



Department  
for Education

# **Surrey Area Review**

**Final report**

**November 2016**

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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 (FE) 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 Surrey area review covered the local authority area of Surrey, plus a college in Horsham, West Sussex. The Coast to Capital Local Enterprise Partnership and the Enterprise M3 Local Enterprise Partnership were involved, representing the needs of employers. The area is served by 6 sixth-form colleges, (Esher College, Godalming College, Reigate College, Strode's College, The College of Richard Collyer and Woking College) and 4 FE colleges (Brooklands College, East Surrey College, Guildford College and North East Surrey College of Technology (NESCOT)).

The local steering group was chaired by Peter Mucklow, the Sixth Form College Commissioner. The steering group met on five occasions between March and July 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 each Local Enterprise Partnership (LEP) and local authority, the Regional Schools Commissioner, and representatives from the former Department for Business Innovation and Skills (BIS), 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. JARDU also led on consultations with local stakeholders.

# The needs of the Surrey area

## Demographics and the economy

The Surrey area review covers the local authority area of Surrey, plus a small part of West Sussex focused around Horsham, which is just to the west of Crawley. The M25 runs through Surrey, train links are good and this is part of the London commuter belt.

Surrey is the second smallest shire county in the south-east. It covers 1,600km<sup>2</sup> (approximately 8.7% of the total area of the south-east region), but accounts for over 13% of the region's population. With a resident population of 1.1million, Surrey is the most densely populated and the third most populated county in the south-east region, after Kent and Hampshire<sup>1</sup>.

The area is illustrated on the map below:



The table below provides a snapshot of key demographic and economic data<sup>2</sup>, which has acted as a starting point for this review.

<sup>1</sup> [Office for National Statistics - Neighbourhood statistics](#)

<sup>2</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>Surrey</b>	<b>West Sussex</b>	<b>Great Britain</b>
Total population (2015)	1,168,800	836,300	63,258,400
Population aged 16 to 64	61.9%	59.5%	63.3%
% with higher education qualifications <sup>3</sup>	46.3%	38.5%	37.1%
Those formally qualified to level 2+	81.4%	76%	73.6%
Gross weekly pay £ of residents	£653.90	£552.70	£529.60
Gross weekly pay £ by workplace	£596.40	£520.90	£529
Out-of-work benefit claimants	0.6%	1.0%	1.9%
% of main benefit claimants	6.4%	8.6%	11.8%
Jobs density <sup>4</sup>	0.91	0.86	0.82
<b>Total workplace units:</b>			Average for the South-East
Micro <sup>5</sup>	84.9%	84.5%	84.8%

<sup>3</sup> Percentages relate to those aged 16 to 64

<sup>4</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-east as a whole is 0.85, which is slightly above the national average.

	Surrey	West Sussex	Great Britain
Small	12.6%	12.7%	12.3%
Medium	2.2%	2.4%	2.5%
Large	0.3%	0.4%	0.4%

The key points to note are:

- residents overall are qualified to a higher level than the England average and have higher earnings, significantly so in Surrey
- the review area overall has a higher density of jobs and businesses than England as a whole.

## Patterns of employment and future growth<sup>6</sup>

Surrey borders both London and the United Kingdom's two largest airports, Gatwick and Heathrow. The area attracts large multinational business to the area and, in addition, Surrey is home to over 60,000 small and medium enterprises (SMEs).

With total economic output of around £37.5bn Surrey was the largest economy in the south-east in 2014 (outside of London) and had a per head gross value added (GVA) in 2014 of over £32,000, which was 27% higher than the average for England. Access to global markets and high quality skills drives strong rates of economic growth compared with other parts of the United Kingdom. Surrey's economy is forecast to continue to grow faster than the United Kingdom average, with growth of 2.8% per year between 2015 and 2030.

Surrey has a strong knowledge based economy. Jobs are forecast to become increasingly skill intensive. Strong jobs growth is expected, particularly in construction, financial and business services, information and communications, accommodation and food services. A number of emerging highly technical sectors are also expected to help drive future growth.

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<sup>5</sup> 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).

<sup>6</sup> [A summary of information prepared by Surrey County Council from their economic assessment work](#)

Two Local Enterprise Partnerships (LEPs) operate in Surrey: Coast to Capital LEP and Enterprise M3 LEP, covering the East and West of Surrey respectively. Coast to Capital LEP also covers West Sussex, Brighton and Hove and Croydon, and Enterprise M3 LEP also covers much of Hampshire.

Particular areas of investment/development in Surrey and West Sussex that impact on the area covered in the Surrey review include:

- forecast job growth associated with Gatwick and Heathrow Airports such as the supply chain for Gatwick Diamond at Gatwick Airport, Manor Royal and Town Centre sites
- Crawley Borough Council skills strategy investment
- housing growth – and consequent impact on the construction sector
- new employment space north of Horsham; up to 4,000 jobs for skilled local workforce
- forecast growth in finance, business and professional jobs
- forecast growth in the digital skills economy and the specialist high level skills needed to support that
- expansion of the digital economy, in particular Guildford, with investment in 5G technologies and the gaming industry.

## LEP priorities<sup>7</sup>

For Coast to Capital and Enterprise M3 areas, the key sectors set out to the local steering group for the Surrey area review are:

- digital technologies/information economy
- professional and financial services - some of the United Kingdom's major financial and professional services companies are located in Surrey, including Allianz Insurance, Axa Insurance and WS Atkins. These employers require a range of skills relating to business, professional and financial services, and are supported in part by the University of Surrey and Royal Holloway University of London's high-ranking Business and Management Schools
- life sciences.

**Additionally, for Coast to Capital, other key/niche sectors are:**

- advanced manufacturing and engineering
- environmental technologies
- care - due to Surrey's increasing and ageing population, there will be an increase in demand for skills across the health and social care sector, ranging from high-level skilled professionals to elementary occupations

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<sup>7</sup> [Coast to Capital LEP Skills for Growth Strategy and Drivers of Future Skills Demand. Coast to Capital Skills strategy. Enterprise M3 strategic planning information](#)



- construction - housing developments are planned in Wisley, Surrey and Dunsfold, West Sussex
- visitor economy - focused on maximising the opportunities offered by Surrey as a destination for tourism and business, there will be in a demand for skills in hospitality, leisure and the visitor economy sector to facilitate anticipated growth.

