



Area-Based Reviews in London:
Moving to a more collaborative phase for FE?
Research Report 2
(September 2017)

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Executive Summary

This is the second report of the Area-Based Reviews (ABRs) in London research project undertaken jointly by UCL IOE Centre for Post-14 Education and Work and the Association of Colleges (AoC) London. The new document builds on the first 2016 report by: revisiting the national policy context and re-interviewing those who participated in the research during 2016 at college level, in the four sub-regions and at a pan-London level and, once again, receiving feedback from college leaders and practitioners through seminar discussions. This multifaceted research approach attempts to capture the condition and outcomes of the official London ABR processes as they came to a close in Spring 2017. The report not only communicates findings from this fieldwork, but also revisits the key concepts of Logic A (institutional financial viability) and Logic B (area-based progression and skills development). Finally, the report looks forward to the post-ABR process and, in particular, the role of the Mayor, the Skills for Londoners Taskforce and the four sub-regional Employment and Skills Boards in the context of the emergence of a London Skills Vision.

In terms of the national context, the report notes the further development of government policies on the *Post-16 Skills Plan* and the development of standards-based apprenticeships in what might be termed the 'vocational turn'. This contextual landscape comprises notable continuities in skills-related policies, but significant changes in the field of politics due to the election of a minority Conservative Government and intensification of the debate about Brexit.

There were also notable continuities in the views of research participants in terms of general support for the idea of ABRs, but less support for the ways in which ABRs have been conducted – the process was seen as rushed, bureaucratic and offering little new useful data on which to make important institutional organisational decisions. While participants understood the need for more viable FE institutions (Logic A), their support for ABRs was also based on the policy promise to develop more effective relations with employers and other local stakeholders to develop higher level vocational specialisations across the Capital (Logic B).

The second year provided new data on the progress of college mergers, with no fewer than 12 new FE formations emerging. This is by far the largest scale of regional reorganisation taking place nationally. However, the distinguishing feature of the London merger process was the initiative taken by London colleges themselves, a process assisted by the close proximity of colleges to one another in the capital. This suggested that the London ABRs should be viewed less as a critical decision-making process and more as a 'behavioural nudge'.

Despite the scale of merger activity, the research revealed that the London ABR process contains a number of important challenges; notably bringing about positive changes to provision and opportunities for learners, whilst maintaining attention at the local level and for those populations who currently require lower levels of provision. While vocational specialisations have yet to be adequately discussed in the ABR process, there was a widespread concern that large-scale organisations could overlook the skills needs of localities in the context of a national drive for higher levels skills needs in key sectors.

The second year of research also opened up some significant differences of opinion regarding the prime aims of ABRs. But as the ABR process moves into its implementation phase, there was a general agreement that the four sub-regional Employment and Skills Boards will be critically important in realising the wider skills and progression aims of ABRs. However, there were questions regarding the potential effectiveness of these strategic fora and whether they will be able to achieve the levels of agreement required to bring about significant improvement to skills levels across London. Similar questions were asked regarding efficacy of the Greater London Authority's (GLA) London Skills Vision.

The concluding discussion offers a brief assessment of the historical significance of the ABRs in terms of the how far they represent a movement from a marketised national FE sector to a more collaborative local FE system. The report suggests that ABRs can be viewed as stimulating a 'weakly collaborative' set of arrangements between FE colleges and other local social partners. The report concludes that realizing the promises of Logic B will require time and collective deliberation, something that was lacking during the ABR process thus far.

Part 1. Introduction

The London Area Based Review (ABR) research project

This second report of the independent research project jointly led by the ULC IOE Centre for Post-14 Education and Work and the Association of Colleges (AoC) London Region aims to provide an in-depth lens focused on the dynamics of the ABR process in London which, with its four sub-regional quadrants, represents a considerable site of reform for further education colleges in the Capital.

Its findings complement those of the official ABR reports published at the end of 2016 and the beginning of 2017¹ and that of the Parliamentary Inquiry into 'Post-16 Area Reviews' undertaken by the Education Sub-Committee on Education, Skills and the Economy in 2016.² This research thus constitutes a unique opportunity to describe and analyse a potentially historic change in the way that FE colleges operate in the Capital and offers lessons both on the process and outcomes for London and potentially for England as a whole.

The official view, articulated by the FE Commissioner, is that ABRs represent a policy success having brought colleges, Local Enterprise Partnerships (LEPs) and local authorities together in local strategic fora, leading to new agreements on institutional reorganisation and providing greater efficiency, economic sustainability and improved delivery through specialisation. The communication from the DfE noted that by the end of the ABR process there would be recommendations for around 50 mergers nationally³. A significant proportion of these will be in London.

