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Manchester's Further Education Review

Report on examination of options for structural change at the two colleges of further education arising from Adrian Perry's report ('The Review') of August 2006

for the Greater Manchester Learning and Skills
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Contents

Executive Summary

1. The problems to be solved
2. The relevance of the findings
3. Quality
4. Finance
5. The mission for FE colleges
6. Analysis of options against success criteria
7. The options considered against success criteria
8. Conclusions and recommendations

Appendices

1. Specification for further work
2. Work undertaken for this report
3. Financial ratios
4. The options considered against success criteria:
tabular presentation

Executive Summary

This study builds upon an analysis of the facts that:

- There is agreement that the Manchester Further Education Review ('The Review') was right about the issues that need to be tackled with regard to further education in the City of Manchester, though not necessarily agreement about their relative importance;
- It is agreed that the status quo is not an option; and
- It follows that some form of reorganisation is necessary.

There was also a clear view from all parties that form should follow function. In other words, the structure after reorganisation should be effective in achieving agreed outcomes, rather than outcomes being determined by an agreed structure.

We therefore identified a list of such outcomes, and used them as 'success indicators' against which to judge the fitness for purpose of various forms of reorganisation. These are set out in detail in the report, as is the evaluation of the options on reorganisation. We also undertook new analysis around quality and finance in both colleges.

Only two of the reorganisation options considered in the Review had any support and we therefore focused on those options. They are the creation of a single college for the city and a split of responsibility on a geographical basis. We added a third option, considering the possibility of two new colleges. This allowed us to examine a reorganisation around regional and national activity, as well as one that primarily served the needs of the city and its citizens.

This approach enabled us to re-examine the evidence which lay behind the Review from a different angle. From this analysis, we concluded:

- Any option other than the status quo (which nobody wants) involves significant reorganisation, change and risk. This being the case, a very important consideration must be that the new arrangements are sustainable.
- Any reorganisation requires, and must relate to, a common strategic framework for further education in the city. There must be strong links with the local authority, in order to ensure links with schools. This would also contribute to the authority's plans for economic regeneration and ensure a coordinated approach to the most disadvantaged areas of the city. Meeting the needs of the City of Manchester and its citizens will not be the only aim of the new arrangements, but it certainly is a primary and a necessary one.
- The option for two colleges with changed remits would only be sustainable if there was a body responsible, not solely for creating the new

arrangements, but also for keeping them under review as circumstances change. This body would require an ongoing existence and some executive authority.

- The option of a new single college would be most likely to meet the success indicators, to most effectively meet these strategic requirements and to offer the most sustainable way forward.

We judge that a single board of governors should have strategic oversight of all the work currently undertaken by both existing FE colleges. We believe that a new, single college structure would need to be created under this board. It is unlikely that the existing, excellent practice in both colleges would be protected by:

- Simply scaling up the structures of one of the current colleges.
- Having a simplistic amalgam of both structures.
- Copying mergers from elsewhere that were on a different scale and that derived from different circumstances.

This is a considerable challenge, but one with exciting potential.

In this, we came to very similar conclusions to those described in the original Review. We would like to emphasise the following comments on these conclusions.

- a. It will be important to talk in terms of creating a single new college, rather than merging the two existing colleges. External support in identifying and evaluating suitable federal structures may be required.
- b. To be effective, those involved in the exercise must develop a shared set of educational priorities. We hope that our 'success indicators' can serve as a starting point.
- c. While this process is taking place, some urgent problems must not be neglected. These include planning for the future of the Abraham Moss Centre and for provision in the Wythenshawe Area. Indeed, we believe that, handled correctly, addressing these problems could help establish and test the wider strategic and delivery framework.

Our terms of reference are set out in Appendix one.

We would like to acknowledge all the help we have received from senior staff and chairs of governors at both colleges, from the LSC and from Manchester City Council. We also had the benefit of all the detailed records of interviews and data collected by Adrian Perry as part of the original Review.

Tom Jupp and Geoff Stanton
6 February 2007

1. The problems to be solved

What are the problems to be solved?

The main findings of Manchester's Further Education Review and the colleges' reactions to them

In general, both colleges agree with the analysis contained in the Review, insofar as it describes the problems that both agree need to be addressed. They consider it well based on evidence. This is also the view of the two other major stakeholders, the Greater Manchester Learning and Skills Council (the LSC) and the city council.

One caveat is that City College Manchester (CCM) has reservations about the findings concerning 'clumsy' employer links and the suggestion that the current configuration of the colleges is not well understood by local companies. We agree that this finding is less well evidenced than others.

The main findings are spread over six pages and fifteen paragraphs of the Review. The following is a very brief summary of the seven major points which have most bearing on the Review's recommendations on the reorganisation options for the colleges.

- **Geographic incoherence:** No catchment areas are defined and there is a lot of competition, with too much provision in some areas and too little in others.
- **Curriculum mix:** 'This overlaps and duplicates across the city' without regard to clarity of choice for learners, to the way guidance is to be provided, or to relative quality.
- **Strategy vacuum:** There is no integrated planning system for the city, as had been recommended by the 14 to 19 area-wide inspection in 2002.
- **16 to 19 education and training:** The Review suggests that 'Young people are entitled to expect a coherent city-wide approach', and notes that this is missing. The two colleges have different approaches to how provision can be expanded and participation widened at levels 1 and 2.

- **Adult and community learning:** There is a lack of joint planning and differentiated roles between the colleges and Manchester Adult Education Service (MAES).
- **Capital decisions:** CCM is keen to move ahead with its accommodation strategy. It is, however, difficult to take soundly-based decisions for the city as a whole, given the weaknesses above.
- **Lack of focused strategy to widen participation in disadvantaged areas:** 'A marriage of capital decisions with targeted work by all partners' is needed.

Whilst the two colleges agree with these findings, they give different weight to their relative importance, and have strongly held and different views on the best response to them. Manchester College of Arts and Technology (MANCAT) agrees with the review that a merger is the best way forward, and would like to see rapid progress towards this. CCM does not believe that the case for merger has been completely made, and considers that other options were not given full consideration.

In particular, CCM argues that the option of a geographical division of responsibilities has more going for it than the Review recognised. It argues that allocating clear geographical responsibilities could remove some tensions and enhance collaboration, whilst at the same time being much less risky and costly than a merger. The Review quotes an argument that was strongly put in the steering committee and that went a little further. It could 'provide a low-risk half-way house to a possible later merger'.

CCM also thought that the evaluation of options had neglected the effect on provision outside the 14 to 19 phase. Although CCM favoured a geographical option from the outset – it was argued for in papers relating to their property strategy as early as February 2006 – the Principal and Chair of Governors emphasised to us that they were not, at this stage, implacably for this option or against a merger. Rather, they thought that the Review had concluded prematurely that a merger was the best option, without a complete analysis of the balance between 'pain and gain', and without a clear statement of what the indicators of success should be.