**And for Enterprise M3, the other key/niche sectors are:**

- advanced aerospace and defence
- satellite technologies - there is a world-leading academic cluster in space and satellite technology, centred around the Surrey Space Centre at the University of Surrey, and the University College London Mullard Space Laboratory, near Dorking. The Surrey Space Centre's spin-out company, Surrey Satellite Technology Ltd, is the world's premier provider of small satellite missions
- 5G communications – there is a 5G Innovation Centre (5GIC), business test bed in Guildford, expected to generate 1,000 new jobs, 120 business start-ups, and support 300 businesses
- cyber security - Surrey has two academic Centres of Excellence in Cyber Security Research recognised by the United Kingdom Government Communications Headquarters (GCHQ) – the Information Security Group at Royal Holloway University of London, and the Surrey Centre for Cyber Security at the University of Surrey. Surrey also has a high concentration of cyber-security, including BAE Systems Applied Intelligence, CGI and Thales
- advanced materials and nano-technology - researchers in Surrey are developing next generation materials to enhance the performance of future nano-electronic devices
- aerospace - airport expansion to Heathrow would be expected to create 40,000 new jobs and 10,000 new apprenticeships, while expansion to Gatwick would be expected to create more than 22,000 airport related jobs by 2050
- advanced automotive - Surrey is home to a number of innovative companies in the advanced automotive sector, including McLaren, Frazer-Nash, Gordon Murray Design, Toyota HQ and Kia Motors UK Ltd. McLaren has a reputation at the forefront of British engineering and technology. The 500,000m<sup>2</sup> McLaren Technology Centre in Woking is the corporate and production headquarters of the group, and develops ground-breaking technical solutions in sport, medicine, bio-mechanics and entertainment
- photonics
- animal health - Surrey has significant strengths in the medical veterinary and life sciences sectors. World-leading companies include Novartis and Pfizer, and Centres of Excellence include the Pirbright Institute, focused on the research and surveillance of virus diseases in farm animals
- computer games/entertainment technologies.

Significant planned infrastructure development of the rail and transport networks will draw from several of these sectors.

For the area, the two LEPs identified the following skills issues:

**Digital skills:**

- Enterprise M3 has a focus on the digital economy, with 8,500 businesses contributing 7.4% of all Enterprise M3 jobs
- 23% of Enterprise M3's SMEs lack basic digital skills capacity
- there is an emphasis on the importance of digital skills within the workplace across all sectors of the local economy
- there is a demand for high level and technical digital skills to support knowledge based companies
- employers struggle to recruit specialists, rely substantially on expensive freelancers, and believe more local training provision would bring more young people into scope of employment opportunities.

**Science, Technology, Engineering and Mathematics (STEM) skills:**

- businesses identify a lack of STEM skills as a particular problem
- there are gaps in higher level skills, level 3 and above, gaps in provision at higher/degree apprenticeships, and the need for alternative higher level technical pathways
- there are higher than average skills gaps in priority sectors, constraining economic growth
- engineering and technician roles can be particularly difficult to fill.

**Management and leadership skills:**

- there are significant skills shortages among professional and associate professional roles which have the highest forecasted growth
- management skills are critical for strong economic performance
- staff management skills can directly impact on productivity.

**Apprenticeship vacancies:**

- Surrey and the surrounding area has a high number of regularly unfilled apprenticeship vacancies
- there is a lack of information, advice and guidance (IAG) supporting apprenticeships as a choice within schools and promoting the image of apprenticeships with parents.

## Other issues:

- there is a high level of skilled residents commuting out of the area and a relatively low graduate retention
- there is a relatively slow growth of the labour market compared to the rate of job creation
- workforce productivity must be increased to be in line with high-performing international competitors
- an ageing workforce.

Although Surrey residents are generally well qualified, Surrey has a significant skills gap. The 2013 UK Commission for Employment and Skills (UKCES) Employer Skills Survey<sup>8</sup> showed the Enterprise M3 area had the second highest incident of skills shortage vacancies of any LEP area: 30% compared to 22% across England, primarily due to shortage of technical, practical or job specific skills. Skills shortage vacancies make up 20% in the Coast to Capital region.

Employers have suggested that better careers guidance, combined with technical pathways would help address the skills gap in Surrey.

Both LEPs aim to ensure there is a mechanism in place to:

- stimulate the demand for skills by encouraging business ambition
- ensure skills provision meets the need of the area's businesses, focusing on its priority sectors
- ensure people make informed decisions about their learning and career choices.

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

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

- a responsive curriculum offer to meet changing business needs
- relevant and up to date training, using the latest technology and methods
- flexibility of training delivery methods
- transferable/soft skills embedded into the curriculum to ensure rounded, business ready individuals
- more highly skilled education leavers to support a knowledge-based economy
- a range of high quality provision, matched to areas of significant employment, such as finance, IT and construction

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<sup>8</sup> [UKCES Employer Skills Survey 2013 UK report](#)

- colleges to increase and develop provision to support high growth sectors, particularly through STEM skills
- an increase in the delivery of apprenticeships and other work focused programmes to meet the needs of the business and address the challenges employers face in recruiting and retaining high quality staff. Employers in Surrey have shown a strong interest in increasing apprenticeship opportunities, in particular high level apprentices
- high quality information, advice and guidance that is relevant to the local and wider jobs market
- colleges to plan ahead for demographic growth
- more local provision and pathways to employment for young people with special educational needs and disabilities (SEND).

As part of each area review there was engagement with students coordinated by the National Union of Students (NUS). Where the NUS submitted a report on the views of students these are available on [NUS connect](#).

