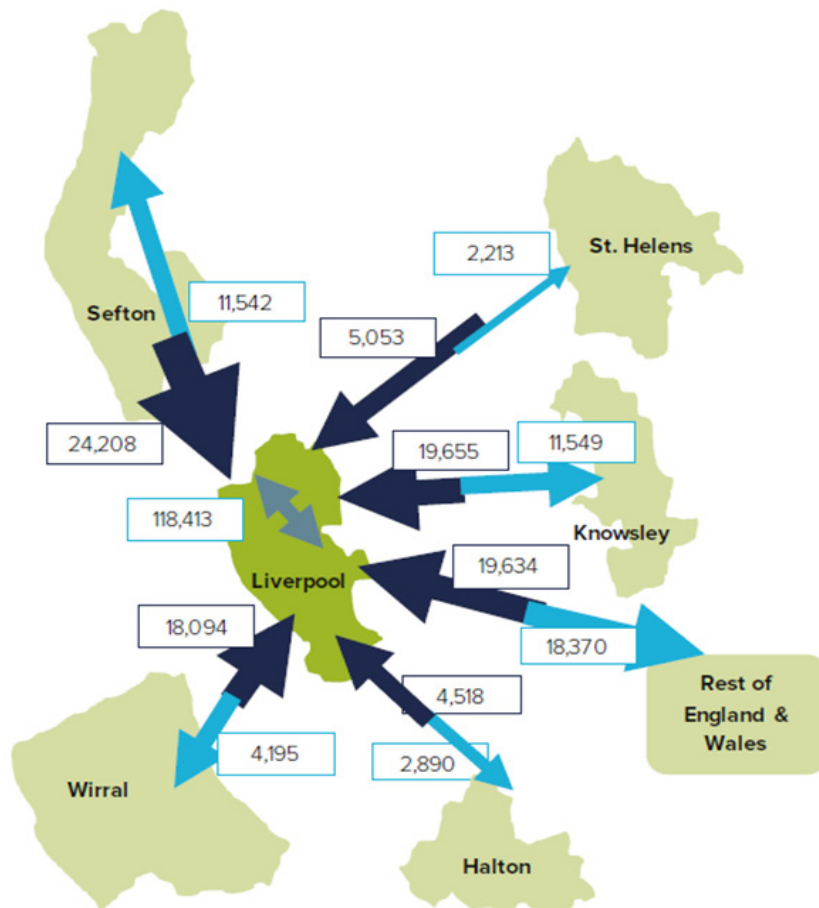
¹² [Liverpool City Region Skills for Growth Priorities](#)

The City Region also recognises the importance of high volume employment sectors, such as:

- health and care services
- wider services sector
- sales related roles
- IT support roles.

Achieving growth in sectors of higher skill, higher value and higher pay will contribute to an overall improvement in productivity and improvement in GVA per head. Recent forecasts suggest the potential for 100,000 additional jobs in the Liverpool City Region by 2040, which could increase GVA to more than £50 billion¹³.

The map below illustrates travel to work patterns. More than 85% of residents work in the Liverpool City Region and a further 10% of employed residents work in nearby Cheshire, Warrington or West Lancashire.



¹³ [Building our Future, Liverpool City Region Growth Strategy, June 2016](#)

LEP priorities

Based on feedback from businesses, business networks, colleges and training providers, the following have been identified as generic skills priorities for Liverpool City Region for 2015 to 16.

- customer service for staff working in frontline customer service roles: this continues to be identified by the visitor economy board and is critical for the City Region
- science, technology and mathematics at all levels: there is a need for all residents to have a sound basis in mathematics and an increasing need at technician, graduate and postgraduate for general science and specific technology skills
- practical logistics: with the logistics developments linked to the Liverpool 2 container terminal, there is an increasing need for entry level warehouse skills (e.g. pickers and packers) and drivers of heavy goods vehicles
- digital skills, to ensure that residents can use technology and to build upon the higher level expertise in the City Region, based around SciTech Daresbury science and innovation campus and Enterprise Zone and the cluster at the Baltic Triangle in Liverpool in particular
- project management, which underpins good business practice and particularly construction sectors
- leadership and management across all levels and particularly for small and medium enterprises
- underpinning employability skills that enable residents to contribute in the workplace (for example team working and literacy).

These are in addition to the detailed sector specific skills priorities which have been set out in the Skills for Growth Agreements. Based upon projections of growth and replacement demand in 2015 to 16 the key areas for focus are as follows¹⁴:

- intermediate and advanced apprenticeships in engineering manufacture, warehousing and storage, logistics operations, and construction
- advanced and higher apprenticeships in engineering manufacture, electrical trades, polymer processing, and metal processing and allied operations
- level 3 technical skills in engineering technician, welding roles, and for electricians, marine staff
- digital and technology solutions professionals.

¹⁴ [Liverpool City Region Skills for Growth Priorities 2015/16](#)

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

Analysis of the UK Commission for Employment and Skills (UKCES) Employer Skills Survey 2015 shows that around one in 5 job vacancies in the Liverpool City Region is due to a skills shortage¹⁵. The survey also highlights local employers' commitment to addressing skills shortages, with almost 3 in 4 Liverpool City Region respondents providing some form of training for staff in the 12 months preceding the survey. This is a significantly higher proportion than other areas of the country.

The key challenge presented to colleges by the Combined Authority and LEP is how to ensure provision remains demand led and better able to support employers with current and future skills needs.

A series of consultation events was held with employers over the course of the review period culminating with a business engagement event hosted by the LEP, with 48 businesses and organisations attending. This provided an opportunity for businesses to feedback their views on the lines of enquiry for the review and the broader skills landscape.

Key messages were as follows:

- general agreement from employers that providers and colleges should specialise their curriculum offer but recognition that core employability skills provision including English, maths and digital must be accessible for those with low or no skills to deliver growth ambitions so should also be part of the offer across all providers
- staff within training organisations working to deliver programmes relating to specific sectors (in particular the identified growth sectors) should ensure that, through a variety of mechanisms, they keep up to speed with industry standards and norms as well as innovation in their relevant sector
- careers advice in schools needs to be revolutionised, aside from some examples of good and effective practice, this is an area of significant concern for employers
- the pace of curriculum change and curriculum flexibility needs to be accelerated to keep pace with industry – particularly within creative and digital
- the area review should ensure equality and diversity impact assessment is undertaken in relation to productivity gains
- the leadership skills of new and first line managers need to be improved to ensure that leadership skills and capabilities are sound at every level within our businesses
- young people must be much more actively engaged in changing and re-shaping the skills landscape in the City Region

¹⁵ [UKCES Employer Skills Survey 2015](#)

- businesses must and will take ownership and leadership of reform of the skills agenda and landscape in the City Region
- a step change is needed to move the skills agenda from one that is supply led to one that is demand led.

The Combined Authority facilitated meetings with the 6 constituent local authorities during the area review process. This feedback identified the need for:

- closer engagement between the Combined Authority, local authorities and colleges in curriculum planning
- provision which encourages participation and reduces travel time and costs, particularly for NEETs (young people not in education, employment or training) and unemployed adults
- reduced travel to learn distances for learners with special educational needs and disability (SEND) and improved progression routes to employment and other skills for this group
- skills capital investment that results in a greater proportion of learning supporting priority sectors
- collaboration to enable stronger joint planning of progression routes between schools and colleges particularly for A level provision
- increases in the number of residents qualified to level 3 and level 4+ and increased delivery of higher and degree level apprenticeships
- increased capacity of local colleges and providers to deliver apprenticeships, contributing to the national target of 3 million apprenticeships by 2020.