On the other hand, as soon as the Review was announced, the Principal of MANCAT stated that he was not only in favour of a merger, but that this was the only acceptable option for MANCAT. He was strongly opposed to a geographical division of responsibilities. He has not changed his position as a result of the Review. It should be noted, however, that although his support for merger is strong, it is not unconditional. He has stated that it:

“...needs to be very carefully negotiated and thought through”

and that:

“Any changes should in no way prejudice, but rather should embed and further develop the advances we have made in serving our communities as a result of:

- our segmentation policy;
- our following of the city’s district model for schools, including 14 to 19 provision;
- the social benefits that have accrued from our work around Skills for Life, level 2 and 3 entitlement and access to HE; [and]
- our outstanding provision in many of the Skills Sectors, including four CoVEs and the MNTI.”

The colleges do agree on some issues. Both colleges believe that a division of responsibilities based on curricular specialisms is not workable. Both doubt that the problems identified could be solved by ongoing and stronger intervention from the LSC and / or the Local Authority.

Although the Review describes the geographical option as ‘one of the more attractive options’, it is, on balance, rejected because of serious doubts about its workability and sustainability. Instead, the Review advocates the creation of ‘a coherent single institution’. It suggests that this could either be ‘a unified college with a single identity’ or ‘a federal college with a single board of governors’ but with component parts having distinct identities. The latter option is the one most favoured. It is clear that such distinct identities already exist within the existing colleges, and are valuable in providing different approaches for different client groups.

The review also says that:

“Whatever happens, it is important that a new college is created, with a fresh, unified feel, not a takeover of one by the other.”

and that:

“We need to value the distinctive strengths that each partner brings, and spend as much time on what the new college will do as to how it will be organised and led.”

We quote this here because our own analysis highlighted its importance.

We re-examined all the options contained in the Review, in the light of the colleges’ views. We paid special attention to the risks and advantages of the single-college and geographical options and to the effects both might have on different kinds of provision. In addition, and in order to clarify our thinking, we considered an option not discussed in the Review. This option was the creation of two new colleges, with one focused primarily on city-based provision, and the other focusing more on regional and national provision. We say more about these options later in this report.

2. The relevance of the findings

The relevance of the Review's findings to the reorganisation proposals, particularly in relation to 14 – 19 provision

There have been a number of mergers and reorganisations in major metropolitan areas, in order to overcome similar problems of strategic planning, incoherence and reaching disadvantaged areas to those described in the Review. Research conducted into college mergers by the University of Warwick¹ stresses the importance to the success of reorganisations of having such strategic and curricular reasons for change.

The problems outlined in the review, however, impact in variable ways on different aspects of the two colleges' work. For example, specialist vocational work in both colleges serves the wider region as well as the city, and MANCAT produces learning materials which are marketed to the whole country. CCM undertakes national work in offender education, a contract as large as the rest of the college's other activities in financial terms. These are relatively unaffected by the weaknesses summarised in Section 1.

It is usual for a college to have a defined geographical base, but it is not unusual for the majority of learners to be drawn from a wider area. If a college's local community is not well served, however, the consequences can undermine everything else. These weaknesses clearly affect access and opportunity for young people and adults in the city. They also make strategic capital and development planning very difficult for the city as a whole, within the context of economic regeneration plans. In particular, their impact is felt most sharply on planning for widening participation and raising achievement amongst 14 to 19 year olds. This, of course, is the LSC's highest priority for the use of its funds.

There are several reasons for this:

- The local authority area is the planning unit. The city council has a leading role with the LSC in facilitating coherent and collaborative process between all providers. This may be strengthened by the Lyons review.
- The new vocational diplomas require collaboration between all providers within the local authority.
- The planning of Building Schools for the Future has to take account of the whole 14 to 19 system in the area.
- The City of Manchester plans to put a programme of new academies at the heart of its secondary education system, and wants this to be linked to a city-wide further education system.

Current government policy requires planning and managed collaboration for 14 to 19 provision. The scale of 16 to 19 provision for young city residents within the two FE colleges is not unduly large in terms of total numbers. Out of the annual cohort of about 5,000 young people leaving city schools, about 3,850 continue in learning each year. There are 2,694 young city residents who are studying full time at MANCAT in the current year (2006/07). This is 76% of the 3,545 16 to 18 year olds in the college. There are between 700 and 900 young city residents studying full time at CCM in the current year. This is about 40% to 50% of the 1,752 16 to 18 year olds in the college. In total, there are about 5,200 16 to 18 year olds in the two colleges and, of these, about 3,500 are City of Manchester residents.

¹ DfES (2003) An Evaluation of Mergers in the Further Education Sector 1996 – 2000: Research Report 459, jointly commissioned with the LSC by the Centre for Education and Industry, University of Warwick, London DfES

There are about 1,700 16 to 19 year olds in the NEET category in the city. The colleges will have to play a leading role in bringing down this figure, which will increase their number of local young people in further education and work-based learning. On the other hand, competition may increase from the schools for other young people, as a result of the growth of sixth forms. Another factor is that Loreto Sixth Form College is now considering the introduction of 'soft' vocational provision. There may not be scope for very much further overall growth in the numbers of young people studying in the colleges.

Over the period 2002/03 to 2006/07, there have been significant changes in the volume of provision for young people at the two colleges. At CCM, despite growth targets, there has been no significant growth in full-time 16 to 19 learners during the past four years. At MANCAT, on the other hand, there was an increase of 78%, from 1,989 to 3,545 full-time learners (06/07 figures). The dramatic growth at MANCAT in part reflects the success of the newly-opened Harpurhey Centre.

The problems analysed in the Review (see section 1) would certainly measure up to a number of the LSC's criteria for justifying reorganisation. It is on this basis that the Review makes its recommendations. The issue of the overall size of a single new college is obviously of concern. With regard to the current and even predicted future need for provision for 16 to 19 year olds in the city, however, the overall cohort size is no bigger than exists in urban single multi-site colleges elsewhere.

On the other hand, 14 to 19 provision is only one aspect of the colleges' work, as pointed out at the beginning of this section. Although more coordination will be necessary for this provision, the Leitch review, published in December 2006, has recommended less planning of provision for adults and a more 'demand-led' approach. It is proposed to introduce mechanisms to enable demand from both employers and individual adults to influence college funding more directly.



3. Quality

There is a clear record of Ofsted inspections at both colleges over the last two to four years and a record at each of quality improvement. Full inspections were conducted at MANCAT in 2002 and at CCM in 2004. Both colleges have received Ofsted annual assessment visits (AAVs) in the last few months. MANCAT has just undergone a new inspection (January 2007), although the results are not yet published.

In its 2004 inspection, CCM received eleven curriculum area grades, summarised as follows:

- Grade 1 one
- Grade 2 three
- Grade 3 five
- Grade 4 two

SLDD and Foundation courses were both good, as was Performing Arts. Hair and Beauty was outstanding. Leadership and management were good.

The AAV in June 2006 reported on the two previously unsatisfactory curriculum areas in positive terms, with evidence of improvement in success rates to 'at or above national benchmarks'. There was also evidence of substantial improvements in quality assurance. In general, the AAV reported 'Sharply improving success rates for 16 to 18 year olds at all levels'.

Aggregate success rates across the college are now above national average benchmarks (2005/2006).