## The quality and quantity of current provision

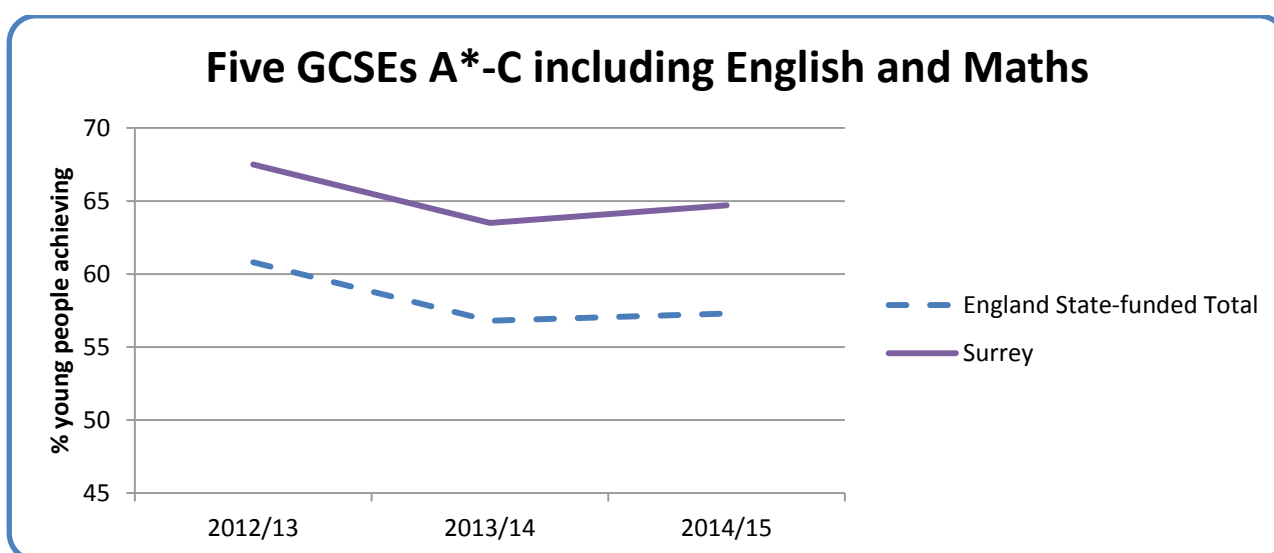
The steering group considered information provided by each local authority about population projections, focusing on the changes in the number and needs of young people aged 16+.

While the area is currently experiencing a demographic dip and this has impacted upon recruitment to institutions in the area, overall, there is projected to be growth in total numbers of 16 to 18 year olds in Surrey of 3,990 between September 2015 and 2025, which represents just under 10% of the 2015 cohort<sup>9</sup>. The Surrey County Council expectation is that the growth in year 12 learners over that period will be 2,631 across the county, with the largest growth being in Reigate and Banstead, Runnymede, Elmbridge and Woking. However, there is capacity in the system and potential for growth at a number of existing post-16 providers. Growth in secondary school numbers in the greater Horsham area is also predicted, but to a lesser degree, requiring 2,500 additional secondary places (age 11 to 18) to 2031<sup>10</sup>, with numbers of post-16 student unspecified.

However, the dip in numbers of young people over the period up to at least 2020 suggests that all post-16 providers will need to make a cautious local assessment of the potential for overall growth in provision during this period.

## Performance of schools at Key Stage 4

The recent trend in GCSE pass rates for 16 year old school pupils completing year 11 across Surrey local authority is illustrated below<sup>11</sup>.



<sup>9</sup> Surrey County Council schools planning projections - Source Surrey County Council

<sup>10</sup> West Sussex County Council schools place planning

<sup>11</sup> School Key Stage 4 results – see data annex. Local authority and total (state-funded sector) figures covering achievements in state-funded schools only.

Surrey has good attainment at key stage 4, for the 2014/15 academic year the percentage of Surrey pupils achieving 5+A\*-C including English and mathematics was 64.7%, compared to 57.1% nationally, a rise of 1.2 percentage points over 2013/14<sup>12</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 and 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.

There are currently 31 funded schools with sixth forms in the review area, including 12 local authority maintained and 19 academies. 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 1% in the 3 years 2013/14 to 2015/16 with a total of 7,407 young people funded in a mainstream sixth-form setting in 2015/16<sup>13</sup>. Substantial numbers of young people also travel in and out of the area for their sixth-form education, with key travel routes being into and out from the London boroughs of Croydon, Kingston and Richmond and from Hampshire. 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 sixth-forms in academies, there are 12 school sixth-forms in Surrey (including local authority maintained and academies but excluding special schools) that were funded below this figure in 2015/16.

Performance of school sixth-forms varies but is close to national averages overall. For 2014/15, Surrey's average point score was 768 and the England average for state schools was 764. For the same year, 76% of Surrey's students achieved 3 A levels (grades A to E) compared to 77% nationally. Separate Ofsted grades are not currently given for school sixth-forms, but the profile of grades for schools with sixth-forms in the review area shows that, with the exception of one school in Surrey and two in Crawley that are graded as requires improvement and two that have not been inspected, all schools are graded good or better.

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<sup>12</sup> In 2013/14, 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>13</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.

A new university technical college (UTC) will open in Guildford in 2018. It is co-sponsored by Guildford College, Royal Holloway (University of London) and CGI. Other employer partners include BAE Systems, Babcock International and Air Products. The UTC will specialise in computer science and engineering, with a focus on cyber security and there will be 720 places overall when at full capacity.