Feedback from Jobcentre Plus representatives identified the following priorities and issues:

- college provision needs to better align to the Department for Work and Pensions' (DWP) skills conditionality process by widening the accessibility of the offer to allow for more roll-on and roll-off programmes and the all year round availability of adult provision
- gaps in adult provision occur towards the end of the academic year as colleges await notification of future funding allocations and this impacts particularly on employer demand led provision such as the sector based work academy model
- there is a lack of recognition for the scale and volume of intensive help required by claimants with the lowest levels of employability, in particular, basic skills provision, pre-ESOL (English for speakers of other languages), (claimants who are not literate in their first language) and ESOL provision
- a number of colleges have withdrawn business engagement teams that were supporting unemployed people and this has impacted on the availability of employer demand led skills
- the policy focus for many colleges has shifted to higher level skills provision, at level 3 and above, this does not reflect the skills needed for the majority of claimants DWP engage with locally.

Entry level, pre-employment and low level skills needs

Through their work with stakeholders as part of the review, the Combined Authority identified a need to ensure the availability of entry routes to learners with low level skills and re-engaging learners to progress into further learning or work whilst supporting employers. This includes confidence in mathematics, written and spoken English, digital skills and focused employability provision.

The availability of entitlement provision remains a priority for local colleges as a means to address low level skills needs. The area review lines of enquiry and interactions with Jobcentre Plus reported that greater volumes of entry level year round provision are required to support skills conditionality and pre-employment provision, associated with sector based work academies. A more co-ordinated plan of accessible local provision at entry level (either through community learning, through local authorities, local colleges or other providers) is required, along with co-ordinated progression pathways to higher level skills, if the City Region is to reduce the proportion of residents with no or low qualifications and match national averages¹⁶.

Feedback from students and staff

As part of each area review there was engagement with students coordinated by the National Union of Students. Where the NUS submitted a report on the views of students these are available on [NUS connect](#). The City Region intends to take these forward in the implementation phase, aiming to ensure that students have a high quality teaching and learning experience.

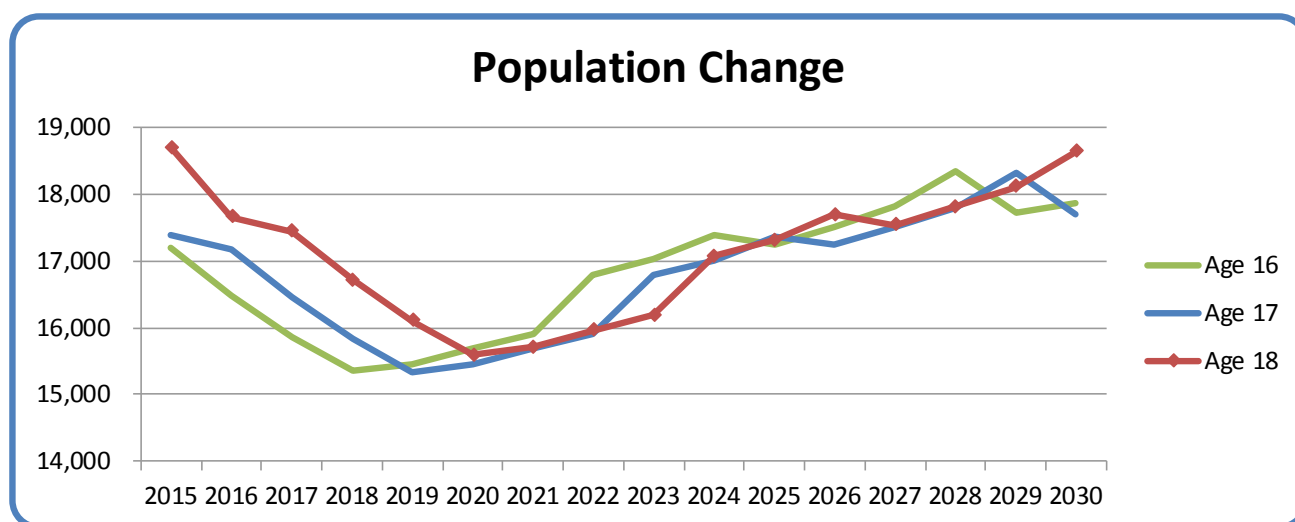
The colleges that took part in the review took primary responsibility for ensuring that their staff and union representatives had an opportunity to provide input throughout the review, which the steering group took into account. The Further Education Commissioner held meetings with staff union representatives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

¹⁶ [FE and Skills Learner Participation](#)

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+.

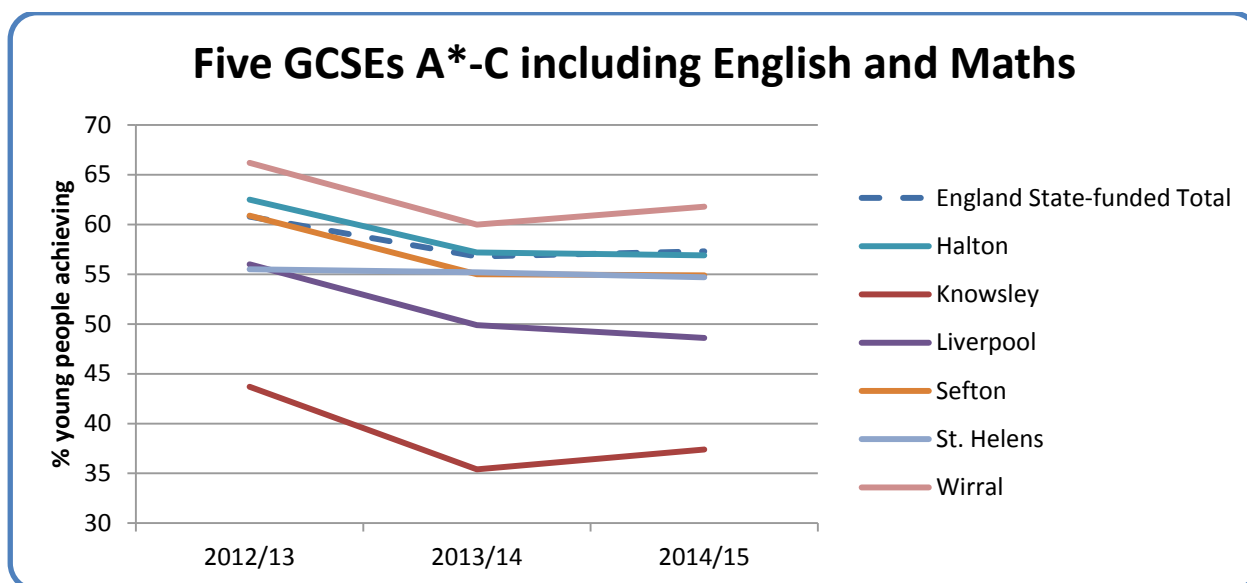
In the Liverpool City Region the number of young people aged 16 to 18 has declined over recent years and is forecast to continue to do so until 2020 (an 8% decrease is forecast from 2016 to 2020)¹⁷. This reduction is likely to have a long-term impact on the working age population, the labour market and the FE sector. Colleges need to be cautious in their plans for growth in 16 to 18 student numbers over the next 4 years. The population of young people is then predicted to grow, reaching a similar level to the current population by 2024 and continuing to rise.



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

Performance of schools at Key Stage 4

The recent trend in GCSE pass rates for school pupils completing year 11 across the 6 local authorities is illustrated below¹⁸.