¹ ABR reports from across England and including London can be found on the DfE website <https://www.gov.uk/government/collections/post-16-education-and-training-area-reviews>

² Parliamentary *Post-16 education area reviews inquiry* (<http://www.parliament.uk/business/committees/committees-a-z/commons-select/education-skills-and-economy/inquiries/parliament-2015/post-16-education-16-17/>). Accessed 12 September 2016.

³ Letter to 'All Chairs and Principals of Corporations and FE / Sixth Form Colleges and Institutions' DfE, 16 March 2017.

The role of the 2016 and 2017 research reports

The first report (January 2017) focused on the views of different stakeholders involved in the ABR process in London. The report also attempted to conceptualise the inter-twining of institutional competition and collaboration agendas in an era of rapid policy development and political flux.⁴

The report began with an extensive discussion of the official aims of ABRs and their role in the wider national policy context that contained powerful drivers of institutional behaviour. This context in 2016 comprised the continued impact of austerity that placed pressure on FE college budgets; the intensification of post-16 institutional competition spurred on by academisation of secondary schools and the growth of school sixth forms; the *Post-16 Skills Plan*⁵ and the new standards-based apprenticeships, together with a sharpening divide between general and vocational learning. The report also considered the potential impact of the devolution of the Adult Education Budget on localities and regions.

At the same time, the approach to ABRs in the English context was compared with the already existing reorganisation of FE colleges in the other countries of the UK – Scotland, Wales and Northern Ireland. These smaller education and training systems had experienced a relatively top-down regionalization process, while the English ABR approach, on the surface at least, appeared to be more ‘institutionally permissive’. This was because the ultimate decisions about whether to accept the recommendations of ABRs was left in the hands of individual college governing bodies; although some colleges would maintain that they have been pressurized by national agencies and college commissioners.

The first report also considered the specificities of London – notably its city regional scale; the need for the formation of four sub-regional quadrants to make the ABR process manageable; the dynamics of its heavily financialized economy; the very active market in

⁴ The first report *The Area-Based Review in London: Two logics of reform* is available - <https://www.ucl.ac.uk/ioe/news-events/pdf/area-based-reviews-london-feb-2017>

⁵ <https://www.gov.uk/government/publications/post-16-skills-plan-and-independent-report-on-technical-education>

full-time post-16 students and its relatively under-developed technical, vocational and work-based training system.

The first report focused on communicating the outcomes of interviews with FE and sixth form college (SFC) leaders and local and regional authority policy actors. It also reported on four focus group discussions, one held in each of the London quadrants and involving FE curriculum specialists, together with the deliberations of dissemination events.

At this early stage of the ABR process stakeholders voiced their broad support for the 'idea' of the ABRs, but also expressed concerns about whether they would be effective in achieving their immediate stated goals; whether significantly large sub-regional meetings would have the capacity to address the breadth and depth of issues to be considered; whether they would be sufficiently inclusive to bring all the required stakeholders round the table (particularly schools and employers); and whether there would be enough time and capability to begin to address the longer-term aims of creating a closer relationship between FE colleges, employers and economic development. The related concepts of 'Logic A' - college financial viability - and 'Logic B' - skills, progression and collaborative working - were used to capture succinctly both the realities and aspirations expressed by key stakeholders during this period (see p.9 for a brief discussion of these two related concepts).

The second 2017 report builds on the 2016 report in four respects.

1. Returning to the policy actors interviewed in the first year of research to capture their perspectives a year on towards and after the end of the official ABR process.
2. Taking stock of a rapidly evolving picture regarding the merger process in London with, as we will see, the potential creation of no fewer than 12 new college formations. In the context of the emergence of new forms of college groupings, the concept of merger has also become looser in order to embrace differing arrangements and institutional combinations.
3. Revisiting the conceptual framework of Logic A and Logic B in order to see how far this distinction, regarding the tensions and possibilities of the ABR, remains relevant and whether it is capable of further elaboration.

4. Looking forward into the post-ABR process and especially the role of the new London Enterprise Action Partnership (LEAP), the Skills for Londoners Taskforce and the four Sub-regional Skills and Employment Boards in the context of a London Skills Vision.

The national and regional policy contexts in 2017

The national policy context of 2017 is not so different from 2016 due to notable continuities. These include continued resource constraint; the elaboration of the *Post-16 Skills Plan* and the development of standards-based apprenticeships. What is new, however, is greater clarity regarding the role of the apprenticeship levy and the Institute for Apprenticeships, all of which impact on FE colleges. The official view is that the ABR job is now broadly done and it is time to move on. In the view of government, implementation will now be down to the respective colleges. As we will see, the idea of 'job done' hardly describes the London context, where a great deal still remains to be done.