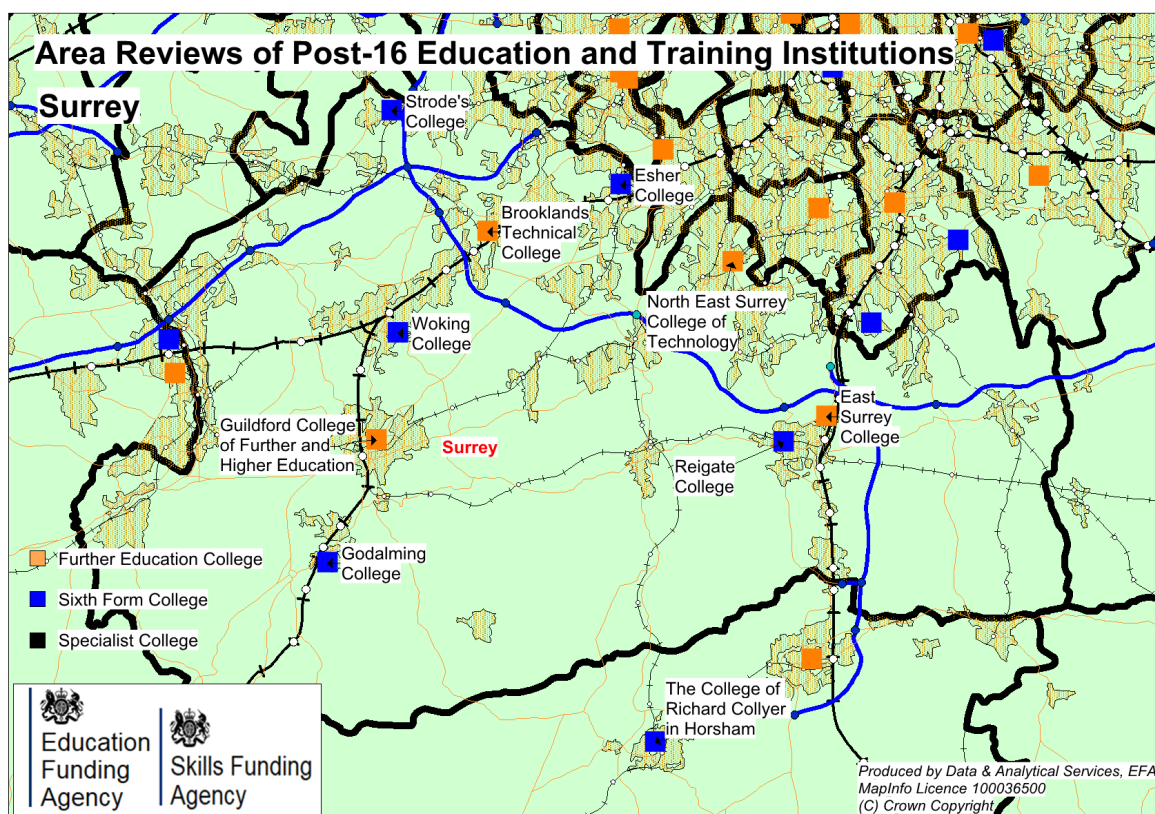
Schools were invited to express their views at an early stage in the area review, but response was limited to one from the Horsham secondary schools. They would like The College of Richard Collyer to offer a greater range of level 2 provision, particularly through curriculum progression pathways covering both academic and technical courses. They would also like The College of Richard Collyer to consider collaborative teaching partnerships in particular subject areas allowing their teachers some post 16 teaching experience.

## **The further education and sixth-form colleges**

Ten colleges (6 sixth-form colleges and 4 general further education colleges) participated in this review.

- Brooklands College
- East Surrey College
- Guildford College
- North East Surrey College of Technology (NESCOT)
- Esher College
- Godalming College
- Reigate College
- Strode's College
- The College of Richard Collyer
- Woking College.

The location of these 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 the respective commissioners. The advisers met with governors, senior managers and staff, and reviewed a wide range of documents and data relating to each college’s current range and quality of provision, their track record in attracting students, and their overall financial health. Through a data sharing protocol between members of the steering group, the information from each of these visits was shared with colleges and has informed the evidence base to the steering group for this review.

## The current offer in the colleges

The 4 general FE colleges in Surrey offer a broad range of technical provision across all sector subject areas, including foundation learning, maths and English, apprenticeships to 16 to 18 year olds and to adult students, and most have developed higher education at levels 4 and 5 in response to local demand. All these colleges offer technical courses in arts, media and creative subjects, health and social care, construction, engineering, sport and leisure, IT and business subjects.

The 6 Surrey sixth-form colleges offer a wide range of A levels (often 40+ subjects), and some offer a limited range of classroom-based technical courses to students in the age range 16 to 19 (for example, in business studies, health and social care or arts-based subjects). Most courses are based on students having achieved five GCSE’s at A\*-C or better at entry.



In addition:

- East Surrey College offers a range of specific qualifications for the airline/aeronautical industries (including foundation degree in aviation operations management written by the college and validated by University of Brighton; level 2 and 3 aviation operations; level 3 aeronautical engineering with pathways to HE; cabin crew – supply chain to airlines). The college is sited close to Gatwick and works closely with schools and employers based nearby
- East Surrey College incorporates the Reigate School of Art which offers a range of provision up to level 5 with specialisms in creative and digital media
- Guildford College offers a wide range of specialist land based courses at its Merrist Wood Campus. These include animal management, arboriculture and forestry, equine management, floristry, horticulture, landscaping, sports turf, and wildlife and conservation, in addition to public services and sport (sports studies, football, golf, rugby), and supported learning activities, including a number of higher education courses. Both Guildford College and NESCOL offer veterinary courses
- Guildford College has dedicated sixth-form provision at the Guildford campus in the A level academy as well as a dedicated sixth-form centre at Farnham, with a mix of A level and classroom-based technical courses, primarily for the 16 to 19 age group
- all colleges offer provision in creative and media subjects, which may include fine art, media and communication, photography, music, drama and dance, according to local demand. This is one of the most popular areas of provision across the area
- apprenticeships, primarily at intermediate and advanced levels, are offered by the 4 general FE colleges, with administration, engineering, construction trades, and land based trades most frequently represented. Brooklands College is the largest deliverer of apprenticeships in the area
- 3 of the sixth-form colleges (Strode's College, Woking College and The College of Richard Collyer) have small adult skills contracts.

## Competition

Growth in numbers of school sixth-forms both in Surrey and in South London has increased competition for young people and contributed in some instances to a decline in college enrolments and funded 16-18 student numbers<sup>14</sup>. This is a particular issue for Strode's College.

Student numbers at the general FE colleges have held steadier, with increases at East Surrey and Brooklands colleges, although Guildford has seen a sharp decline in funded 16-18 numbers over the past 3 years, partly as a result of a planned reduction in subcontracted activity. The general FE colleges have all experienced decline in Skills Funding Agency

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<sup>14</sup> EFA allocations – see data annex; 16-19 funding

allocations, although some have successfully built up alternative funding streams from commercial and international work.

Where colleges have experienced a reduction in demand, most have implemented savings to maintain financial health successfully.