The performance of schools at year 11 is below the national average in 5 of the 6 local authority areas. Whilst several areas are fairly close to the national average, Knowsley and Liverpool are significantly below with 37% and 49% respectively. These are the areas with high multiple deprivation. In contrast, Wirral has a strong record of GCSE performance, with results consistently above the national average¹⁹.

Schools with sixth-forms

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

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

¹⁸ School Key Stage 4 results – see data annex. Local authority and total (state-funded sector) figures covering achievements in state-funded schools only.

¹⁹ In 2013/14, a change in how the GCSE performance of schools was defined led to a drop in the overall numbers of students achieving 5 GCSEs A*-C, including English and maths.

There are currently 72 funded schools with sixth-forms in the review area, including 35 local authority maintained and 37 academies. In addition, there are 22 special schools in the area designated for post 16 provision. 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 increased by 2% in the 3 years 2013 to 2014 to 2015 to 2016 with a total of 14,867 young people funded in a mainstream sixth-form setting in 2015 to 2016²⁰. 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 37 school sixth-forms (including local authority maintained and academies but excluding special schools) that were funded below that figure in 2015 to 2016.

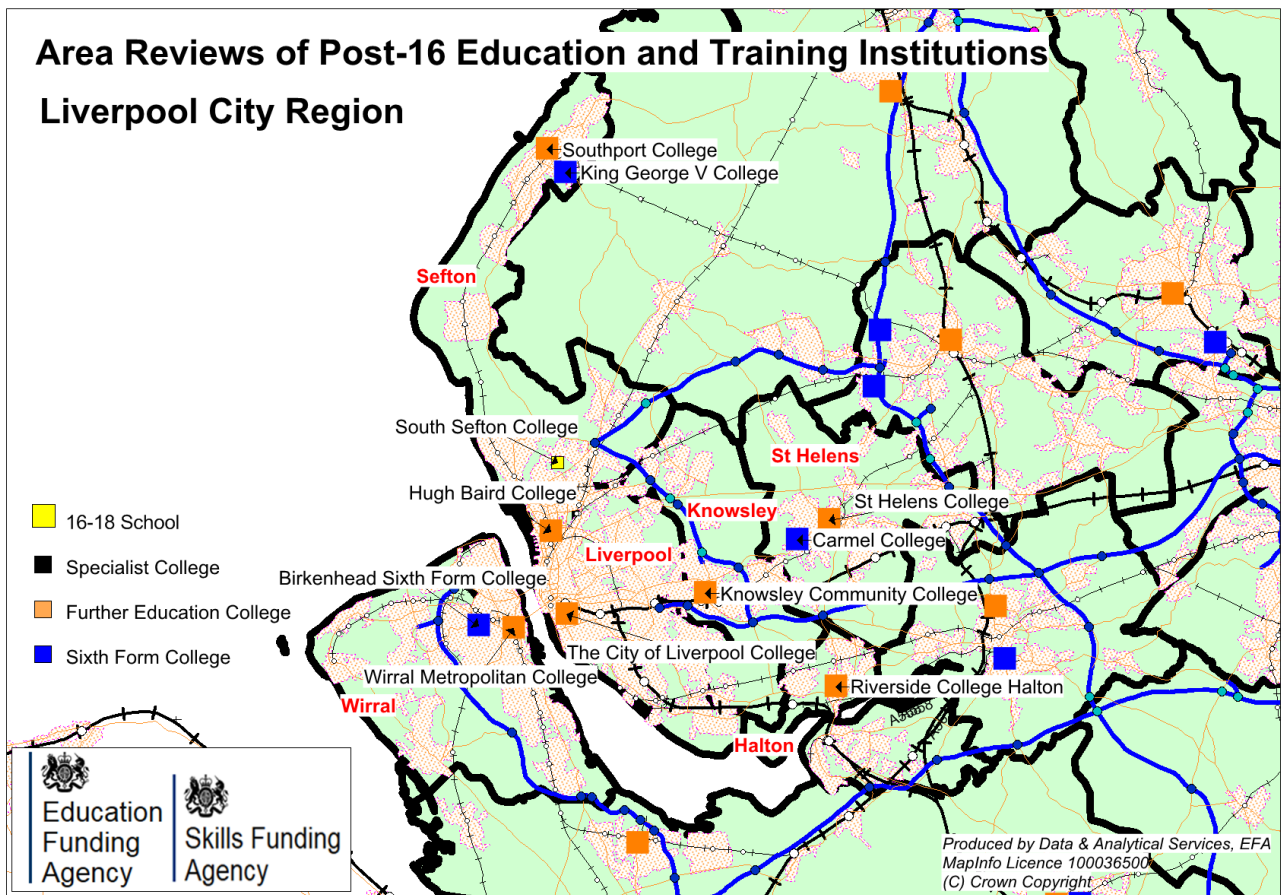
The further education and sixth-form colleges

Seven general further education colleges, 3 sixth-form colleges and one local authority maintained 16 to 19 school participated in this review.

- Birkenhead Sixth Form College
- Carmel Sixth Form College
- King George V College
- Hugh Baird College
- Knowsley Community College
- City of Liverpool College
- Riverside College
- Southport College
- South Sefton College
- St Helens College
- Wirral Metropolitan College.

²⁰ EFA allocations – see data annex: 16 to 19 funding.

The location of the colleges is shown below:



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

The current offer in the colleges

The 3 sixth-form colleges offer a wide range of A levels, each covering 30 to 40 subjects and South Sefton College offer a range of approximately 20 subjects. Riverside College and City of Liverpool College also offer a broad range of A level subjects. St Helens College has recently introduced A level provision, whilst Knowsley Community College and Hugh Baird College have recently removed their A level provision to focus on other areas.

The sixth-form colleges also offer some technical education provision, mainly at level 3. Birkenhead Sixth Form College, King George V College and South Sefton College offer mixed programmes of technical education alongside A levels.

The 7 general further education colleges offer a broad range of technical provision for young people and adults including foundation learning, maths and English, apprenticeships for 16-18 and adults and some higher education provision.

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

- languages, literature and culture of the British Isles
- mathematics and statistics
- science
- health and social care
- business management
- service enterprises
- craft and creative arts and design
- building and construction
- administration.

Areas of specialism include St Helens College and Knowsley Community College's Northern Logistics Academy. Hugh Baird's higher education (HE) offer includes visual merchandising and festival management and the college is developing a specialism around maritime engineering and recently launched the Port Academy. Riverside College offers a unique programme, developed in partnership with an NHS trust, for patient support assistants.

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 ²¹	EFA allocations (2015 to 16) ²²	SFA allocations (2015 to 16) ²³	Total college income (2014 to 2015) ²⁴
Birkenhead Sixth Form College	Good (December 2012)	£6,125,754	£ 188,101	£7,279,000
Carmel Sixth Form College	Outstanding (July 2007)	£8,735,281	£9,573	£10,406,000
City of Liverpool College	Requires improvement (November 2015)	£15,869,592	£12,005,912	£63,827,000
Hugh Baird College	Good (February 2015)	£8,996,431	£3,906,715	£19,159,000
King George V College	Requires improvement (December 2015)	£4,006,447	£1,341	£4,859,000
Knowsley College	Requires improvement (March 2016)	£8,422,862	£4,282,715	£14,926,000
Riverside College	Good (September 2015)	£13,374,873	£3,737,258	£22,293,000

21 Ofsted – see data annex: College inspection reports

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

23 SFA allocations – see data annex: Adult funding

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

Southport College	Good (April 2016)	£6,577,251	£2,155,526	£11,904,000
South Sefton College	Good (September 2011) ²⁵	£2,626,116	£0	£2,626,116
St Helens College	Good (February 2014)	£10,198,032	£5,363,247	£25,791,000
Wirral Metropolitan College	Requires improvement (December 2015)	£9,045,099	£5,603,838	£22,184,000

Where a college was subject to a financial notice of concern or a financial notice to improve this was a factor which was taken into account in the assessment of options for structural change in the review. King George V College is subject to a notice to improve from the Education Funding Agency. Knowsley College and City of Liverpool College are both subject to financial notices of concern issued by the Skills Funding Agency.