While national skills policy has not dramatically changed, the wider political landscape has. The outcome of the June 2017 General Election produced a Conservative minority government dependent on support from the Northern Ireland Democratic Unionist Party (DUP), one effect of which will be to limit the options to follow an economic austerity path. Added to which, the rancorous debate around the Brexit process continues to focus attention back on UK skills. At a London level, the Labour Mayoral administration is finding its feet in terms of skills development with the anticipated devolution of the Adult Education Budget and the desire to take a more strategic pan-London approach in this area. Taken together these factors – national and regional - arguably point to a greater emphasis on a more co-ordinated approach to FE and skills at the sub-regional and regional levels.

Key findings from Year 1 research and the concepts of Logic A and Logic B

All participants broadly supported the 'idea' of Area-Based Reviews on the grounds that a focus of policy on FE colleges would strengthen their national profile; that the financial challenges of austerity required some kind of organizational response and that there were merits in developing more effective specialist vocational provision and closer relationships with employers that required sustained and planned investment. In this sense, there was general support for government policy in this area. All parties, however, had various

concerns as to whether the ABR process actually had the capacity to realise these aspirations.

Amidst these general agreements however, there were differing emphases. Colleges, unsurprisingly, found themselves very focused on financial viability and strengthening their role in an education and training market while also trying to meet local skills needs. Preoccupations with financial viability proved very different for colleges suffering from financial difficulties compared with those in a more favourable position. Those involved in local government placed their emphasis primarily on how the ABRs might lead to a more coherent and transparent vocational education and training system, although they also saw the importance of having financially viable organisations. These differing but overlapping emphases led to the development of the related concepts of Logic A and Logic B. The term 'logic' referred to the inter-relationship of a number of policy assumptions or perspectives and their effects on the ABR process as it was played out.

Logic A was characterised as an 'adaptive institutional and competitive approach', with a central focus on FE institutional economic viability; a partial system approach with the relative exclusion of schools; general education and little input from wider stakeholders, such as employers; a short review process conducted as a 'sprint' that allowed limited discussion of progression and skills issues; and with the overall objective of preserving a competitive spirit in the FE sector, albeit with larger and more federated players. Viewed from a UK-wide perspective, this represents a particularly 'English' solution to the role of FE compared with more 'planned' developments in Scotland, Wales and Northern Ireland.

Logic B, on the other hand, was characterised as a 'system-wide and collaborative approach', with an emphasis on the improvement of vocational specialisation and progression pathways for all; involving employers and economic strategists that understand the unique features of London and its skills base; a Pan-London approach based on a holistic citywide picture that could focus on distribution of vocationally specialist provision; and a longer and more inclusive ABR process with time to consider the collaborative provision questions that are yet to be addressed. Logic B could be seen to represent a shift from the

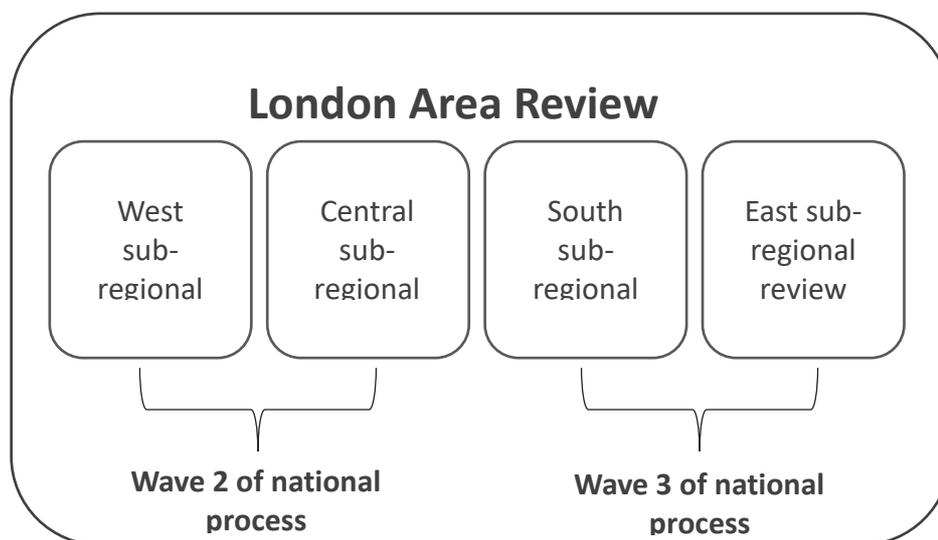
individual competitive institution logic towards a more local or sub-regional collaborative system approach in the context of a government strategy of regional devolution.