## 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>15</sup>	EFA allocations (2015 to 16) <sup>16</sup>	SFA allocations (2015 to 16) <sup>17</sup>	Total college income <sup>18</sup>
Brooklands College	Good (December 2013)	£9.2m	£7.8m	£22,511,000
East Surrey College	Good (December 2014)	£9.3m	£2.4m	£16,222,000
Guildford College	Requires Improvement (June 2015)	£16.6m	£4.6m	£35,270,000
North East Surrey College of Technology (NESCOT)	Good (January 2016)	£8.9m	£4.8m	£26,848,000
Esher College	Outstanding (May 2008)	£8.9m	Nil	£9,468,000
Godalming College	Outstanding (May 2008)	£9.2m	Nil	£9,513,000
Reigate College	Outstanding (October 2008)	£10.4m	Nil	£11,152,000
Strode's College	Requires Improvement (March 2015)	£5.8m	£228k	£7,893,000

<sup>15</sup> Ofsted – see data annex: College inspection reports

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

<sup>17</sup> SFA allocations – see data annex: Adult funding

<sup>18</sup> College accounts academic year 2014 to 2015 data – see data annex: College accounts

The College of Richard Collyer	Outstanding (March 2008)	£7.3m	£147k	£8,818,000
Woking College	Good (April 2016)	£5.1m	£180k	£5,300,000

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. Guildford College is subject to a financial notice of concern issued by the Skills Funding Agency.

Generally, colleges in the review area are in good condition and have reasonable space and running cost efficiency. 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>19</sup>

Progression of young people to higher education across Surrey is higher than the average for the region at more than 39.3% based on the HEFCE progression data for 2005-2010. Progression rates for residents of West Sussex tend to be lower on average, at around 31.9%-34.9%.

The University of Surrey, University of the Creative Arts and Royal Holloway University of London offer the majority of HE provision in the area. The 4 FE colleges all have a portfolio of higher education, with well over 1000+ students between them. The main specialist areas for HE in FE are engineering and technology, business, subjects allied to medicine and land based programmes.

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

In 2015 to 2016, the EFA funded 831 post-16 places across Surrey in colleges, special schools and specialist post-16 institutions. Colleges (including The College of Richard Collyer) delivered 292 funded places between them. The colleges delivering the highest numbers of funded places are Guildford College, East Surrey College and Brooklands College.

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

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

In Surrey the number of children and young people with statutory plans increased by 7.5% between 2009 and 2015, which is significantly faster than the rise in the rate of demographic growth. There has also been a 50% rise since 2009 in the number of children and young people with statutory plans reporting their primary need as autism.

The number of Surrey students being placed in specialist post-16 institutions is rising sharply again: of the 115 young people placed in specialist post 16 institutions in 2015 to 2016, 71 young people were placed in education provision outside of the county, an increase of 20 placements. This comes after several years of reducing numbers, following Surrey's implementation of its Closer to Home strategy.

During the review, Surrey County Council expressed a need to develop more in-county provision to meet learner needs. While West Sussex County Council has seen an increase in the need for places, they did not express any particular requirements around the need for further high needs provision. The steering group acknowledged that structural changes taking place as a result of the review should not disadvantage post-16 students with SEN or high needs.

The National Deaf Children's Society (NDCS) provided a submission to the review outlining the needs of deaf students generally and highlighting the need to consider the impact of any changes in colleges structures on high needs provision and the learner experience.

## **Apprenticeships and apprenticeship providers**

The large majority of Surrey and West Sussex young people aged 16 to 18 continue in full time education currently, and participation in apprenticeships has remained broadly level over the past 3 years (2012 to 2013 to 2014 to 2015) at around 2,300 residents. The participation of adults in apprenticeships has also held steady at just over 8,000.

The 4 general FE colleges deliver apprenticeships, although the majority of those local residents on apprenticeships programmes appear to be accessing their learning via other routes, possibly through jobs in London.

In 2014 to 2015, 3,610 apprenticeships were delivered by colleges in the review area.<sup>21</sup> 6,210 apprenticeships were delivered by independent training providers, including larger national companies, based in the Surrey area.

Overall, the most popular frameworks are manufacturing technologies, building and construction and business administration. This pattern may change in 2017, with the introduction of the apprenticeship levy<sup>22</sup>.

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

<sup>22</sup> 'Apprenticeship levy and how it will work' on gov.uk

## Land based provision

Landex, the sector organisation that represents a significant number of colleges which deliver land based provision, prepared a report for area review 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.

Guildford College has a land based college campus at Merrist Wood and the largest areas of land based provision are animal care and horticulture and forestry, with significant numbers in both for classroom-based technical courses. While the college offers apprenticeships also, the numbers here are relatively low, 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 local authorities and LEPs set out their priorities that the local offer should:

- be responsive to meeting changing business needs and match significant employment areas. Increasing and developing provision to support high growth sectors, particularly through STEM skills
- be flexible and relevant, using latest technology and methods, embedding transferable/soft skills to ensure individuals are business ready
- increase the numbers and breadth of apprenticeships, specifically higher and degree apprenticeships, and other work focussed programmes to meet the needs of businesses and address challenges faced by employers recruiting and retaining staff
- provide high quality information advice and guidance that is relevant to the local and wider jobs market
- develop more local provision and pathways to employment for young people with SEND.

## The key areas for change

Taking the preceding points into account, the key issues in relation to this review, and deliberated during steering group meetings, are:

- the comparatively weak position of Guildford College and the need for further action to address issues of finance, quality and the estate and to build longer term resilience. The college has made significant progress in addressing its financial challenges since 2013 and has managed to open both a new animal management centre and a centre for learners with learning difficulties and disabilities at its Merrist Wood campus, but further work is required to put the college in a solid position that is sustainable in the long term
- the importance of expanding apprenticeships, and of developing more opportunities to progress to higher education
- the position of the 6 stand-alone sixth-form colleges, in the context of an overall decline in the 16 to 19 cohort, and increased competition from school sixth-forms, particularly on the London borders
- the financial challenges that have come from funding reductions and increasing cost pressures. While colleges have implemented savings to maintain financial health, there is a limit to which small colleges, in particular, are able to continue to do this without reducing the local offer

- Brooklands and Guildford College both have opportunities to make land disposals from which to reinvest in resources and much needed rebuild and maintenance of estate. The area review presented the opportunity to flag potential barriers to realising these opportunities
- the need to improve the quality of information advice and guidance to pupils in schools pre-16 to enable them to take advantage of the opportunities available in the local jobs market
- the need to increase the provision available for students with special educational and high needs within Surrey to support the aim of ensuring that learners have access to suitable provision nearer to their homes instead of travelling out of county to access learning.