Overall, the condition of college buildings is relatively good across most colleges. 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 issues for individual colleges to consider, along with some instances where rationalisation or further investment might be considered further during implementation.

Higher education in further education²⁶

Progression of young people to higher education across Liverpool City Region is variable. In Knowsley, Halton and Liverpool less than 28% of young residents participate in higher education (HE) and in St Helens the figure is 31%. In Sefton and Wirral over 35% of young

²⁵ South Sefton College was re-inspected just after the review and was assessed as requires improvement

²⁶ HEFCE POLAR 3 – see data annex: Higher education progression

residents progress to HE, which is above the 32% average for the north-west and the national average of 32.6% for the United Kingdom²⁷.

The University of Liverpool and Liverpool John Moores University offer a large proportion of the higher education in the area and have substantial numbers of students from the Liverpool City Region. Both offer a broad range of subjects. The other higher education institutions within the area are Liverpool Hope University, which again offers a broad range of subjects, and the Liverpool Institute of Performing Arts, which offers specialist provision. Edge Hill University and the University of Chester are based close to the Liverpool City Region in Lancashire and Cheshire respectively. Edge Hill in particular draws a high number of students from within the City Region.

All 7 general FE colleges in the area offer HE provision. St Helens College is an established HE provider and has the greatest share of the HE provision across the colleges, focusing particularly on subjects within engineering technology and creative arts and design. Carmel College is the only one of the sixth-form colleges to deliver significant numbers of HE provision, offering a range of science and engineering qualifications through university partners.

Provision for students with special educational needs and disability (SEND) and high needs²⁸

In 2015 to 2016, the EFA funded 615 post-16 places across the 6 local authorities in colleges, special schools and specialist post 16 institutions. Colleges delivered 475 funded places between them. The colleges delivering the highest numbers of funded places are Knowsley Community College and Riverside College. Of the sixth-form colleges, Birkenhead have the highest number of funded high needs places.

During the review, local authorities emphasised the importance of reducing travel to learn distances for learners with special educational needs and disability, increasing progression into employment and other skills. They also highlighted the need for colleges to plan for provision to support an increasing numbers of learners with social and emotional behavioural issues.

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.

²⁷ Derived from HEFCE POLAR 3 – see data annex: Higher education progression

²⁸ EFA Allocations – see data annex: 16 to 19 funding: High needs

Apprenticeships and apprenticeship providers

In 2014 to 2015, the colleges within the review delivered 6,900 apprenticeship starts. City of Liverpool College, Knowsley Community College and Wirral Metropolitan College had the largest contracts for apprenticeships, each with around 1,400 starts. Other providers (26 in total) in the area delivered a total of 28,130 apprenticeship starts. This includes a large number delivered outside of the area, with over a third with First4Skills, a subsidiary of City of Liverpool College.²⁹

The most popular apprenticeship frameworks delivered in Liverpool City Region are health, public service and care and business, administration and law. These made up over 60% of apprenticeship starts in the area in 2014 to 2015.

Current activity within local colleges of general and further education makes up only 17% of all apprenticeship starts in the Liverpool City Region. These starts tend to be from existing traditional markets with a narrow range of frameworks being delivered predominantly to SMEs³⁰. City Region apprenticeship starts in arts, media and publishing and science and mathematics, are less than 1% of all frameworks delivered. This pattern may change in 2017, with the introduction of the apprenticeship levy³¹.

The apprenticeship reforms offer the potential to increase the volume, breadth and level of apprenticeships in the City Region. This will require a wider diversity of apprenticeship delivery to capitalise on new markets with large levy paying employers, the public sector and delivery at higher and degree apprenticeship levels.

²⁹ Numbers of apprenticeships by provider and LA – see data annex: Apprenticeships

³⁰ Numbers of apprenticeships by Local Authority and subject sector - see data annex: Apprenticeships

³¹ [Apprenticeship levy and how it will work on gov.uk](https://www.gov.uk/government/news/apprenticeship-levy-and-how-it-will-work)

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.

St Helens College is the largest provider of land based provision offering horticulture and forestry and animal care and veterinary science provision. Hugh Baird College and Wirral Metropolitan College also offer courses in these subject areas. Myerscough College, based in Lancashire, is the main provider of land based aims in the area overall, with a specialist land based centre in Croxteth Park in Liverpool, which has recently been awarded skills capital funding by Liverpool City Region.

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 Liverpool City Region Combined Authority set out the criteria for success and priorities for change to provision in the area, in alignment with the purpose of the area reviews:

An offer that meets the area's educational and economic needs:

- proposals using labour market intelligence and future skills requirements that better deliver the higher level and technical skills required by the City Region's growth sectors
- proposals with a strong role for employers and learners both in shaping the curriculum to meet future needs or supporting delivery – embedding work experience, technical education, enterprise skills and knowledge transfer
- provision which integrates timely, quality careers education, information, advice and guidance linking to the emergent Liverpool City Region careers hub
- proposals which are focused on outcomes, not only qualifications, reducing the number of NEETs and increasing English and maths attainment by age 19 as well as employment opportunities
- proposals that support an integrated approach to skills, employment and provision
- proposals that support innovation, the development of new qualifications and reforms already underway (i.e. qualifications and apprenticeship standards).

Sufficient access to high quality and relevant education training for all:

- providing choices and access to level 2 and 3 and below provision (including English and maths) within each area of the City Region (a presence in each district), recognising travel to learn patterns
- proposals with clear pathways for progression to further/higher education or into employment and to develop higher level skills to drive up productivity
- strong collaboration between institutions and employers to ensure there are seamless progression routes for people across geographies, linking in particular with schools around technical education options
- strong academic post-16 offer, distinct from general FE, with more young people taking and succeeding in STEM subjects at level 3
- ensuring that there is sufficient provision for adults and learners with special educational needs and disabilities.

Providers with strong reputations and greater specialisation:

- provision of specialist higher level provision, working closely with employers, at specific sites
- remove unnecessary duplication in provision (both at local level and across the City Region specifically for level 3+)
- proposals built on the existing strengths of institutions as demonstrated through volumes delivered, success rates, Ofsted grading and learner and employer ratings
- greater specialisation focused on level 3+ provision including the opportunity for one or more Institutes of Technology in the City Region
- focus on growing provision in key City Region sectors where skills shortages are emerging and impacting on growth including opportunities for degree apprenticeships
- demonstrating and delivering clearer progression routes to further education or skilled employment.

Provision which reflects changes in government funding priorities and future demand:

- proposals that deliver significantly more 16-18 apprenticeships, with a focus on level 3 and above apprenticeships in the City Region's key economic sectors
- growing the number of level 3 and above apprenticeships for those already in employment
- proposals that support the reforms of apprenticeship standards and the introduction of new trailblazer provision
- increasing employment rates by supporting progression into work
- reducing reliance on public funding by growing provision funded through adult loans, the apprenticeship levy and direct employer investment.