The first report concluded that within the London ABR process in 2016, Logic A very much dominated Logic B. At the same time, and reflecting the desires of both college leaders and local government officials, both logics were seen as necessary and inter-related. However, their reciprocal relationship could only be realized over a longer period and not necessarily within the constrained timescales of the ABR review process. Put another way, Logic A would have to support the development of Logic B and be superseded by it.

The ABR process in London and the four sub-regional reports

Given its size, the London Area-Based Review has comprised four sub-regional reviews – West, Central, South and East - with the first two being part of the Wave 2 of the national process and the latter two, part of Wave 3. Each sub-regional review held five meetings and the four final reports were published in February 2017.

Figure 1. ABR process in London



Each report, published in February 2017, contained a wealth of background information on the respective London sub-region – its demographics and the economy; patterns of employment; sub-regional priorities; the quality and quantity of current provision and

providers. The reports articulated the case for change and suggested recommendations concerning FE college mergers/alliances; the academisation of SFCs and the function of stand-alone institutions. The organizational recommendations appear, in a number of cases, simply to endorse merger action discussed or taken by colleges prior to the ABR process, although there were hotly contested recommendations, notably in the west and central sub-regions. However, the future organization of provision and the lines of specialisation were not discussed and it is not clear, at this point at least, as to how these recommendations relate to the development of vocational specialization across London as a whole. The implications of the reorganization proposals for provision at different levels and in full-time and work-based learning will be taken forward by the new sub-regional bodies supported by the LEAP, the Skills for Londoners Taskforce and in some cases supported by area review transition grants worth between £50,000 and £100,000.⁶

The research approach of the UCL IOE/AoC London project – Years 1 and 2

The research reported here articulates the finding and interim analysis of the second year of this small-scale, three-year research project (September 2015-August 2018). The longitudinal approach to the project has allowed researchers from the Centre for Post-14 Education and Work, in collaboration with AoC London, to monitor whether and how the perceptions and actions of key actors change over time.

The first year of research drew on the analysis of relevant national, regional and sub-regional documentation on the London ABR; an initial scoping seminar for London college principals and chairs of governors held at UCL IOE in October 2015; four seminars (one in each of the London sub-regions) for those responsible for the curriculum in London colleges; individual interviews with the principal (and in some cases the chair of governors) of one general FE college (GfE) and one SFC from each of the four sub-regional areas (eight colleges in total); a representative from the GLA and the Joint Area Review Delivery Unit (JARDU) (two interviews in total); and three of the four chairs of sub-regional ABR committees (the

⁶ A total of 10 grants have been awarded across London to eight providers and their partners to a total of £750,000.

fourth chair declined to participate). This fieldwork was carried out between April and July 2016 when the ABR process was already underway.

This research process was broadly repeated in the second year, albeit with adjustments to reflect the maturing of the project and the progress of the ABR process. An ABR seminar was held in October 2016 at UCL IOE where the findings from the report of Year 1 were disseminated and discussed. All those participating in the research to date were invited, along with representatives from all London colleges via AoC London. The report of the findings of the first year were published in January 2017 following this dissemination/consultation event.

A second round of individual interviews was carried out in the Spring Term 2017, where researchers returned to discuss the reflections of the college leaders and local, sub-regional and regional authority figures as the ABR process progressed. Two seminars involving curriculum specialists were also held in the East and West of London. These were followed by a conference in July 2017 to disseminate and discuss the findings and analysis to date. Notes were made during the interviews, seminars and conferences and interview notes were subsequently shared with interviewees to ensure accuracy. In all cases, participants had been assured of anonymity, although in the case of the regional chairs, and in certain highly specific contexts, this posed a difficulty and participants were informed about this issue. Research and dissemination activities in Year 3 have yet to be determined. What is reported in this independent research are attempts to tell the story behind the decisions made in each of the sub-regional area reviews; the experiences of those involved at institutional, local and regional levels in London and the tensions and possibilities for the future.

Part 2. Emergent themes in the second year of research

Introduction to the themes

In the first ABR publication the data gathered through interview or focus group seminar was principally reported by policy actor (i.e. FE and SFC leaders; local authority chairs of the sub-regional reviews; regional functionaries such as the GLA and national officials in the form of JARDU; curriculum specialists through the four seminars). This mode of reporting was decided on the grounds of the importance of perceived differences of emphasis of those social partners who mediate policy at the institutional or at the wider levels.

In this second report the fieldwork data is reported principally by theme on the grounds that these have become clearer in the second year of the ABR process and approximate to the issues being taken forward in the implementation phase of the ABR process. Where relevant, the views of the respective institutional and policy actors are reported under each theme. The five themes that constitute this section of the report are:

Theme 1. Perceptions of aims of ABRs and the experience of the ABR process in London

Theme 2. Mergers, alliances, collaboration and competition on the London landscape

Theme 3. Challenges of the ABR process in London

Theme 4. Curriculum provision and the importance of the local

Theme 5. Moving forward from ABRs into the next stage.