## 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 (including mergers, federations and joint venture companies)
- specialisation. The 4 general FE colleges had already been considering how to work collaboratively on the development of both the apprenticeships and higher education agendas, with some discussion on areas of specialisation, including for SEN provision. Specialisation is particularly important to consider where capital costs are high, where there is too much similar provision, or where competing colleges are located in close proximity to each other. Concentration in one college can help build depth and scale, particularly where employers are seeking specialist training provision at higher levels
- sharing services. The potential for collaboration to reduce costs. This might mean traditional shared services where routine back transaction processes such as finance and MIS are undertaken centrally on behalf of a number of colleges. This concept also extends to joint procurement; sharing of staff, joint marketing or streamlining arrangements for information, advice and guidance. Three of the 4 general FE colleges are members of Shared Services in Surrey and Sussex Colleges (SISSC). The sixth-form colleges belong to the S7 Group which has worked collaboratively for some time
- the case for remaining stand-alone, where student numbers had increased despite growing competition, and underlying finances were sufficiently strong to withstand policy and funding changes
- 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.



# Criteria for evaluating options and use of sector benchmarks

## Evaluation criteria

In each area review, 4 nationally-agreed criteria are used for the process of evaluation. 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 evaluation of proposals, particularly options leading to major structural change, DfE has developed a set of sector 'quality and financial indicators' and related criteria.

Financial benchmarks relate to delivering annual operating surpluses of 3%-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 Annex F<sup>23</sup> of the area review guidance (revised March 2016).

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<sup>23</sup> Reviewing post-16 education and training institutions: updated guidance on area reviews Annex F, Pages 49-53

## Recommendations agreed by the steering group

Thirteen recommendations were agreed by the steering group at their meeting in May 2016. These were:

- the 4 general FE colleges to develop a collaborative working model to deliver shared services, apprenticeships and for higher education delivery
- the 4 general FE colleges to explore options for federation or other structural partnership. This will build on collaborative work around the curriculum to develop financial resilience
- Brooklands College to remain as a stand-alone general FE college but to explore options for partnership that will deliver greater financial resilience in the longer term
- East Surrey College to remain as a stand-alone FE college but to also explore options for partnership that will deliver greater financial resilience in the longer term
- North East Surrey College of Technology to remain as a stand-alone FE college but to also explore options for partnership that will deliver greater financial resilience in the longer term
- Guildford College to undertake a detailed options appraisal to determine the best partner and structures for a federation/merger
- Godalming College to apply for conversion to academy status
- Esher College to explore academisation
- Woking College to either remain as a sixth-form college or explore academisation
- Reigate College to form a multi-academy trust
- The College of Richard Collyer to remain as a stand-alone sixth-form college
- Strode's College to enter into a merger with East Berkshire College
- LEPs/LA to lead future work to:
  - facilitate wider discussions regarding curriculum rationalisation and specialisation
  - collaborate on the development of an area-wide approach to the delivery of an improved IAG offer
  - collaborate on the continuing development of provision for high needs learners
  - ensure a continued link between curriculum planning and the local economy
  - strengthen the links between decisions about devolved authority/LEP local growth and capital funding, European revenue streams and adult skills funding and implementation of area review recommendations
  - facilitate combined authority and LEP involvement in establishing apprenticeship training agencies or other forms of apprenticeship companies to ensure coherence with local need and encourage involvement of employers who are new to apprenticeships.

Each of these options is now outlined in more detail:

## General further education colleges collaborative working

The 4 general FE colleges to develop a collaborative working model to deliver shared services, apprenticeships and higher education delivery.

**Shared services:** Brooklands College, East Surrey College, Guildford College and North East Surrey College of Technology propose to work collaboratively to plan and deliver provision to meet local need, with an emphasis on curriculum planning to avoid duplication and play to individual college specialisms, presenting a coordinated offer and managing costs. This will need to:

- deliver significant savings for the colleges
- support the expansion of effective apprenticeships delivery and assessment – taking into account the apprenticeship reform programme
- provide an effective employer engagement model
- support the development of progression routes to higher level technical skills that will meet local skills needs.

Three of the colleges are already involved in SISSC, a cooperation of Surrey and Sussex colleges in developing shared services. The next step is to assess long-term potential and viability of shared services.

**Apprenticeships:** Collaboration on apprenticeships will:

- grow Surrey general FE college market share of apprenticeship delivery in Surrey and the south-east
- raise the profile of apprenticeships as an exciting and high-status career pathway
- build on the colleges' existing strengths in ICT, digital media, gaming, aerospace, engineering, construction and other STEM areas, to work collaboratively to develop more high/degree level apprenticeships aligned to skills priorities for example digital technologies, STEM, management and leadership
- build a strong, innovative and agile employer-facing apprenticeship business proposition that capitalises on the colleges' strengths as high quality, reliable and long-standing partners of Surrey employers.

**Higher Education:** Between the 4 colleges, they currently deliver higher education programmes to over 1,000 students each year, mainly for large, local employers.

East Surrey and Guildford Colleges already share a Head of Higher Education which is proving productive in terms of cost savings/oversight for growth/rationalisation of provision. HE leads under the direction of the 4 college principals have agreed the following:

- a mapping exercise of existing portfolio of courses informing gaps/duplication and agreement on actions to develop or to mitigate
- mapping of partnership agreements with higher education institutions (HEIs)

- assessment of the combined offer against LEP and local priorities and employer demand for higher level skills
- development of a joint HE prospectus for 2017 to 2018 entry
- early development of collaborative promotional material and activity and a sub-brand for Surrey College Higher Education
- agreement to establish an annual undergraduate/scholarly conference (Spring 2017).
- joint HE CPD to continually raise standards
- engagement of staff across colleges to develop scholarly activity
- agreement to share data to facilitate consortium bidding for student opportunity and other funding
- agreement to bid jointly for funding to develop degree apprenticeships in partnership with HEIs
- exploration of potential for a combined outreach team to increase recruitment and engagement of employers.