In its 2002 inspection, MANCAT received fourteen curriculum area grades, summarised as follows:

- Grade 1 one
- Grade 2 seven
- Grade 3 six
- Grade 4 zero

ESOL was outstanding. SLDD, visual arts, and ICT were good, as were construction and engineering. The latter two were particularly good achievements, because these curriculum areas typically under-perform nationally, compared to other areas. Leadership and management were good.

The AAV in December reported that:

- 'The number of full-time learners aged 16 to 18 has grown markedly in the four years to 2006. Much of this increase is from learners recruited to programmes at levels 1 and 2.'
- The success rate for learners aged 16 to 18 increased during the four years to 2006. In 2005 and 2006, it was close to the national average.
- The success rate for adult learners rose markedly in 2004/05. In 2005/06, the rate was similar to that in 2004/05, being 4% below the national average.

The new inspection of MANCAT provides less evaluation of individual curriculum areas and is an assessment of the college as a whole. We understand that MANCAT has received very strong grades, which place it amongst the most highly-rated colleges in the country. MANCAT's improvement over the last four years is impressive and the latest inspection outcome is a substantial achievement.

Both colleges have made progress in improving quality and success rates over the last three or four years. For the most part, their greatest curriculum strengths appear to lie in different curriculum areas. This is reflected in their separate Centres of Vocational Excellence (CoVEs). Each college has four, the only overlap being in media. CCM has logistics and is a partner in healthcare, retail and media. MANCAT has motor vehicle and is a partner in construction, ICT and media.

If a single new college was to be created, these complementary strengths would be both an opportunity and a challenge. There is the possibility that different areas could learn from one another, but also a risk that new structures would not ensure that all areas of excellence are equally well protected.

4. Finance

Both colleges enjoy successful financial track records. CCM has an 'A' rating for financial health and MANCAT a 'B' rating. The colleges' finances are contrasting in a number of respects.

4.1 Income in 2005/06 in £ millions based on financial forecast figures

	LSC 16 – 18	LSC adult	ALS	Total LSC recurrent income	Other income	Total income
CCM	£8.6	£12.3	£2.5	£23.4	£38.0	£61.5
MANCAT	£13.9	£14.5	£3.8	£32.1	£14.7	£46.8

The largest item of 'other income' at CCM is offender learning (about £20 million in 2005/6). This income also comes from LSC, but on a time-limited contract. For 06/07, this contract is worth about £40 million. As a result, CCM income is forecast to rise to £80 million for the current year (06/07). This produces a huge contrast in size between the two colleges, although most of the offender learning will not be delivered on college premises or in Greater Manchester. Another significant income line for CCM is non-EU student fee income through the International Centre, amounting to nearly £3 million.

MANCAT has the larger amount of LSC income from work delivered in the City of Manchester. MANCAT's 16 to 18 work is considerably larger, and has been growing for several years, while CCM's has stood still in terms of volume. Both colleges' adult allocations have fallen during this current year (06/07) – CCM's by 9.7% and MANCAT's by 7.4%.

The income differences of the colleges reflect their different mixes of work. CCM is far more diversified, with a much smaller percentage of students coming from the city itself. The offender learning contract represents approximately 50% of the college's income. Both colleges have been developing in different directions in the last few years, as illustrated by their divergent performances in growing 16 to 19 participation.

4.2 Operating surpluses, reserves and liabilities

Both colleges have operated with surpluses of barely 1% of turnover during the last and the current years. This is not unusual in the sector at the moment, but it means there is little room for error with financial controls during any reorganisation. We understand CCM is currently operating with a deficit on its LSC core/recurrent funding.

On the other hand, the cash position at both colleges is stronger than the bottom line surpluses suggest. CCM has shown a total of £2.4 million for depreciation in its accounts over the last two years. During the same period, MANCAT has shown depreciation of £4.3 million in its accounts and has used some of this cash to reduce borrowing.

CCM has substantial cash reserves and no debts, but has earmarked this money for investment in accommodation. By contrast, MANCAT has very limited cash and substantial debts, reflecting the fact that it is drawing to the close of a period in which there was extensive investment in accommodation.

Other comparisons between the two colleges are difficult to make with confidence, because of the very different mixes of work. Appendix three contains the ratio analysis for the colleges. To some extent, the financial strengths and weaknesses of the two colleges complement each other.

4.3 Costs of reorganisation

The Warwick study referred to earlier does not present any detailed analysis of costs. Costs will depend on many variables, some of which cannot be predicted, particularly at this stage. The following matters are, however, likely to be of key importance in Manchester:

- Staff restructuring, particularly associated with any redundant provision.
- The introduction of common systems for data and finance, if provision is exchanged or colleges are merged.
- Accurate business planning for the first two years, post-reorganisation.
- Providing sufficient administrative and management capacity for the changes whilst also keeping these costs strictly to budget.

CCM expressed the view to us that a single new college, or merger, is not 'affordable'. Senior managers argued this view on two main grounds. They stated that their merger with Sheena Simon Sixth Form College cost £1 million. It followed that this option would cost many times that sum because the scale is so much larger. The other issue raised was the cost of the possible need to harmonise the terms, conditions and salaries of teaching staff at the two colleges.

Staff restructuring costs cannot be predicted at this point. Both colleges, however, already incur such costs. CCM spent £750,000 on restructuring over the last two years and MANCAT £230,000, a total of nearly £1 million.

Any costs of staff harmonisation can only be approached via an efficiency study. Efficiency is not a matter of contracts, but of the average hours taught and average class sizes. There is no evidence in the accounts that MANCAT is less efficient than CCM. We understand the recent inspection feedback on MANCAT described the college as 'excellent value for money'. Contractual changes are, of course, a matter for negotiation. Past practice in colleges has not usually involved additional costs for contractual changes.

Another issue raised by CCM with us was the cost of rebranding a new college. We have not examined the relevant current budgets, but believe that there must be duplicated marketing costs in the present, closely competitive arrangements. With proper planning, rebranding costs can be controlled in terms of extent and of timing.

We would agree that financial considerations would have to form part of the initial strategic evaluation if either college were in serious financial difficulties, but this is not the case. We judge it wrong at this stage to pre-empt a full examination on the basis of possible costs. All options will carry some costs, since the status quo is not favoured by anyone. Finance should be examined as part of a detailed feasibility study and of due diligence processes.

Any reorganisation will only be financially healthy, however, if it takes place for sound strategic and curricular reasons, so that future income is secured. This is clear from the Warwick study and from our own experience. On the other hand, it would be unwise to assume that there would be any financial savings. Having said that, some savings may become possible through the better use of accommodation, given that both colleges have large estates. The question is not which option will be cheapest, but which option produces the best educational return for the investment. A cheap option that fails properly to address the admitted problems cannot be the way forward.

There will be one-off costs of reorganisation, some of which will be incurred before the final outcome can be completely clarified. The LSC will need to consider who should take responsibility for these.

5. The mission for FE colleges

What would constitute success for a reorganisation?