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

- greater efficiency against the key cost drivers, at least meeting national benchmarks set out by the FE Commissioner
- make more efficient use of the land, buildings and technology in line with 'one public estate' – allowing delivery in a varied range of the whole public estate
- proposals with strong leadership arrangements, with reduced overheads and back office costs and flexibility to support different models in different places
- creating the right infrastructure for the future, for learners and the economy, rather than protecting any one existing institution
- proposals which promote greater collaboration across HE, FE, schools and other approved training organisations including the voluntary sector.

The key areas for change

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

- strengthening the colleges' offer in priority sectors through increasing specialisation to meet the demand from employers for higher level technical skills
- the need for improved planning of curriculum, in collaboration with the Combined Authority, to ensure colleges, local community learning providers and others are delivering the right balance and mix of provision in response to the needs of learners and businesses
- delivering a more coherent collaborative approach within the post-16 FE sector to meet the needs of learners with special educational needs and disability
- developing a more joined up approach to skills delivery across the City Region including entry level, employability and apprenticeships to support local residents into work and to progress in work
- widening the breadth of the apprenticeship offer by growing the colleges' market share and responding to government policy changes such as the introduction of levy and new standards
- achieving a step change in careers advice in schools, ensuring the full range of choices are sufficiently well described
- resolving the weak financial position of King George V College following a significant decline in student numbers, and seeking to ensure that all colleges in the Liverpool City Region are on a strong, sustainable financial footing
- providing opportunities for academisation of sixth-form colleges and the benefits that would accrue.

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 St Helens College and Knowsley Community College which at the start of the review was already at a formal consultation stage. The 3 colleges in Sefton were considering a possible merger with the 16-18 school, South Sefton College, beginning with 2 two-way mergers

- sharing services or finance, HR, IT and data across the colleges. City of Liverpool College proposed a shared service offer, building on their existing SharEd model to offer shared services across colleges in the area
- the establishment of a new apprenticeships hub model across all Liverpool City Region providers as a one-stop shop for employers and prospective apprentices
- discussion between colleges about the case for specialisation and rationalisation of the curriculum, to enable efficiencies of scale, improve the quality and clarity of the offer to employers and focus on the skills priorities of the region
- the case for remaining stand-alone if a college could demonstrate long-term financial sustainability. From an early stage this was the preferred option of 3 of the FE colleges (City of Liverpool, Riverside and Wirral Metropolitan Colleges)
- 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 Birkenhead Sixth Form College, Carmel College and King George V College, with Carmel College also considering forming a single academy trust.

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 the Combined Authority, LEP 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 F³² (revised March 2016).

³² [Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53](#)

Recommendations agreed by the steering group

Sixteen recommendations were agreed by the steering group at their meeting in October 2016. These were:

- Birkenhead Sixth Form College to convert to an academy and join a multi-academy trust (MAT)
- Carmel College to convert to an academy within a single academy trust (SAT)
- Knowsley Community College and St Helens College to merge
- City of Liverpool College to remain stand-alone
- Mergers of Hugh Baird College and South Sefton College, and Southport College and King George V Sixth Form College, leading to the creation of a single Sefton College
- Riverside College to remain stand-alone
- Wirral Metropolitan College to remain stand-alone
- the Combined Authority to commission an apprenticeships growth plan to drive forward targets for an expansion of the breadth and volume of apprenticeships
- colleges to collaborate to develop a 2017 to 2018 prospectus of advanced and higher level technical skills to support employer and learner choice and to inform gaps in provision
- the Combined Authority to recognise and celebrate local excellence in sector-facing provision that meets employer needs and offers high quality pathway partnerships to learning
- the Combined Authority to explore options for specialist Institutes of Technology in light of opportunities afforded by the Single Growth Strategy
- the Combined Authority and colleges to collaborate to address the needs of SEND post-16 learners in the Liverpool City Region
- general FE Colleges, Jobcentre Plus and community learning providers (including local authorities) to collaboratively plan to deliver more cohesive and accessible entry routes for learners with low level skills
- the Combined Authority to establish a careers hub to bring cohesion and better alignment with growth opportunities to the provision of careers information
- Liverpool City Region Directors of Children's Services and the Regional Schools Commissioner to work together to understand how the post-16 options available in the area can be enhanced
- a strategic planning and oversight group chaired by the Combined Authority to monitor the delivery of the recommendations within this report to ensure that the needs of learners and employers remain at the forefront.

Those options for college mergers and other structural change are subject to completion of due diligence processes.

Each of the options is now outlined in more detail:

Birkenhead Sixth Form College

The preferred option is for the college to academise and sit within Wirral Academy Trust (WAT) which is a designated MAT established by the college which already sponsors a school. This will allow the successful characteristics of the sixth-form college to be retained while enabling cost efficiencies to be achieved.

It is proposed that the college should aim to academise by 1 March 2017.

- in terms of meeting current and future needs, academisation will retain the specialist A level provision and applied BTEC programmes and continue to support high level 2 achievement in English and maths for both young people and adults. The college has significant STEM provision which is key to future growth in priority sectors. Strong links with local universities will continue to be built on to ensure high levels of progression to level 4, with 70% already being first generation university entrants. The college will continue to work closely with employers on areas such as entry requirements, work experience and curriculum initiatives. Increased volumes of work experience opportunities with appropriate access to information advice and guidance will enable a greater number of students to progress into work and training through higher and degree apprenticeships. The college has expanded its provision to students with learning difficulties or disabilities and will maintain this offer as part of joint area planning to meet higher volumes of learners with special educational needs and disability and those with emotional and behavioural issues
- with regard to financial sustainability, the college is dependent on growth in learner numbers to ensure the benchmarks are met. The main savings would be generated through efficiencies and economies of scale as shared services (in areas such as finance, HR, IT, marketing) are developed across the trust, as well as the removal of VAT costs. Restructuring Facility would be sought if a VAT repayment was required on recent capital projects. The potential for a shared services arrangement with Wirral Metropolitan College has been assessed but is not considered to have the potential to generate sufficient savings to justify the reconfiguration. The 2 colleges will continue to collaborate on local planning and sharing best practice
- in respect of quality of provision, the college was assessed as good by Ofsted at its most recent inspection. Leaders and teachers across the MAT will share skills and provide mutual support and professional development to maintain and improve quality. Curriculum development and the offer will also benefit from input by different members as the trust grows
- the college's specialisms are in A level provision for 16-18 students. The college should continue to work with the local Director of Children's Services to help plan the levels of provision needed in future years. Both colleges within the Wirral have developed a complementary curriculum which avoids unhelpful duplication.

Carmel College

The college has concluded, after considering other options, that its preferred option is academisation within a SAT. If the application is not successful, or further information indicated that it would not be in the best interests of the college, the college would continue as a stand-alone sixth-form college. The Catholic Education Service continues to be in dialogue with the Department for Education regarding academisation.

- in terms of meeting current and future needs, around a third of students study STEM subjects which are key to future growth in priority sectors. Current collaboration with schools in the diocese to improve performance would remain viable if the financial benefits of academisation were realised. English for speakers of other languages and SEND provision can be grown further in response to demand. For all options, increases in SEND provision need to be incorporated into a joint SEND plan across the City Region.
- with regard to the financial position, the college has strong solvency but will need to make savings to ensure it achieves the benchmarks. Academisation would provide VAT savings. The college may be required to break a loan agreement which would incur additional costs for which Restructuring Facility support would be requested
- in respect of quality of provision, the college was rated outstanding by Ofsted at its most recent inspection in 2007
- the college's specialisms are in A level provision for 16-18 students. The college will continue to offer provision complementary to St Helens and Knowsley Colleges, but has stated that additional A level provision in the area may duplicate provision with no guarantee of improvement in outcomes. St Helens and Knowsley College have discussed re-introducing A level provision in Knowsley. Carmel College's assumptions on learner volumes will need to incorporate any changes to current levels of provision locally.