The next steps include plans to explore the development of a federated model to deliver a coherent and coordinated curriculum across Surrey and develop degree apprenticeships as part of the offer and possibly leading, in the future, to the formal establishment of a technical university college for Surrey with degree awarding powers. The colleges see this as an opportunity to work closely with the LEPs to ensure that provision continued to match emerging needs. An essential part of feasibility work would be exploration of growth potential. There is a four-fold aim for financial benefits: growth, economies of scale, greater bidding power, and cost savings/rationalisation.

The colleges will also work collaboratively with Surrey County Council on the development of SEN provision to meet the requirements for learners with additional needs.

## **General further education colleges federation**

The 4 general FE colleges to explore options for federation or other structural partnership. This will build on collaborative work around the curriculum to develop financial resilience.

Although the 4 general FE colleges have already started work to collaborate in a number of areas, they need to develop a plan to extend this work and look at models of federation or other partnership for the future that will deliver greater efficiencies.

## **Brooklands College**

Brooklands College to remain as a stand-alone FE college but to explore options for partnership that will deliver greater financial resilience in the longer term.

While the college meets most of the financial benchmarks, the need to develop the college estate will put continued and longer term pressure on finances, so they will explore whether

a closer degree of partnership with another college or colleges might deliver a swifter trajectory towards achieving their objectives.

The college has a good Ofsted rating and delivers consistently high success rates for students, apprentices and employers.

The college will:

- continue to look at further efficiencies including staffing; developing more flexible models of delivery including on-line learning; increasing apprenticeships delivery; and curriculum specialisation. The latter will include both growth of specialist STEM provision including space engineering as well as discussions with Guilford College around rationalisation of some areas of delivery including motor vehicle. In order to deliver the space programme the college has submitted a bid to the Enterprise M3 LEP
- continue to develop both its shared systems (finance and HR) as part of SSSC collaboration and further develop the collaboration model, exploring the benefits of federation with the other Surrey colleges, and possible partnership working outside of Surrey. This will create opportunities for identifying efficiencies, cost savings and improved ways of working
- work with the local authority to deliver more provision for young people with SEND and to develop a model of best practice for information, advice and guidance in schools
- explore land sale options, looking at developing a different model to address the needs of the infrastructure on the Weybridge Campus, whilst addressing the needs of the community.

## East Surrey College

East Surrey College to remain as a stand-alone FE college but to also explore options for partnership that will deliver greater financial resilience in the longer term.

The college will continue to embed the collaborations already identified with the other 3 general FE colleges and will assess the potential for greater collaboration to secure further sustained growth aligned with cost reductions where this is feasible. The college will continue to work with schools, Coast to Capital LEP, Gatwick Diamond Initiative, GFE South, Sussex Learning Network, Surrey County Council, borough councils and other key partners. It will also continue to expand its relationships with employers and community partners to identify and support their needs.

- proximity to Gatwick provides the college with significant opportunities for further growth to meet local employer needs. Growth in apprenticeships has been significant in the past year, mainly linked to the STEM agenda and there is potential for this trend to continue. Numbers of funded 16 to 18 year olds in classroom-based learning are also growing

- the college is in a good financial position currently and meets most of the financial benchmarks
- the college has a good Ofsted rating and will continue to develop its higher education provision and expand specialist provision where this meets the needs of the LEP and employers. Success rates are high and continuing to improve
- the college has a high quality estate that is fit for purpose.

## **North East Surrey College of Technology (NESCOT)**

North East Surrey College of Technology (NESCOT) to remain as a stand-alone FE college but to also explore options for partnership that will deliver greater financial resilience in the longer term.

The college curriculum is wholly technical with the highest proportion of 16 to 18 learners studying at level 3. There has been rapid growth in apprenticeships and this is a key priority for further growth. The Surrey general FE collaboration will also stimulate increased participation in apprenticeships, including higher apprenticeships. The college's curriculum meets the priorities of Coast to Capital LEP in a number of areas. One of the key strengths of the college is the curriculum in computing and digital media. Employers from these industries are heavily involved in advising on curriculum design.

The college has a good Ofsted rating and success rates that are consistently above the national averages.

NESCOT is in a strong financial position and has a high quality estate.

## **Guildford College**

Guildford College to undertake a detailed options appraisal to determine the best partner and structures for a federation/merger with an outcome expected in September 2016.

Guildford College has three main focuses: improving quality, building financial resilience and ensuring they have the ability to develop and improve the areas of the estate that are in poor condition. They have determined that although they could stand alone in the longer term that would not be in the best interests of students and would not support achieving their aims quickly. They have therefore determined that finding a suitable partner is the best option.

- Guildford College has a Notice of Concern from the SFA currently for both financial health and financial controls. The financial situation is improving, but the need to invest in the estate will continue to put pressure on the college and, although they have land to sell, this will not present a speedy resolution

- the college has a requires improvement rating from Ofsted currently. There is also a Notice of Concern for Minimum Standards (Apprenticeships), which will be in place until SFA review the 2015 to 2016 success rates (spring 2017)
- there are a number of possible federation / merger partners and the best options needs to be determined. As part of this work they will also undertake discussions with Godalming College and other similar institutions to develop, grow and expand the opportunities for students undertaking sixth-form provision in the Farnham area, and to ensure that this remains of high quality and is economically sustainable.

## Godalming College

Godalming College to apply for conversion to academy status.

This will aim to secure financial sustainability in the longer term and to improve educational provision by building partnerships with schools and colleges to benefit learners and support progression.

- Godalming College has already made an expression of interest to become an academy. It has a well-established partnership with five 11-16 feeder schools in the local Waverley area: Broadwater, Gosden House, Glebelands, Rodborough, and Woolmer Hill. This is known as Waverley Federation Limited
- the college currently has an outstanding rating from Ofsted
- the college currently falls short of meeting financial benchmarks and will set out plans to secure savings and efficiencies in its application for academy conversion
- while the college has a preference for a single academy trust model, as part of the academy conversion application process, it will need to demonstrate both financial resilience and the degree to which it can bring added value to the local area through partnership working with other schools.

## Esher College

Esher College to explore academisation.