Theme 1. The aims and experience of ABR in London

FE principals and governors

From the beginning of the ABR process FE college principals and governors broadly accepted its official logic. They recognized that ABRs were a necessary move to financially strengthen FE and to improve its national profile and its relationship with employers and local government. By the second year this view remained broadly unchanged. ABRs continued to be seen as a galvanizing process to strengthen the FE sector. One principal commented:

“The principle of the ABR is probably a good one, there is a need for reform and a need to strengthen the Further Education and skills sector. It has now been accepted that the ABR process needed to happen.”

Furthermore, college leaders recognized that it had been good to bring local authorities to the table to address skills issues together. As another principal put it:

“LAs are not a threat, they have no resource to take over FE. There is a need for colleges to work in social partnerships to build the skills required to meet the needs for jobs, apprentices and TVET in general.”

However, they continued to argue that the process looked very financially focused with colleges entering the ABR process in different situations regarding financial viability and preparedness for merger/collaboration:

“It should have been a process of getting from A to B, but in fact all the significant strategic decisions had been taken prior to the review,” was the view of one of the principals interviewed.

This meant that some colleges felt much more vulnerable than others. But as the ABR process moved into its second year, financial viability was never actually fully explored. Instead of getting down to a discussion of current as opposed to projected figures, what took place was likened to playing institutional ‘chess’; a process that proved particularly punishing for financially weak colleges, who felt that they had had *“to discuss their dirty linen in public”*.

The criticism of the ABR process was repeated in second year interviews – it was viewed as either too top-down or chaotic and lacking power to make decisions stick. One chair of governors was quite disillusioned:

“The ABR lacked the muscle to make key decisions and make them stick. What it could do was to get behind the voluntary decisions that had already been made and then claim them as decisions made as part of the ABR.”

The meetings (five in all) had been too short and too ritualistic to seriously discuss the issues at hand. Such were the inadequacies of the ABR process that even Logic A - financial viability - was never fully explored. There was a clear desire among those interviewed for a more co-ordinated approach at the pan-London level:

“The sector needs organization... FE needs marshalling, it is a disorganised and fragmented sector. There is a need for the effective and efficient use of resources for the sake of the ‘public purse’”.

Discussion of Logic B, however, became impossible due to the difficulties of responding to the complex labour market demand in London in the constrained time available.

Sixth form college leaders

Sixth form college leaders had a different perception at the beginning of the ABR process – feeling on the edges of the ABR process due to its vocational focus whereas most SFCs are overwhelming oriented towards general education.

“The involvement of sixth form colleges appeared to be an afterthought. One had to question why sixth form colleges were at the table, we did not feel part of the process. We were required to consider various propositions all of which came to nothing.”

Moreover, London SFCs have faced a specific set of challenging conditions - being preoccupied with academisation (although it transpires that to date none have opted for academy status) and financial issues and pensions. Several SFCs are Catholic and therefore Diocesan factors come into play and SFCs consider themselves having a local rather than sub-regional role. When interviewed in the first year, SFC leaders argued for the need for 11-18 school involvement and a review of general education provision not just vocational. Despite these specific conditions, those interviewed in the second year thought that the

ABR had turned out to be more useful than they had at first thought because it had brought SFCs and school sixth forms into view and, in some cases, had stimulated a more collaborative environment. One Chair of Governors commented:

“The process has brought people together, Chairs and Principals from the sub regions in particular, and this has helped them to look beyond the boundaries of the institution and consider wider regional needs. It has forged new relationships.”

However, they still questioned the costs of the whole exercise, with one Chair of Governors stating wryly: *“The college would like to see a cost analysis based on what was achieved by the ABR process against what it cost”*. And there were concerns that it lacked a focus on quality, something which was also emphasized in the FE curriculum leaders’ seminars.

FE Curriculum leaders

In the focus groups in Year 1 FE curriculum leaders across the four London quadrants had raised the issue of the potential costs of mergers and lack of organisational stability at a time of considerable national policy change. Like the SFC leaders they stressed the importance of a focus on curriculum and quality going forward. They pointed up the need for pan-London college collaboration; a discussion of specialized and niche provision and the creation of clear progression routes for learners. While these issues were echoed in the seminars in the second year, curriculum leaders’ views at this point became much more wide-ranging and strategic and for this reason they have been considered as part of themes 3-5.

Local authority leaders, London Councils and GLA

Local and regional officials when interviewed in the first year thought that ABR offered an opportunity to review the role of further education in localities, sub-regions and across London; to get to know colleges better; and for FE colleges to fulfil their economic, social and sub-regional roles through greater collaboration between themselves and with other social partners.