Knowsley Community College and St Helens College

Knowsley Community College and St Helens College to merge.

Following the completion of a Structure and Prospects Appraisal by each college, both decided that the other college was their preferred merger partner.

The merged college will have a single corporation, with an overall CEO, but each will retain their own local identity and branding, with local leadership from a principal and senior leadership team. A joint steering group is already working on the merger arrangements.

The colleges will merge under a model B arrangement with one college being dissolved into the other. The aim is to complete the merger in early 2017.

- in terms of meeting current and future needs, the merged college will improve options for expanding and broadening provision, whilst maintaining their local identity. It

would enable the employer offer to be strengthened beyond the 800 employers which the colleges work with already, including significant apprenticeship provision of over 2,000 apprentices which the new college plans to increase by 50% by 2020, including higher and degree apprenticeships. Commitments to increase apprenticeship volumes are welcome for all options and should reflect appropriate milestones as part of a City Region apprenticeship growth plan. The aim would also be to further develop the HE offer, and enhance progression opportunities. Initial consultations have indicated support from local stakeholders including employers and the LAs with whom they will continue to work with closely. The merged college could grow SEND provision and build on current initiatives such as the supported internship programme. The college would also consider offering A level provision and expanding HE in Knowsley

- with regard to financial sustainability, whilst operating performance, borrowing and solvency ratios are all below benchmark at first, all are planned to improve in the period up to 2019 to 2020. Economies of scale and improved efficiency would bring cost savings of over £1.2 million, sufficient to generate the benchmark surplus of 3% of annual turnover.
- in respect of quality of provision, Knowsley was graded requires improvement by Ofsted at its last inspection and St Helens was good. Outcomes improved at Knowsley in 2015 to 2016 and performance is strong in apprenticeships and engineering. The merger will provide opportunities to share best practice and enhance opportunities for staff. Both colleges face a challenge on English and maths (a common finding from the review) and this will be a priority for investment by the new college. Specialisms across the 2 colleges include STEM, health and social care, business and management, logistics, HE, employability programmes, high needs and specialist employer provision such as air cabin crew, all of which have the potential for development and expansion. Support for capital investment would enable more development of specialist facilities in Combined Authority priority areas.

City of Liverpool College

As the largest in the City Region, the college's preferred option is to continue to stand-alone and progress its 5 year development plan, taking further opportunities to improve efficiency.

The college put forward options for the establishment of an apprenticeship hub for the City Region as a whole and development of the shared services centre into a shared services model with other providers. While there was insufficient support from other colleges for these to be progressed within the review, the college remains open to discussions and ideas for taking them forward. The area review apprenticeships working group supports the expansion of the City Region's existing independent apprenticeship hub and incorporating independent brokerage of skills and apprenticeships within its services.

- in terms of meeting current and future needs, there will be a continued focus on the priority sectors of visitor economy, construction, STEM, digital skills and health and

social care. There are plans for growth in apprenticeships, for which they are already the largest provider in the City Region (over 11,000 apprentices across the group with a plan to double this by 2020), with 45% at level 3 or above. Sixty four percent of HE students already come from deprived areas and the college plan further development of progression routes to higher level skills. The college has strong relationships with the city council, employers (particularly through First4Skills) and other stakeholders. Provision for NEET, workless and SEND students will continue to be priorities. As part of the Combined Authority's area review meetings, local authorities called for collaborative planning with community learning providers to ensure access to skills for unemployed learners and those with low skills levels with more localised access points for learners. The college's SEND provision and plans will need to be reflected as part of a joint plan across the City Region to address needs and the accessibility of provision

- with regard to financial sustainability, the college delivered a deficit in 2015 to 2016 but plans to return a surplus in 2016 to 2017 with a significant increase in income and efficiency savings in non-pay costs. The shared services centre delivers around £1 million in savings per annum across the group
- in respect of quality of provision, the college's most recent judgement by Ofsted was requires improvement. However, success rates have improved over the last 3 years with further increases expected in 2015 to 2016, placing the college in the high quartile of performance for general further education colleges
- The college's specialisms include STEM for which it has secured funding to support the development of a new centre. The college has also bid for funding to support a new digital academy. Other specialist areas include IT and digital, refrigeration engineering, dental technician foundation degrees and a Royal Academy of Culinary Arts Specialist Chef programme.

Hugh Baird College, South Sefton College, Southport College and King George V Sixth Form College

Mergers of Hugh Baird College and South Sefton College, and Southport College and King George V Sixth Form College, leading to the creation of a single Sefton College.

The 4 colleges are proposing a two-stage merger, with the first stage addressing weak recruitment issues in the north and south of the borough of Sefton, and the second creating a sustainable structure for the long-term future.

Hugh Baird College and South Sefton College is planned to be a type B merger involving the transfer of property, rights and future liabilities of South Sefton (an LA maintained 16 to 18 school) to Hugh Baird College. The support of Sefton Council is critical to the success of this merger which is unique in bringing together a foundation school with a general further education college. Southport College and King George V College (KGV) is also planned to be a type B merger involving the transfer of the property, rights and liabilities of KGV to Southport and the subsequent dissolution of the KGV Corporation.

The second stage bringing together the 2 merged colleges is likely to involve the creation of a new governing board and a new management structure.

It is planned that the first stage mergers will be completed by August 2017 with the single Sefton College in place by August 2018.

- in terms of meeting current and future needs, a comprehensive transport strategy will be developed to enable access for all potential students in the borough, including a return bus route between Hugh Baird College and South Sefton College, aimed at increasing the numbers of school leavers choosing to study locally, rather than accessing provision outside Sefton. The focus on growing level 3 numbers will support growth in skills for priority sectors such as the visitor economy, engineering, IT and digital, and health and social care. A “Sefton offer” is planned for HE, providing local progression routes and increasing higher level skills in priority sectors, including development of higher level apprenticeships. Apprenticeships overall would be a target growth market for the new college, with the current Sefton-based colleges sharing less than 10%. There will be opportunities for Southport College and Hugh Baird College to share best practice in growing apprenticeships
- with regard to financial sustainability, solvency for the merged college should be strong, but while improving the group is not forecasting a surplus before 2020 to 2021, given the time required to build learner numbers. The Southport College/KGV merger is likely to need financial support to cover immediate operating deficits, as well as investment by Southport College in improved facilities. Only a small level of staffing reductions may be possible given the strategy to grow provision but there will be savings through shared procurement and service level agreements. There will be scope to develop these further when the Sefton College is launched in full
- in respect of quality of provision, all the colleges were graded good by Ofsted at the time of the review³³, apart from KGV which was graded as requires improvement. KGV’s quality improvement plan is built around 10 targets which include a focus on improving success rates in key areas. Quality improvement is seen as a key element in reducing the outward migration of students from Sefton
- specialisms will be developed further as a result of the 4 way merger, enabling the new college to meet key Liverpool City Region priorities, but successful growth is underpinned by the strategy to become high performing in A level provision.

Riverside College

Riverside College was formed in 2006 following the merger of Widnes and Runcorn Sixth Form College and Halton College to create a single college serving the borough of Halton,

³³ South Sefton College was re-inspected just after the review and was assessed as requires improvement

with centres in Kingsway and Halton. Following a review of options to merge or share services, the college has decided that remaining stand-alone is the most appropriate option going forward.