This will aim to secure financial sustainability in the longer term and to improve educational provision by building partnerships with schools and colleges to benefit learners and support progression.

- Esher College will continue to deliver as broad a curriculum offer as possible, focused on academic A levels. STEM remains central to the curriculum offer, with well over 50% of the student body studying STEM subjects and a specialist programme of advice and guidance is already available to students aiming to progress to medicine, dentistry and veterinary science. The college will ensure that apprenticeship and other options continue to form part of admissions advice and

guidance and that, where appropriate, alternative pathways are explored at enrolment

- the college currently has an outstanding rating from Ofsted
- the college currently falls short of meeting financial benchmarks and will set out plans to secure savings and efficiencies in its application for academy conversion
- while the college has a preference for a single academy trust model, as part of the academy conversion application process, it will need to demonstrate both financial resilience and the degree to which it can bring added value to the local area through partnership working with other schools.

## Woking College

Woking College to either remain as a sixth-form college or explore academisation.

This will aim to secure financial sustainability in the longer term and to improve educational provision by building partnerships with schools and colleges to benefit learners and support progression.

- Woking College currently has a good rating from Ofsted
- the college currently falls short of meeting financial benchmarks and will set out plans to secure savings and efficiencies in its application for academy conversion. The requirement for investment in the college's estates presents further financial challenge for the college
- while the college has a preference for a single academy trust model, it will need to demonstrate both financial resilience and the degree to which it can bring added value to the local area through partnership working with other schools.

## Reigate College

Reigate College to form a multi-academy trust.

This will aim to secure financial sustainability in the longer term and to improve educational provision by building partnerships with schools and colleges to benefit learners and support progression.

- in 2013 a hard federation was established whereby Reigate College took strategic and operational control of Coulsdon College. The long term aim of this federation has been to merge the two colleges once the financial and quality position for Coulsdon reached the right stage, but Reigate College is also working with local schools on the potential formation of a multi-academy trust
- Reigate College currently has an outstanding rating from Ofsted
- the college currently falls short of meeting financial benchmarks and will set out plans to secure savings and efficiencies in its application for academy conversion.



## The College of Richard Collyer

The College of Richard Collyer to remain as a stand-alone sixth-form college.

The college will continue to deliver post-16 education for Horsham, mainly at level 3, through A level qualifications. The college intends to maintain a broad curriculum offer and excellent quality of teaching and learning and facilities, drawing learners from the surrounding area. The curriculum offer will necessarily change and adapt to changes to GCSEs and A levels and student progression aims. For example, the college is already looking at introducing courses relating to media and digital technologies, a LEP priority.

- The College of Richard Collyer will continue to work closely with the 3 local 11-16 schools on supporting 11-16 students on their courses, transition for students at 16 and shared CPD for staff, including work shadowing at The College of Richard Collyer. The College of Richard Collyer and the 11-16 schools in Horsham wish to work collaboratively and supportively with the new 11-16 free school planned for North Horsham in 2020
- the college currently has an outstanding Ofsted rating
- this is a college with steady and increasing funded student numbers and a history of strong financial performance and quality. It meets financial benchmarks and is expected to be able to maintain stand-alone sixth-form college status in the longer term.

## Strode's College

Strode's College to enter into a merger with East Berkshire College.

The merged college would provide the development under the sixth-form college brand of a stronger, high quality A level offer (with combined BTEC pathways) across both Egham and Windsor, with specialisms in creative and STEM areas and the ability for students to progress to level 6 HE provision through alternate college routes. Efficiencies and planned savings will be gained through the merger.

The East Berkshire College (EBC) Langley Campus, with its plan to focus on building the pathways from levels 1 and 2 into higher level technical skills aims, will be highly focused on responding to the needs of the local employment market and LEP agenda and will be able to establish a critical mass in this and the apprenticeships agenda.

- Strode's College currently has a requires improvement Ofsted rating. East Berkshire College has a good Ofsted rating. The colleges would develop a combined high quality A-level sixth-form college brand that is separate to the EBC technical offer, but will still offer students alternative pathways
- Strode's College has experienced a significant fall in 16-18 funded student numbers which may impact on its ability to maintain a broad curriculum if it stands alone in the longer term

- based on the financial information available at the time of the area review, this is a feasible option that has a sound educational rationale and can create a sustainable college, although there is some work to do pre-merger on aligning financial forecasts and setting out cost savings to accelerate improvements and movement towards financial benchmarks. A longer term combined plan is currently being developed and the colleges have a comprehensive project plan in place
- the 2 colleges commissioned a feasibility study on possible collaborative models that was considered by both corporations and this will contribute additional information on both the educational case and financial savings. The feasibility study identified a merger between the 2 colleges as the best option.

## **Future work for LA and LEPs**

Surrey County Council and the Surrey Employment and Skills Board are currently working with key stakeholders to develop a strategy for engaging employers and using employment information more effectively in the delivery of IAG and the development of the curriculum. This will interface with the Careers Enterprise Company and impact on the quality of information and advice available to students.

## 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 learners and employers for the long term.

Throughout the review, colleges have worked closely with their LEPs, local authorities and the review team, sharing detailed information about their performance and processes. Each 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:

- collaboration on the development of an area-wide approach to the delivery of an improved IAG offer. The colleges have committed to working with the local authority and LEP on the development of its IAG strategy to generate high quality information, advice and guidance that is relevant to the local and wider jobs market and embed this within local guidance services in schools and colleges
- growing and improving both the breadth and sustainability of the local higher education and apprenticeships offer through the collaborative working of the 4 general FE colleges
- the 4 general FE colleges have also committed to working with the local authority on the development of the capacity for specialist high needs provision and this work has already started, with projects such as a new centre at the Guildford College Merrist Wood campus
- improved financial sustainability through cost savings identified as a result of collaborative working between general FE colleges and between sixth-form colleges and partner schools, with the potential to achieve more significant savings through shared services and a general FE federated model in the future
- academisation has the potential to reduce non-pay expenditure in the Surrey colleges, should governors, following further feasibility work, decide that conversion is the preferred route to pursue. Through that route, or as stand-alone sixth-form colleges, there will be benefits realised from the partnerships, the local and wider employment market, as well as for higher education.

## 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 how progress is going 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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