The Mission for Further Education Colleges in the City of Manchester

Some of the essential elements of success are clearly implied by recommendations 8.3 to 8.11 of the Review. These recommendations refer to issues such as the creation of targeted plans to raise participation and achievement in disadvantaged areas, the urgent need to replace or at least radically improve the Abraham Moss Centre and the need for closer and coherent collaboration with MAES and the sixth form colleges. There is also a need for Manchester-wide curriculum mapping, for the benefit of potential learners, in order to facilitate efficient planning and to underpin the e-prospectus for 14 to 19 year olds.

Both colleges and the citizens of Manchester would benefit from these changes, however the institutional framework is restructured. We recognise that it is difficult to get on with them while the proposal for a single new college is seen as 'the elephant in the room'. On the other hand, whatever way forward is agreed, there will be a need for a greater degree of mutual understanding and collaboration, and working together on these common tasks could help develop this.

The benefits of institutional reorganisations take a long time to reach fruition – a number of years. Experience and research show that reorganisations are hard work and require strong and cooperative leadership, painstaking management and careful and comprehensive re-engineering and harmonisation of systems. Given that the status quo does not seem to be an option supported by any stakeholders, some form of reorganisation is required. The necessary negotiations imply the need, to a greater or lesser extent, for common working between governing bodies, senior managers, unions and, as far as possible, the staff.

5.1 Criteria for success

We suggest the following as criteria for judging whether a reorganisation of the colleges has been successful:

1. **Higher quality:** The quality of all teaching and learning outcomes should be above national averages. Other improvements will include greater support for individual learners (personalisation), improved creative use of ICT for learning and the narrowing of gaps in achievement between different groups of learners. This further progress will have been built upon the existing strengths, which will be recognised at the outset, protected and given a leadership role. The types of competition which reduce viability and quality will have disappeared.
2. **A broad, relevant and accessible curriculum:** This will provide a range of specialisms at all levels. The planning of provision will be focused on higher participation and achievement by all young people in the city, helping adults improve their employability and update their skills, and supporting economic regeneration. There will be clear priorities, easy access from all geographical areas and realistic progression routes within and beyond the city in terms of further study, employment and higher education. Geographic and curricular gaps and pointless overlaps in provision will have disappeared.
3. **14 to 19 education and training:** Further education provision will fit into a clear system of 14 to 19 provision in the city which supports choice and opportunities for every young person and which facilitates clear and helpful guidance by all parties. There will be distinct but mutually supportive roles for schools, sixth form colleges and further education colleges working through the collegiates. This system will support increased participation and higher achievement. College structures will support ongoing improvement in the performance of other partners.

4. **Economic regeneration and support for individual companies:** The vital contribution to the economy of further education will be recognised by all stakeholders. There will be effective partnership working and the role of the Skills Board will be strengthened. Extensive Train to Gain provision will be won, and college staff will be directly involved in working with companies to support the development of their products and services. The resulting professional updating will enable effective work-related elements to be included in all programmes.
5. **The targeting of disadvantaged areas:** There will be accessible and relevant provision for all localities, with area-specific targets, linked to more specialist and higher-level provision, so as to ensure effective progression routes.
6. **Adult education and training:** This is likely to become a growing national and regional priority. There will be excellent local access and planning of guidance and progression. The colleges and MAES will plan a comprehensive curriculum framework together. Provision will always be able to change and develop rapidly in response to needs and opportunities – for example, in the context of children’s centres, health centres and other opportunities such as new libraries. A joint approach to family learning will mean that parents will be more able to support their children in school and college.
7. **Regional and national roles:** These will continue and develop in ways which are complementary to and enhance the mission of the colleges in the city.
8. **Capital investment in line with city-wide strategy:** The renewal and extension of further education accommodation will continue and will reflect a coherent, city-wide strategy for further education and the priorities within it. Access to external funds and capital will be enhanced rather than reduced by reorganisation.
9. **Finance:** The costs of reorganisation will have been carefully estimated at the feasibility stage. This means that the financial hazards of reorganisation will have been avoided by giving priority to effective controls and by realistic planning and budgeting at the early stages. The strategic and curricular priorities which were the basis of the reorganisation will have ensured a sound financial future.
10. **Learner and employer choice:** There will be an adequate choice of learning environments and modes of study, as well as of programmes.
11. **Sustainability:** The new arrangements will be stable in the medium term, and able to create and maintain malleable structures to cope effectively with changes in the environment. These would include such matters as changes in demography, national policy and funding and the structure of the labour market.

6. Analysis of options against success criteria

6.1 Options for consideration

In considering options, our approach has been as follows:

- To establish a set of **eleven broad success factors** (see above) for a reorganisation derived from the analysis in the Review, which is accepted by all parties.
- To consider **the LSC criteria for reorganisations** (see Appendix two, where these are summarised).

The Review sets out and examines seven options for reorganisation over ten pages and twenty-six paragraphs. This is a fairly exhaustive examination of the possibilities, under the major headings of minimum disturbance, college reform and major restructure. This is followed by eleven recommendations. All of these have been endorsed by the four major parties to the Review except for the first, which recommends immediately moving to a feasibility and acceptability study of a merger between the colleges.

We did not consider in equal depth all the options for reorganisation described in the Review, since all parties had rejected many of them. These included keeping the status quo and a division based on curricular specialisms. As we have said, MANCAT favoured forming a single college, but CCM favoured reshaping the two colleges on a geographical basis. The LSC and the city council favoured the single college option. The first two options we focused on were therefore:

- Two colleges reorganised on a geographical basis**, so that they provide for different areas of the City (Option 2b in the Review).
- A single new federal college, created by the merger of the existing two colleges** (Option 3b in the Review).

We shall refer to these as **options A and B**. To these two options, we added a third, not considered by the Review, which we will explain below.

The pros and cons of the first two options are well identified in the Review. We believe, however, that they apply with different force. This depends on which of the above success criteria one has in mind and whether one is focusing primarily on courses for local school leavers or provision for older learners, those studying at a higher level, and those from a wider catchment area. Our analysis in section 7 takes account of this.

One option that was not considered in the Review is that of maintaining two colleges in the City of Manchester. This **option C** would involve the creation of two new colleges with clearly different roles and missions, rather than by defining operational boundaries between MANCAT and CCM. This option allowed us to tease out and examine issues around the very different mixes of work in the two existing colleges.

In this section we shall first of all identify some of the risks and advantages of the new option, and then discuss what might be involved in each option. In the following section, we evaluate these options against the success criteria that we have identified.

6.2 Option C: two new colleges

This option is similar to the geographic or curriculum restructuring options. The split between the colleges would not, however, be geographical but based on a different division of responsibilities. **College X** would focus very largely on the needs of the City of Manchester, a growing city with a population of over 400,000. **College Y** would focus on regional and national specialisms and a student population very largely drawn from outside the city. To some extent, this would also shift the balance of provision towards young people in one college and adults in the other. Much discussion of the division would be needed. One possible method of division is illustrated overleaf.

College X: All joint work with schools on 14 to 16; the bulk of 16 to 18 work; vocational specialisms with substantial level 1 and 2 work as well as level 3 and those with a majority of city users; and partnerships for work-based learning within the city. College X would have the assets to address the needs of the whole city.