- in terms of meeting current and future needs, a significant proportion of students followed a STEM subject in 2014 to 2015 which is key to future growth in priority sectors. Apprenticeship provision has grown by almost 500 since 2010 to 2011 with a further 200 expected by 2019 to 2020 to bring the total to nearly 900. In HE provision, a further 3 foundation degrees are to be offered in partnership with Staffordshire University from 2016 to 2017. Staffordshire University have mapped many of their foundation degrees to higher and degree apprenticeships. Further growth is aimed in adult learner loan provision and bespoke courses for employers. Provision for young people with SEND needs has grown over recent years and the college has capacity for a further 50 places
- with regard to financial sustainability, the college has a strong balance sheet and all benchmarks are met. Current 16-18 recruitment is up on 2014 to 2015 by 324, 93 ahead of target. Growth of 35 students per year is forecast to 2019 to 2020. Growth is also planned in HE but further reductions are planned in the adult budget. Significant curriculum, staffing and other rationalisation took place from 2010 to 2011 which have strengthened the college's financial position
- in respect of quality of provision, the latest Ofsted inspection judged the college to be good. The college's quality improvement plan is aimed at achieving an outstanding rating by 2018 to 2019
- the college's specialisms are mainly in STEM and in support of this work has commenced on a £4.5 million IDEA (innovation, design, engineering, applications) centre at Cronton. The college is a leading provider of advanced manufacturing training and is working with a major employer in rail to develop new programmes.

Wirral Metropolitan College

With the growth in 16-18 provision achieved over the last 3 years, and a relatively stable financial position, the college is confident that it has a sustainable future as stand-alone. The college has also agreed a governance structure with the University of Chester to develop their partnership further.

- in terms of meeting current and future needs, the college will generate further growth and progression to higher level pathways, including apprenticeships, through the partnership with University of Chester. Growth in apprenticeship delivery will be built on and further partnerships will be developed with employers in response to local inward investment
- the college and Birkenhead Sixth Form College will continue to offer a complementary curriculum within Wirral and will be collaborating on a 14 to 19 strategy with the LA, with a focus on raising achievement in English and maths. The

college has increased its capacity to provide more specialist provision for high needs learners

- as regards financial sustainability, the college has a strong balance sheet and good solvency but the move into surplus is dependent on growth in overall income. Levels of debt are low and cash reserves are reasonable. The focus for future savings will be on improving the income to staff cost ratio. There may also be potential for development of shared services and facilities with the University of Chester
- in respect of quality of provision, the most recent Ofsted inspection outcome was requires improvement and the college is implementing its post-inspection action plan and has evidence of positive impact such as in apprenticeship success rates. English and maths achievement remains a particular challenge
- the college's specialisms are in construction and engineering and there is also a new health campus being developed in partnership with University of Chester.

Apprenticeship Growth Plan

The Combined Authority to commission an apprenticeships growth plan to drive forward targets for an expansion of the breadth and volume of apprenticeships.

National apprenticeships reforms, including the levy, require a strategic approach to ensure that the Liverpool City Region can maintain and grow its apprenticeship offer. The development of an apprenticeships growth plan will support this process and will ensure provision reflects changes in government funding priorities, future demands and the Liverpool City Region's contribution to national targets.

The Combined Authority will draw up proposals to work with employers, colleges and other providers to ensure there is a comprehensive apprenticeship offer that meets the needs of the City Region. As a contributor to the apprenticeships growth plan, general further education colleges will commit to grow their volume of apprenticeship starts up to degree level. This will include agreeing a set of targets within the growth plan, with the aspiration of achieving a 50% increase in starts by all colleges by 2019 to 2020. The exploitation of new markets in response to the levy will also be a feature of the plan.

To support the apprenticeships growth plan the Combined Authority will refocus the existing apprenticeships hub to take a more strategic and coherent approach to offering advice to employers on apprenticeship reforms, including utilisation of the new digital service, maximising levy spend and developing new standards.

Prospectus of advanced and higher level technical skills

Colleges to collaborate to develop a 2017 to 2018 prospectus of advanced and higher level technical skills to support employer and learner choice and to inform gaps in provision.

National policy reforms on apprenticeships, post-16 skills plan and the Higher Education White Paper will all influence the future options for specialisation.

Employer feedback suggests that having a single market place where employers can view the full range of higher level and technical skills provision available within the City Region, including pathways to degree level study, will help them become more informed consumers.

The development of the prospectus will be integrated within the Combined Authority's wider labour market information capacity building programme of work.

Sector-facing provision that meets employer needs

The Combined Authority to recognise and celebrate local excellence in sector-facing provision that meets employer needs and offers high quality pathway partnerships to learning.

College mergers as a result of this review may eventually lead to some rationalisation and specialisation of provision without further intervention. The Combined Authority will work in close partnership with colleges and providers to ensure the curriculum offer collectively meets the needs of Liverpool City Region learners and employers and that where excellence in servicing these groups exists it is easily recognisable.

This approach will support the Liverpool City Region growth strategy ambition for skills 'pathway partnerships' involving employers and providers for each of the priority sectors.

Longer term, recognised excellence in provision will be used to inform and shape the Combined Authority's approach to the commissioning of the adult education budget.

Institute of Technology

The Combined Authority to explore options for specialist Institutes of Technology in light of opportunities afforded by the Single Growth Strategy.

There is scope to build on existing sector strengths to provide greater collaboration in the specialist higher level curriculum areas, and potentially the opportunity for an Institute of Technology to complement the general FE colleges, sixth-form colleges and the newly converting 16-19 academies offer.

Sectors currently identified for consideration for any potential new specialist institution afforded by the Single Growth Strategy are: advanced manufacturing including rail maintenance, digital and creative skills; and the prospect of a Skills Factory concept at Daresbury and maritime and logistics to support international trade.

The Combined Authority will also consider specialisation through its skills capital investment programme.

Needs of SEND post-16 learners

The Combined Authority and colleges to collaborate to address the needs of SEND post-16 learners in the Liverpool City Region.

Three key strategic challenges relating to the provision of special educational needs and disability provision and other additional needs across the City Region have been identified. Firstly, ensuring there is sufficient provision of entry and level 1 learning for NEETs and unemployed adults with 'low level' additional needs that is accessible and delivered close to their homes. Secondly, ensuring those learners with additional support needs primarily related to their behaviour are being catered for, with FE colleges accessing additional support payments through EFA and SFA funding routes to support this, where available. Thirdly, ensuring those learners with more complex needs have the appropriate additional support, including from the commissioning authorities, or amendments made to their learning environment.

In support of this, Liverpool City Region local authorities will explore the development of a joint commissioning approach to SEND post-16 learning to seek to address variations in, for example, levels of funding for learning support costs and a more collaborative approach to travel arrangements as a way of addressing these challenges.

There will be a collaborative and integrated school and post-16 plan to ensure that routes are accessible, inclusive and sufficiently flexible to be adapted for individual needs. In particular, there is a need for joint work between FE Colleges, sixth-form colleges, the newly converting 16-19 academies and the Combined Authority to expand provision for an increasing cohort of learners within the City Region with social and emotional behavioural issues.

Aligned to this there is a clear need for more specialist provision (with dedicated specialist resources) within the existing FE college environment to support the progression of young people from special schools into a specialist FE setting. For example, this could include the provision of learning co-located within the FE college environment, delivered by staff from special schools and / or the feasibility of establishing new provision to directly address capacity issues.