In Year 1 they speculated that the process would be too rushed and college finance-oriented to include meaningful discussion of skills and progression issues. They also felt that there was a need for greater employer and community voice and for sub-regional and Pan-London discussion.

By Year 2, the ABR process had confirmed their hopes and fears of relationship building with colleges. On the positive side, it had encouraged dialogue and relationship building:

“By the penultimate ABR steering group, the principals were talking to each other in a much more collaborative way and the relationships between LAs and colleges had really strengthened, which was seen as particularly important – this was not happening in all LA areas before.”

However, they confirmed the dominance of Logic A; that the process had been all about organizational structures, was too rushed and had not been able to confront the complexities of skills needs in London. In particular, they highlighted some notable cases of college autonomy where at least two colleges had gone against the expressed view of the local authority and the FE Commissioner. This had highlighted the limits of both the ABR process and of local authority influence, which was a source of some irritation and frustration:

“There has been far too much concentration on financial issues rather than creating a system fit for learners and the local economy. It has ended up like a series of deals that have been concocted behind closed doors, with the sub-regional boards and FE commissioner have been asked to sign these off. There has been no serious challenge to these deals despite the fact that in some cases they do not made a great deal of local sense.”

There was a strong sense of a missed opportunity in terms of discussion about specialization, employer demand and meeting the needs of the local and regional economies and surprise at the amount of autonomy FE colleges have:

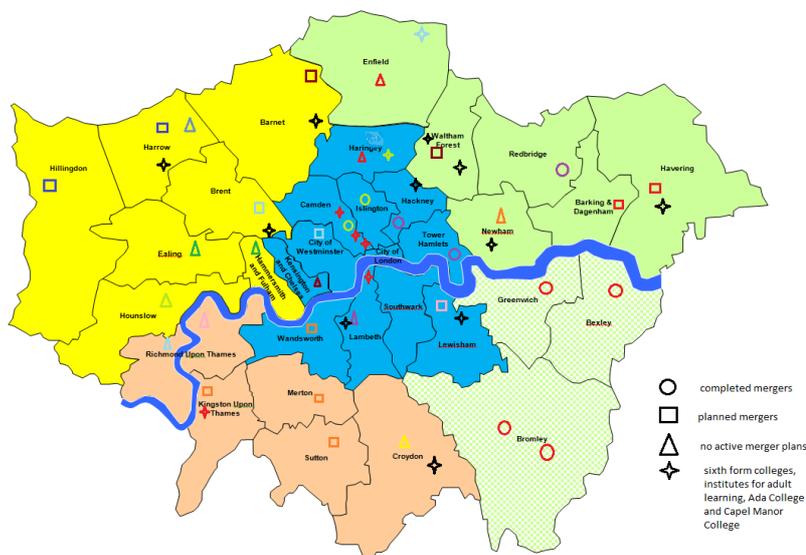
“The ABR started with good intentions – to build clear educational pathways for young people who didn’t want to go to university. I felt this was an important thing to do and that is why I signed up to it. There is a gap in the type of FE provision that is offered and what employers want so the ABR in my view was about how we make sure that the FE colleges have the right curriculum for business. However, before I started this work I had not understood how independent colleges are. I underestimated the self-interest that they would show.”

For this reason, local and regional interviewees stressed the importance of working more collaboratively and with a wider set of players in the future – see Theme 5.

Theme 2. Mergers, competition and collaboration on the London landscape in 2017

London has been unique nationally in terms of the speed and extent to which merger talks were taking place prior to the ABR process. This is evidence of the catalyzing effects of the ABR process. On the surface at least, the FE landscape in London has been significantly changed as the majority of GFEs have moved towards merger. The mergers/ however, differ in character, comprising new relationships between similar types of institution - GFE+GFE – or different types - GFE+IAL or GFE+HEI. Figure 2 illustrates the activity on a London-wide scale.

Figure 2. College mergers resulting from London ABRs (as of early July 2017)



Source: AoC London

Figure 3 shows the extent of the merger process in London. As of July 2017, a total of 28 colleges (mainly GFEs) have been involved in mergers/alliances of one sort or another. At the same time, however, a significant minority of colleges (mainly sixth form and specialist colleges) have no merger plans at this stage. Remaining standalone colleges include three GFEs.