College Y: Offender education; specialist overseas student work; specialist vocational work for which the majority of learners come from outside the city and are at level 3 or above; and open learning, largely serving a national constituency. College Y would probably need one large campus in the city centre with good transport links with the wider region.

Advantages

- For students and potential students, schools, the local authority and employers, this option would have a number of the advantages of a new single college as set out in option 3 (a) of the Review. It would include responsibility for city goals, better guidance for local people and a consistent approach to 16 to 18 provision.
- It would overcome competition of missions between a city focus and the wider regional ambitions of both current colleges and it would recognise the importance of the very large offender learning contract. It would provide improved clarity of mission for both colleges.
- It would produce two colleges of demonstrably manageable size by comparison with existing colleges elsewhere in the country.

Disadvantages and risks

- The processes and difficulties of reorganisation would be greater than for a single college option. For example, assets would have to be divided and agreement on this could prove very difficult.
- The character of College Y would be based on little unified purpose, other than that it would not specifically address local needs.
- Risks would be higher for College Y because its income would be unusually dependent on LSC time-limited contracts, on overseas students and on funding from HEFCE, for which there could be competition from local universities.

- Both colleges might find that, in time, such a division was no longer sound or even viable. As with the geographic option, questions need to be asked as to whether this is a solution for the long term and as to how it would be reviewed and regulated.
- The quality of vocational provision for the City of Manchester could be adversely affected. For instance, CoVEs may not be as easily sustainable on this basis, and some of the more experienced and qualified staff may gravitate to College Y.
- The status of College Y could become higher over time because of the level of its work, and this could be to the disadvantage of College X.

6.3 What each option entails

Each option would entail a radical reorganisation of the existing colleges, and would require a redefinition of missions to suit the new context. To some extent, and not surprisingly, both colleges are currently tending to evaluate the Review in the light of how the options that have been presented would consolidate or put at risk their current missions. Governing bodies and senior managers will only find a mutually acceptable new deal for Manchester further education around newly-defined purposes and priorities. We discuss later how this process might begin.

Option A: geographic reorganisation

This option would entail quite radical changes for both colleges. These may be greater than assumed, since its implications would go far beyond simply deciding where college buildings would be located. The following issues, for example, would need to be addressed:

- Whether both colleges would offer a comprehensive curriculum, or continue with some curricular specialisation.
- Whether staff and provision would be swapped between colleges.
- Whether the assets belong to the geographical area in which they are currently located, or whether they belong to each college to move them where they choose.

- Whether there would be a jointly-owned body which would make these decisions and ensure that they were sustained and revived as necessary. LSC would need to play a major role in approving and sustaining these decisions.
- The extent to which this option would, in fact, involve the creation of two new colleges.

As the Review acknowledges, these arrangements probably could be made. We consider below the extent to which they would be in the long-term interests of learners, and whether they would have the flexibility to cope with future changes. We have borne in mind that the local educational authority's original division of responsibilities between the two colleges has proved to be unsustainable.

Option B: the creation of a single new college

The shorthand used for this option is 'merger'. This being the case, the questions as to what is involved and how to undertake it seem to explore more familiar territory than the other two options. The main concerns would be:

- Whether a new mission and set of values could be agreed between the existing governing bodies, leading to a proper feasibility study and business plan for a new college.
- Whether the risks would be greater than for the other options, in terms of failing to widen participation or to raise quality, and in terms of financial stability.
- Whether there could be a problem of size, as the new single college would be far and away the largest college in the country.

The evidence is that strategically well-conceived mergers can be very successful but there is, of course, pain as well as gain. The term 'merger', however, may be misleading, insofar as it implies a takeover of one college by another.

In the Manchester environment, a crucial factor would be the design of a new structure that was fit for purpose in terms of both scale and diversity of mission. In this sense, the territory may be less familiar than it first seems. Very large, merged colleges are currently under consideration in several parts of the country. Were Manchester to go down this route, it might be able to lead the way in exploring new models.

The Review recommends a federal structure but the English examples quoted may not be radical enough or genuinely federal. United States community colleges are referred to as a possible model on page 35 of the Review, as are UK universities. It might be more productive to look at these for effective structural models in terms of the proposed scale of operation. On the other hand, there are important cultural and other differences between the UK and the USA and between the FE and the university sectors.

A key issue for discussion would be the nature and degree of delegated authority given to the component locations and functions, whilst retaining the ability to create and maintain an overall strategy. For example, the offender education developed by CCM would require clearly-delegated financial control and accountability, as well as operational independence, in any new college. Perhaps the production of distance learning materials pioneered by MANCAT should be in a similar category. We have also heard arguments for tailoring approaches to the widening of post-16 participation to the characteristics of a locality. This suggests that different campuses might also need considerable autonomy. Such approaches, in turn, raise questions about the future role and responsibilities of the college principal.

Option C: two new colleges

This option would involve similar issues and arrangements to option A above, but would be a lot more radical and would take a lot more work to achieve. It would be the most difficult to organise in terms of divisions of provision and of assets, and equally difficult to sustain as the environment changed.

7. The options considered against success criteria

In this section, we weigh the pros and cons of each option against the success criteria and we indicate where the balance of advantage is likely to lie. We recognise that the greater advantage often lies with the option which incurs the higher risk.

This section is presented in greater detail and in tabular form as Appendix four.

1. Quality

Option B may put quality at risk, if the amount of management time and attention required for the merger itself causes senior staff to take their eye off the quality ball. On the other hand, the complementary nature of the two colleges' curricular strengths may bring better practice to the weaker partner.

Option A would be relatively neutral as far as quality is concerned, though it would also require considerable management attention.

Option C could put the quality of the lower-level work at risk, by removing some of the more experienced staff to the other college, and making CoVE status more difficult to retain.

Option A is low risk.

Option B is higher risk, but with more to gain.

2. Broad, relevant and accessible curriculum

Option B has the most potential for delivering a relevant and broad curriculum, and a 'hub and spoke' model could operate city-wide for each curriculum area.

Option C would also have a positive effect, but some progression opportunities may be hampered. Option A would require joint planning between the two colleges to ensure that all vocational specialisms were available for other students or even for younger students at level 3. This is a high risk because there is little history of successful joint planning.

Option B offers the most gain and likelihood of success.

3. 14 to 19 education and training

Option B would offer one partner for the local authority and for the schools. Guidance for learners would probably be clearer. 14 to 16 work with schools could be developed more economically. For Option A, decisions would be required about the allocation of schools in the central collegiate. It is difficult to envisage what would be the logic of this, and both colleges would probably need to attend collegiate planning meetings. Some schools in the other collegiates would be required to change the college with which they were linked, and might resist this. No such problems would occur with Option C, which would also ensure that 14 to 19 matters got the full attention of College X. Although not even option B addresses the issue of strategic planning involving the sixth form colleges, this would be more of an issue at level three than at levels 1 and 2.

Option B offers the most gain and the lowest risk.