The Combined Authority would support proposals of this nature through its skills capital investment programme.

Entry routes for learners with low level skills

General FE Colleges, Jobcentre Plus and community learning providers (including local authorities) to collaboratively plan to deliver more cohesive and accessible entry routes for learners with low level skills.

There is a need to widen access to and the availability of entry routes to learners with low level skills and re-engage learners to progress into further learning or work whilst supporting employer's needs to ensure labour demand meets supply. This includes confidence in mathematics, written and spoken English, digital and employability skills: these are transformational skills that can make a huge difference to the lives and employment prospects of Liverpool City Region residents and better collaboration across the provider base will help to secure better access and outcomes for learners and communities.

Additional lines of enquiry undertaken through the review process have detailed the need for action to address English and maths delivery and staffing continuous professional development (CPD) and recruitment.

Careers hub

The Combined Authority to establish a careers hub to bring cohesion and better alignment with growth opportunities to the provision of careers information.

Currently schools, colleges and training providers all have a statutory responsibility for delivering independent careers information, advice and guidance (IAG) to their learners. Ofsted have the role in ensuring that this duty is delivered in an effective way that supports the best interests of the learner in their next steps. The Careers and Enterprise Company, the National Careers Service and the DWP all fund national programmes, delivered by local partners, that aim to support schools in delivering careers IAG and enterprise duties. There are also a range of commercial providers in the market who are able to supply independent careers advice and guidance support to schools and colleges.

The feedback from stakeholders indicated a failure in the market in terms of the perceived impartiality of careers advice and guidance being provided and the quality and local relevance of materials being used.

The Combined Authority will in collaboration with stakeholders develop its capacity to co-ordinate the provision of local careers and labour market information within a careers hub model. This approach will help bring cohesion to the market place and a consistency to the offer. It will also promote the provision of a full range of post-16 pathways information (academic and technical) to enable young people and their parents to make informed choices about the most appropriate option from age 16 to enable them to fulfil their potential.

Additionally, the Combined Authority is keen to develop some pilot programmes with schools to support teacher CPD; these pilots will bring together industry workers with teachers to develop a series of lesson plans that can be used with students to bring everyday business practices into English, maths and IT learning.

Enhanced post-16 options

Liverpool City Region Directors of Children's Services and the Regional Schools Commissioner will work together to understand how the post-16 options available in the area can be enhanced, including in Knowsley following the closure of the sixth form at Halewood Academy. The impact of post-16 provision (including A level) on meeting the skills needs of the Liverpool City Region is currently affected negatively by gaps in the scope and breadth of academic study programmes offered across the post-16 sector and variations in the quality of the offer.

Strategic planning and oversight group

A strategic planning and oversight group chaired by the Combined Authority to monitor the delivery of the recommendations within this report to ensure that the needs of learners and employers remain at the forefront.

The Combined Authority will form an implementation group with stakeholders to provide strategic leadership and oversight to the implementation of the review recommendations, building on the partnerships created to date. This will strengthen the accountability of the general further education colleges, sixth-form colleges and the newly created 16 to 19 academies for the delivery of skills and education outcomes that meet the economic and social needs of the Liverpool City Region. It will also progress joint work with the Regional Schools Commissioner aligned to the recommendation on wider post-16 options.

The Combined Authority will through an annual planning cycle, and the development of local outcome agreements and delivery agreements with the Merseyside Colleges Association, ensure that the curriculum is planned and commissioned to meet the City Region's requirements and to avoid any unnecessary duplication and competition. This approach will require a stronger input from employers to articulate local labour market demand, current and future skills requirements to shape the curriculum plans. It also means employers collaborating with the general FE colleges, sixth-form colleges and newly converting 16 to 19 academies to embed work experience, technical education and innovative scholarship models to support technical and academic skills pathways from pre-16 education to post-16 training and into sustainable employment.

The Combined Authority will also ask for a commitment from individual corporation boards to commit fully to engage with student governors, representative bodies and individual learners on the implementation of proposals post area review.

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 the Combined Authority, 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:

- *strengthening the colleges' offer in priority sectors through increasing specialisation to meet the demand from employers for higher level technical skills*

the recognition of high quality pathway partnerships to learning for sector-facing provision that meets employer needs and the exploration of options for specialist Institutes of Technology to complement the current offer, supported if necessary by access to the skills capital investment fund, will encourage greater specialisation to meet the demands of employers

- *the need for improved planning of curriculum, in collaboration with the Combined Authority, to ensure colleges, local community learning providers and others are delivering the right balance and mix of provision in response to the needs of learners and businesses*

the formation of the strategic planning and oversight group, collaboration across all providers on the delivery of entry level (including English, maths and digital), lower level skills and employability provision will support this agenda. An annual dialogue with colleges underpinned by the development of local outcome agreements and delivery agreements with all colleges, community learning providers and others will support an efficient skills system that is responsive to the needs of the City Region's businesses and helps learners achieve their potential

- *delivering a more coherent, collaborative approach within the post-16 FE sector to meet the needs of the Liverpool City Region's special educational needs learners*

collaboration by local authorities and other stakeholders will help to strategically align the needs of the area bringing a more collaborative and integrated school and post-16 planning approach to delivery of SEND learning including potential new models of delivery

- *developing a more joined up approach to skills delivery across the City Region including entry level, employability and apprenticeships to support local residents into work and to progress in work*

the Combined Authority will through the strategic planning and oversight group bring together the needs of key stakeholders such as employers, Jobcentre Plus and community groups to ensure that all learning providers deliver a more integrated employment and skills offer to residents. This will include connecting more readily to local employers to support current and future skills requirements

- *widening the breadth of the apprenticeship offer by growing the colleges' market share and responding to government policy changes such as the introduction of the levy and new standards*

by developing an apprenticeships growth plan, the Combined Authority will be able to work strategically and collaboratively across the provider base towards an agreed set of actions and targets. This will include agreeing local delivery aspirations for colleges and other providers on apprenticeship delivery to ensure the City Region is well placed to respond to government policy changes such as the introduction of levy and new standards

- *achieving a step change in careers advice in schools, ensuring the full range of choices are sufficiently well described*

the development of the careers hub including supporting materials will help to improve the impartiality of the offer and bring closer alignment to employer needs

- *resolving the weak financial position of King George V College following a significant decline in student numbers, and seeking to ensure that all colleges in Liverpool City Region are on a strong, sustainable financial footing*

the merger between King George V College with Southport College in the first instance and moving towards a single Sefton College in the longer term will create a much larger institution that is more resilient to cohort changes and will benefit from economies of scale and other cost savings. Similar benefits will accrue to Hugh Baird College, South Sefton Sixth Form College, Knowsley Community College and St Helens College as a result of their mergers, bringing greater stability to the college infrastructure

- *providing opportunities for academisation of sixth-form colleges and the benefits that would accrue*

the recommendations for Carmel and Birkenhead Sixth Form colleges to convert to academies will enable them to take advantage of the benefits of this approach and to offer more dedicated support to partner schools in the area.

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 LEAs 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 the Liverpool City Region Combined Authority is expected to retain its focus on driving changes, and assessing how implementation of recommendations is contributing to local economic performance.

It has been agreed that the local strategic planning and oversight group will be established by the end of November 2016 and a plan of work will be developed to give oversight to the recommendations. This group will focus on the needs of learners and employers and ensure that new curriculum developments are collaboratively and appropriately planned.

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, LEAs, students and employers about how well colleges are responding to the challenges of helping address local skills gaps and shortages, and the education and training needs of individuals.



Department
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