Figure 3. List of mergers of London colleges (July 2017)

Colleges involved	Type of alliance	Date of announcement
Tower Hamlets College Redbridge College Hackney Community College	Merged	13 April 2015 (Tower Hamlets and Redbridge) 10 November 2015 (Tower Hamlets & Hackney)
Westminster Kingsway College City and Islington College	Merged	11 December 2015
Bromley College Bexley College Greenwich Community College	Merged	July 2015 (Bromley & Greenwich) 17 December 2015 (Bromley & Bexley)
Hillcroft College Richmond Adult Community College	Merger	19 October 2015
Lewisham Southwark College NCG	Merged	20 March 2016
South Thames College, Kingston College, Carshalton College	Merged	16 December 2016
Harrow College Uxbridge College	Merged	06 January 2017
College of North West London City of Westminster College	Merged	30 January 2017
Lambeth College London South Bank University	To be defined	
CONEL Capital City College Group	Merger	08 June 2017
Ealing, Hammersmith and West London College Kensington and Chelsea College	Merger	28 June 2017
Barnet & Southgate Epping Forest College	To be determined	3 July 2017

Source: AoC London

Merger activity has been concentrated almost solely on GFEs. There is now a total of seven merged FE college groups with five more in progress. This represents a significant reduction on the previous number of GFEs in London. Conversely, there has been virtually no merger or alliance activity amongst specialist colleges or SFCs.

Theme 3. Challenges in the London ABR process

While London's colleges, in anticipation of the upcoming ABRs, initiated merger and alliance talks not all aspects of the merger/alliance process have proved to be straightforward.

There have been a small number of cases where mergers/merger plans have taken place in opposition to the wishes of both the local authority and the FE commissioner. In these instances, college leaders and their governors decided on a particular merger plan, sometimes involving institutions outside Greater London boundaries. This, it was argued by some, was mainly on the grounds of finance/viability (Logic A) rather than on what might prove advantageous for the locality, sub-region or region in terms of provision and skills development (Logic B).

In discussion of these particular cases, seminar participants reflected on the fact that there was not an entity in London that would have had the authority to create a plan for mergers across the Capital. Furthermore, they argued that while the merger proposals and consultations demonstrated the application of Logic A, the outcomes of the consultation (i.e. whether the mergers went forward or not) were now being influenced by Logic B. Some of the proposed Logic A mergers have since failed to materialize, which would tend to support the assertion of Logic B beginning to influence decision-making.

Although on the surface London merger activity looks particularly transformative for GFEs; the actual effects on the ground have not been particularly visible to date. In virtually all cases, merged institutions continue to maintain a local profile for the component colleges within the new organisation, including maintaining campus names. Therefore, learners and local residents may not be aware of any merger having taken place. Furthermore, the immediate effects of merger will be largely administrative and relate to staffing issues, the hidden wiring of colleges, and it may be a year or two until there is an impact on the pattern

of provision. Participants queried whether colleges would still be interested in pursuing specialisms once the initial dust had settled.

Discussion in interviews and seminars also focused on issues of governance, quality and competition/collaboration in relation to these new larger college formations. It was noted that all the merged formations would need to reconstitute their boards of governors so that they would fully represent the interests of the new merged organization rather than its constituent parts.

The process of merger also involves significant transaction costs and, in keeping with the experience of mergers prior to ABR, it was widely expected that any benefits would only be visible within two or three years. In the meantime, amidst the flux of reorganization, there was a perceived risk of a decline in quality with the needs of learners taking second place to organisational merger considerations.

There was also discussion of the new dynamics of competition/collaboration. Mergers were seen to have two potential levels of impact on competition. On the one hand, it is anticipated that they could reduce or eliminate competition between the constituent parts of the new college groups. On the other hand, they could spur increased competition with other large merged entities or indeed with the remaining standalone colleges, which could destabilise these latter organisations. The competition/collaborative balance, however, could also be affected by the newly formed sub-regional skills boards where the accent will be on a co-ordinated approach to meeting London's skill needs.

Research participants reflected on the levels of collaboration that had emerged in the four London sub-regional quadrants during the ABR process. There was a sense that East London had been more collaborative throughout compared to the other sub-regions. It was suggested that this may have been due to a combination of factors – collaborative discussions in preparation for the ABR; current and prospective economic and population growth in the East, reducing the need for competition between providers; pre-existing partnership arrangements that had made it easier to move forward; and the role of civic

leadership in the form of the Local London sub-regional group⁷ and the approach of the Chair of the East London ABR group, in facilitating collaboration.

Theme 4. Provision at the lower levels and the varied needs of local populations

While a major official aim of the ABR was to facilitate the development of higher level vocational provision (Levels 3, 4 and 5) on sub-regional and regional scales, seminar discussions and interviews focused on the legitimate need for localized lower-level provision. The reasons for this are many and varied. Focusing on the needs of the immediate community is nothing new to colleges; many would argue that it has been their *raison d'être*.