4. Economic regeneration and support for employers

The single college model makes liaison and support easier with the local authority. Individual companies are most likely to develop contacts with specific vocational departments, and the overall college structure would not necessarily be of too great a concern to them. The labour market corresponds to the Greater Manchester area, which also makes a city-focused structure less relevant.

There is not a lot to choose between the options, although the city council is a powerful player in regeneration and would prefer Option B.

5. The targeting of disadvantaged areas

This requires a range of agencies including schools, MAES, Jobcentre Plus and youth and health services to collaborate, for example under the umbrella of the local Strategic Partnership. A single college model would be most efficient because all the relevant further education expertise in the city could be brought to bear on an area. Option C would have much, but not all, of this advantage.

Option B offers the most gain.

6. Adult Education and Training.

If two colleges existed this would double the liaison load. A single college would facilitate the much-needed move towards an overall strategic plan and careful curriculum mapping. These would incorporate both FE and ACE and provide broader progression routes, including work-based learning.

Option B offers the most gain.

7. Regional and National roles

All three models would enable these to be maintained. In many ways, they require the least coordination between the two colleges, should option B not be chosen. Option C could enable an infrastructure to be created that was especially suitable for regional and national activity. On the other hand, without the stability provided by a solid core of 16 to 19 and local adult work, major problems could develop.

There are no obvious advantages between the options.

8. Accommodation Strategy

Although this might be simplified if there was to be a geographical split, neither college would necessarily be in total control. This would be due to residual obligations to make provision in localities being abandoned by the other college. The decisions made at the point of division could also have a short 'half-life' and might need to be revisited as circumstances changed. Option B offers the most potential for an effective long-term strategy. The different starting points of the two colleges would, however, have to be addressed in terms of both buildings and mortgages. Option C would produce particular pressures on expensive accommodation sites in the city centre.

Option B, on balance, gives the most flexibility and the best chance of attracting more finance from the LSC and the city.

9. Finance

Option A would reduce the need to align different IT, finance and other control systems, thus reducing the risk of a reduction in financial control during the restructuring. There would be some restructuring costs in all three options. With option C, the finances of the regionally- and nationally-focused college would be vulnerable to changes in policy amongst the various funding agencies and to competition for contracts from elsewhere.

Option B would provide improved ability to manage cyclical changes in demand specific to one sector or age group, since not all areas of the business would normally be affected simultaneously. On the other hand, if new systems of financial control could not be created and implemented quickly for the new college, problems could be severe.

Option A would probably be cheapest and lowest risk in the short term. The immediate costs of options B and C cannot be calculated at this stage. A single, successful new college is likely to offer the greatest financial strength in the long term.

10. Learner and employer choice

Superficially, options B and C appear to reduce learner choice. The city would still, however, be able to offer the full range of choice that can be available to learners.

This would include school sixth forms, sixth form colleges, a large local FE college, access to a number of other colleges in the Greater Manchester area and work-based learning providers. As far as choices within FE in the city are concerned, information and guidance could be more easily and clearly offered.

Employers are most likely to consider the Greater Manchester area (including the private sector) when choosing a provider.

Option A will more or less offer the status quo. The reduction in choice of a single college for the city, whether under options B or C, is likely to be marginal, given the widening choices which will exist.

11. Sustainability

In many ways the issue of sustainability can be seen as a 'tie breaker'. Whatever the balance of risk and advantage in the various options, they will be insignificant if the restructuring proves to have a limited effective life.

It is important to recognise that the environment in which any structure would have to cope, including demography, national policy, changes in the labour market and new technologies will inevitably change. It may do so quite significantly and fairly quickly². It will not therefore be so much a matter of agreeing machinery to 'police' the initial agreements to ensure that neither side breaks the rules, as it will be of having ongoing procedures for renegotiating and restructuring. What is more, if there were two colleges, of whatever sort, each would have to accept the authority of some sort of joint strategic body, if the necessary changes were to be efficiently and effectively decided.

² The Labour Market Analysis recently published by the LSC illustrates some of the possibilities very clearly, as does the announcement of the proposed site for the 'super casino' which occurred while we were producing this report.

8. Conclusions and recommendations

An analysis of the impact on the success criteria of the three options shows a balance in favour of option B, a single new college. Even if all the other factors were evenly balanced, the deciding factor should be that of sustainability. Sustainability for options A and C is problematic. There is no evidence that a vague collaborative agreement would work any better than it has done in the past. For options A and C, sustainability would require a series of ongoing strategic decisions made by a single body. The question would then need to be asked as to the nature and the composition of this body. It could be the LSC and / or the local authority, but there are good reasons why the colleges would wish to own the process themselves. Were they to set up a jointly-owned strategic body, with authority at a strategic level over them both, then this sounds very like the first stages of a merger into a federal institution, with the two current colleges initially forming its constituent parts. We believe that this would be a very ambiguous and uncertain way forward, even if it was acceptable to both governing bodies.

In our judgement, options A and C:

- Are more complicated and risky than might at first appear.
- Do not avoid the need for an overarching strategic view and ongoing decisions about respective roles and responsibilities.
- Offer less potential than option B for the growth of and opportunities for further education in the city and for future flexibility.
- Would face major difficulties in attempting to reach agreement on the division of assets, staff and provision.

We think it would be a serious mistake to suppose that, in the Manchester context, the problems can be solved on a sustainable basis without accepting the need for a single strategic framework for the city, together with a governing body with authority over the various components that deliver this strategy. In other words, in our opinion a single new college is the best way forward.

The successful establishment of a single college would require strong strategic leadership, and this is only likely to be delivered in the context of option B. Furthermore,

if an imaginative approach is adopted to the creation of a form of federal structure, akin to that operated by some universities and by community colleges in the US, we judge that the ways in which the current colleges are differently excellent can be maintained, whilst good practice can also be spread from one location to another. Different locations can be encouraged to develop different characters in the light of the needs of their clients, as is currently the case. This is an exciting opportunity and a challenge.

A new college can only be created with redefined values and mission. Similarly, such a restructuring cannot be used by each college to achieve different ends, particularly if these were defined before the Review began. A new set of outcomes needs to be defined that will require the new structure fully to achieve them. We hope that the criteria set out in section 5 may provide a helpful starting point for this discussion. This more fundamental approach implies risks and discomfort for all concerned, but also offers far more potential. It will help ensure that form follows function, rather than the form limiting what can be achieved for the citizens and the economy of Manchester.

There are some immediate steps that could form the basis of a way forward. They involve setting up a joint working party between the colleges' governing bodies, with the following objectives:

- Creating a common strategic framework for the delivery of further education in the City of Manchester.
- Identifying the key elements of the existing colleges which will need conscious protection during the reorganisation process, to ensure that quality and curriculum breadth are not lost in the transitional period.
- Exploring innovative structural models for a new single college which would accommodate its size and curriculum diversity, the changing labour market needs of Greater Manchester and the new policy framework for adults recommended by the Leitch review.
- Testing structural proposals by applying them to the solution of some urgent problems, such as the future of the Abraham Moss Centre and the need for action plans to address the needs of specific localities.

Following this work, we believe that the seven key points in paragraph 8.1 of the Review should be addressed by the two colleges.

Finally, we were struck by the level of distrust that currently exists between the two colleges. It may be presumptuous of us to comment on this as outsiders, but it is an important observation to bear in mind when planning a way forward. There may be good reasons for the state of the relationship in current circumstances and because of past events. Unless both governing bodies insist on a fresh start in planning for the future, however, the process of establishing a new college may be so strenuous as to put at risk current provision and its quality.

We are conscious that it is already six months since the Review was published. In the meantime, little progress has been made towards addressing some of the urgent problems that it described, some of which were identified in an Ofsted area-wide inspection as long ago as 2002. There is a need for rapid progress and this will avoid the risk of 'planning blight'. We therefore recommend that the working party should include representatives of the LSC and the city council as observers, and that the LSC should determine deadlines by which key decisions should be reached. External facilitation should also be considered.



Appendix 1

Specification for further work in relation to Manchester's FE review report

1. Background

The review took place during the summer of 2006 and the report was published in July. The report includes an analysis the work of the two large general FE colleges in the city, Manchester College of Arts and Technology (MANCAT) and City College Manchester (CCM), in the context of local circumstances and national policy drivers. There is discussion of the key issues, and sections on findings, options in relation to college structures, and recommendations. The main recommendation is that work should begin into the feasibility and acceptability of a merger of the two Manchester general FE colleges. There are ten other recommendations which cover all the key issues raised in the report.

2. Current status of the report and its recommendations

The report and its recommendations have been endorsed by Greater Manchester LSC, by the corporation of MANCAT and by the city council. The corporation of CCM agrees with Adrian Perry's analysis that there is a need for a radical reappraisal of further education provision to give greater geographical and curricular coherence to the provision for both young people and adults. The corporation, however, considers that Adrian Perry's work does not seamlessly point towards a merger and that further work needs to be done to consider whether other options would be more appropriate. The work described in this specification is to address this specific concern.

3. Work Required

The Adrian Perry report and all the supporting data and other evidence which led to the report need to be reviewed to determine whether the data and other evidence point to the options for college structures identified in the report, or whether other options would be as appropriate or more appropriate. The consultants appointed will be asked to give a considered, independent opinion, and they have an open brief. Their recommendations may differ from those of Adrian Perry, giving greater weight to options identified, but not supported in the Adrian Perry report or perhaps offering a different range of options for consideration. A report will be required once the consultants' work is complete.

Tim Atkinson 26th October 2006
Amended 17th December 2006

Appendix 2

Work undertaken for this report

1. Examination of evidence used in the review

The author of the Review, Adrian Perry, made available all the evidence he had collected, which included:

- Very extensive information and data about both colleges.
- RCU analysis of participation in the City of Manchester by ward and other geographical and travel to learn data.
- Ofsted inspection reports.
- Minutes and other records of the meetings of the FE Review Steering Group.
- Information and data on sixth form colleges, adult education service, work-based learning and schools.
- Many other relevant background papers on local, regional and national issues.
- Records of interviews with all stakeholders.

The evidence made available was exemplary in its accessibility and extent. It has all been carefully read so as to give us the full background to the conclusions and recommendations in the Review.

2. LSC publications on the consideration of proposals for organisational changes

We considered three written sources of information:

- LSC circular 02/09 on provider reorganisations.
- The LSC guide to managing reorganisation proposals.
- An LSC/DfES evaluation of mergers in the further education sector 1996-2000, undertaken by the University of Warwick.

These documents provided useful criteria and frameworks for appraising proposals for structural changes. The third document presents some evidence about the success and failure of mergers. We also brought our own considerable knowledge and first hand experience of collaborative arrangements and of mergers in the sector.

The Review broadly follows the LSC guidance that suggests that any proposals for change should consider the following possibilities:

- Continuing with existing structures.
- Collaborative solutions.
- Mergers.
- Establishing new structures.

The LSC circular and the guide set out criteria, key principles and areas to examine when considering proposals to reorganise provision. The criteria are:

- Extending participation.
- Raising achievement.
- Improving quality of provision.
- Issues of over- and under-provision in an area.
- Evidence of consultation and consideration of other options.
- Finance and management issues.
- Consistency with area-wide inspection findings.

An additional five key principles are included for any consideration of options for 16 to 19 provision:

- Quality.
- Distinct 16 to 19 provision meeting the particular needs of the age group.
- Diversity to ensure curriculum breadth.
- Learner choice.
- Value for money.

It is suggested that a strategic options appraisal should cover:

- Interests of the learners.
- Curriculum benefits.
- Best value.
- Affordability.
- Risk.
- Implications for other providers.

There is clearly some overlap between these three lists, but we have broadly applied them to our closer consideration of the options in the Review.

3. Additional evidence and visits

We undertook two visits to Manchester in December 2006 and January 2007, during which we:

- received an oral briefing from Adrian Perry about the Review;
- met with chairs of governors and senior staff of both colleges, to listen to their views on the review and to sound them out on our emerging analysis;
- met with Elaine Bowker and Tim Atkinson of the LSC; and
- met with Eamonn Boylan of Manchester City Council.

We also made brief visits to the main sites of the two colleges and considered their locations within the city.

Between these visits we were provided by both colleges with the latest version of their financial statements and with the Ofsted reports that had been issued since the Review took place. We also read the minutes of the college corporation meetings to which the Review had been presented and at which it had been discussed. In addition, the principal of CCM gave us a useful paper outlining the issues that he thought should be explored in relation to the Review.

Appendix 3

Financial ratios for the colleges based on finance record submission for the year ended 31st July 2006

Table 1: CCM key financial ratios

2005/06	
Cash generated from operations	0.06
Cash days	60.08
Current ratio	1.82
General reserve as a percentage of income	32.80%
Operating surplus as percentage of income	1.41%
Borrowings as a percentage of income	0.00%

Table 2: MANCAT key financial ratios

2005/06	
Cash generated from operations	0.04
Cash days	10.08
Current ratio	0.61
General reserve as a percentage of income	34.10%
Operating surplus as percentage of income	1.33%
Borrowings as a percentage of income	30.02%

Appendix 4

Analysis of the options for reorganisation against success criteria: tabular presentation

Option A: Two colleges reorganised on a geographic basis	Option B: A single new college	Option C: Two new colleges with quite different remits: the city and regional/national
1. Quality		
<ul style="list-style-type: none"> ● The status quo would be largely protected ● Each college would have to take on new curriculum areas, in which quality would have to be established ● The prospect of the colleges learning from each other would be reduced, unless arrangements were made for the management of quality, as opposed to ownership of provision, to be undertaken by the colleges, with particular expertise in a curriculum area ● The management time required by this reorganisation might be more than expected 	<ul style="list-style-type: none"> ● Quality could be enhanced by use of the best practice from each college, in terms of materials, curriculum management and pedagogy ● Management might take eye off quality because of pressures of reorganisation, unless quality is emphasised as a key PI for the new college from the outset 	<ul style="list-style-type: none"> ● Some existing curriculum teams would have to be broken up ● CoVES might be threatened ● Management might take eye off quality because of pressures of reorganisation, unless quality is emphasised as a key PI for the merger
2. Broad, relevant and accessible curriculum		
<ul style="list-style-type: none"> ● Each college would have clear geographical remits around which to organise the curriculum ● Joint planning between the two colleges would be required to achieve this for the city as a whole and to ensure progression routes ● It would not be feasible to duplicate every vocational specialism, depending on demand 	<ul style="list-style-type: none"> ● One college would have the most potential for delivering this. It would enable city-wide planning using a 'hub and spoke' model for each curriculum area 	<ul style="list-style-type: none"> ● One college would have responsibility for planning for the whole city ● There would need to be joint planning to ensure progression routes at levels 3 and 4

Option A: Two colleges reorganised on a geographic basis	Option B: A single new college	Option C: Two new colleges with quite different remits: the city and regional/national
3. 14 to 19 education and training		
<ul style="list-style-type: none"> ● In theory, the north and the south collegiates would each work with only one college. This would be a clear improvement for all parties ● In practice, some schools might refuse to work with only one college, or to change their current links ● Agreement would need to be reached and maintained about links with the central collegiate ● Joint planning between the two colleges would be required for the city as a whole, especially with regard to certain vocational options, and to ensure progression routes ● Current numbers provide for viable cohorts in each college ● In future, 16 to 18 numbers coming to the either college may decline and affect the viability of the split 	<ul style="list-style-type: none"> ● As local authorities are given responsibility for coordinating 14 to 19 provision, one college could be a consistent partner within city-wide planning using a 'hub and spoke' model for each curriculum area ● 14 to 16 work could be developed more economically and schools given more consistent support ● Guidance for learners could be clearer ● Merger would not address the issue of strategic planning involving the SFCs. Since the SFCs operate largely at level 3 and with an A-level offer, this would not affect planning for levels 1 and 2, and for vocational provision, to the same extent ● Overall 16 to 19 numbers not unmanageable 	<ul style="list-style-type: none"> ● As local authorities are given responsibility for coordinating 14 to 19 provision, one college could be a consistent partner within city-wide planning and give 14 to 19 work its undivided attention ● 14 to 16 work may be developed more economically and schools given more consistent support ● Guidance for learners could be clearer ● There would need to be joint planning to ensure progression routes at level 3 ● Overall 16 to 19 numbers not unmanageable
4. Economic regeneration and support for employers		
<ul style="list-style-type: none"> ● Steps would need to be taken to ensure that both colleges were linked with local authority planning and forecasts ● Since employers often link with specific curriculum areas, the geographical location of the relevant provision may not matter to them 	<ul style="list-style-type: none"> ● Insofar as local authorities are taking responsibility for regeneration, a single college would make liaison easier ● It would be important to ensure that small firms, in particular, found it easy to access the relevant part of the college, and that specialisms important to them were not neglected 	<ul style="list-style-type: none"> ● Problems might occur if support was required that crossed achievement levels ● The labour market exists at a Greater Manchester level, rather than corresponding to the city boundaries. This would fit the remit of one college, but not the other

Option A: Two colleges reorganised on a geographic basis	Option B: A single new college	Option C: Two new colleges with quite different remits: the city and regional/national
5. The targeting of disadvantaged areas		
<ul style="list-style-type: none"> ● The existence of two colleges doubles the liaison load, and difficult localities not easy to allocate geographically might be a cause of dispute ● Different approaches could be explored, but these might be determined by college preferences alone 	<ul style="list-style-type: none"> ● A single college would find it easiest to liaise with agencies of the city council, including the education department, Job Centre Plus, health services and MAES 	<ul style="list-style-type: none"> ● Insofar as this coincided with the mission of College Y, liaison with other city agencies would be as straightforward as for option B
6. Adult education and training		
<ul style="list-style-type: none"> ● With two colleges the liaison load would be doubled and variable 	<ul style="list-style-type: none"> ● Would facilitate a much needed move towards an overall strategic plan and curriculum mapping, incorporating both FE and ACE 	<ul style="list-style-type: none"> ● Would facilitate a much needed move towards an overall strategic plan incorporating both FE and ACE, but might inhibit the development of progression routes into some vocational specialisms and HE
7. Regional and national roles		
<ul style="list-style-type: none"> ● Since these require the least inter-college coordination, all three models would enable these roles to be maintained ● Commitment to current areas of specialisms would be maintained 	<ul style="list-style-type: none"> ● Since these require the least inter-college coordination, all three models would enable these roles to be maintained ● Some areas of specialisms could be neglected during reorganisation 	<ul style="list-style-type: none"> ● Since these require the least inter-college coordination, all three models would enable these roles to be maintained ● The stability offered by having a solid core of local 16 to 19 and adult work would be removed from College Y ● As models for the funding and planning of 14 to 19 and post-19 work diverge following Leech and Lyons, this structure may offer some match for national policy

Option A: Two colleges reorganised on a geographic basis	Option B: A single new college	Option C: Two new colleges with quite different remits: the city and regional/national
8. Accommodation strategy		
<ul style="list-style-type: none"> ● Would enable early action on delayed decisions ● Problems about savings in one area of the city being used to invest in other areas ● Residual obligations to subject areas and localities would require joint action and planning between the colleges 	<ul style="list-style-type: none"> ● Offers the most potential for the longer term, increased flexibility and some possibility of savings ● Concerns about CCM reserves being used to fund either mortgages or the costs of the merger, rather than being invested in improved facilities 	<ul style="list-style-type: none"> ● Puts a premium on the availability of city centre accommodation for College Y ● A medium-term strategy could be developed. Initial negotiations over the locations of the two colleges would be very complex, and buildings might have to be shared
9. Finance		
<ul style="list-style-type: none"> ● Removes the need to align IT and other systems, and therefore reduces both the cost and the risk of reduction of financial control during restructuring 	<ul style="list-style-type: none"> ● If integrated systems of financial control could not be created and implemented quickly, the consequences could be severe ● This process could be costly ● The ability to cross-subsidise between provision for different participants and in different curriculum areas would help cope with temporary downturns and protect minority subjects 	<ul style="list-style-type: none"> ● Finances of College Y would be vulnerable to changes of policy of the various funding agencies and to competition from elsewhere for existing contracts
10. Learner and employer choice		
<ul style="list-style-type: none"> ● The status quo would be maintained by this option for both learners and employers 	<ul style="list-style-type: none"> ● For learners, no choice of college within the city, but a choice of campuses within the single college. Also a continuing choice of schools, SFCs and colleges within travelling distance in the Greater Manchester area ● Employers are likely to be already operating on a Greater Manchester basis, where the reduction in choice will be marginal 	<ul style="list-style-type: none"> ● More limited choice of colleges within the city, but a choice of campuses within the single college. Also a continuing choice of schools, SFCs and colleges within travelling distance in the Greater Manchester area ● Employers are likely to be already operating on a Greater Manchester basis, where the reduction in choice will be marginal
11. Sustainability		
<ul style="list-style-type: none"> ● See main text – page 16 - for analysis 		



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