In the context of discussions of the potential effects of ABR, seminar participants argued that it was important to retain local provision for lower level learners, those with special education needs and the adult population in surrounding communities. In addition, some pointed to the growing role of Local Authority Section 106 Planning Agreements and employers' Community Social Responsibility (CSR) concerns. But the main drivers for local provision were seen as economic and social with lower level provision being convergent with the nature of some local populations and local economies in which only a minority of students progresses to higher levels and higher-level jobs. The retention of local and lower level provision may also be reflective of local polarisations between different parts of the economy and different social groups. The development of localized provision also has to be seen in the context in which vocational specialisms may have different markets (young v. old and local v. London-wide). Finally, colleges have a local presence when compared with HE, which is more regional (although their respective 'learning ecologies' do overlap). Taken together, these constituted powerful arguments for stability and development on the local and sub-regional scales to ensure the continuation and development of provision suited to local populations and the 'foundational economy'.

⁷ See <https://www.newham.gov.uk/Documents/News/DrivingGrowthThroughDevolution.pdf>

Theme 5. Moving forward from ABRs into the next stage.

There was a noticeable level of agreement across interviewees and seminar participants about the means of going forward – keeping up the momentum from the ABR process; utilizing the new sub-regional structures; introducing a stronger Pan-London vision and framework, and focusing on Logic B, curriculum and vocational specialization.

Within this potential consensus, however, there were differing emphases. College principals and governors understandably noted that there would be a great deal of immediate focus on implementing mergers with the college groupings across London. While the transaction costs are well known from previous mergers, it is important to recognize that this intense set of mergers concentrated on a city region scale is unprecedented. At the same time, college leaders also recognized the need to address skills needs and employer relations in a new ‘ecosystem’ way. As one commented: *“There needs to be good pan-London co-ordination but without anyone trying to micro-manage what is being co-ordinated.”*

They also accepted the need for Pan-London approach – one principal summed up what several others had suggested: *“There is definitely a need for co-ordination at the GLA level”* - but did not think that the sub-regions and their boundaries necessarily make sense in terms of the new college groupings.

Sixth form college leaders wanted to continue the focus on partnership working: *“Partnership working is crucial. One of the good things that came out of the ABR is the emphasis on partnership which has resulted in a curriculum MoU with the other local sixth form college. The three colleges in the LA have now met for the first time.”*

They also wanted a review of school sixth forms and will be pressing for sub-regional groups to bring post-16 general education under review.

While there were a number of common views about the way forward, however, several concerns were voiced about the legacy of the ABRs and whether the new regional and sub-regional governance frameworks would be sufficiently strong to move the skills agenda

forward. It was interesting that at the time of interview/seminar none of the sixth form college leaders and governors had heard about either the Skills for Londoners Taskforce or the four sub-regional skills and employment boards.

Despite the fact that each of the ABR sub-regions produced substantive reports with detailed recommendations for merger/alliance, the process itself had been viewed as problematical - rushed and dominated by financial discussion and even this had been deemed inadequate for the task. Skills needs, employer partnership, discussing and organizing vocational specialisations had been squeezed out. At the same time, there were concerns that large college formations will become absorbed with internal merger business - an expensive and energy-absorbing process that will continue to preoccupy the senior levels of leadership. Moreover, there was a fear that these large-scale organisations may not be structured in a way that produces good relationships within particular localities.

The research participants broadly viewed the sub-regional and regional skills groupings as a helpful and necessary development, but questioned whether they would be equal to the task ahead, particularly given the levels of college autonomy exhibited during the ABR process. There were also concerns as to whether all the important parties would be included and how decisions around skills development and collaboration could be made to stick. There were similar concerns as to whether the GLA pan-London skills vision would prove to be an effective guiding framework and how incentives could be applied to assist in establishing productive relationships between the new FE formations and London's skills and education needs.

Part 3. Key questions arising from the research to date

What is the historical significance of ABRs and the two logics of reform?

ABRs constitute the most extensive re-organisation of further education colleges since Incorporation in 1993 and, therefore, a key question concerns their significance in terms of the future shape and function of further education in England. The evidence thus far from this research in London suggests that two related processes or trajectories are being played out. The first is the Government concept of an education market and the policy aim of cost reduction in which ABRs are meant to result in larger and more economically viable FE institutional formations better able both to compete and to respond to the needs of employers. The second is that of a more planned, co-ordinated, collaborative system-based approach in which the new college formations become involved in sub-regional and regional discussions and decision-making in order to support improved vocational provision, clearer progression pathways from education to employment and closer working relations with employers.

In this research these two related directions of policy and action have been termed Logic A (institutional economic viability) and Logic B (local progression and skills development). In the report of the first year of the research, it was suggested that Logic A was dominant in the ABR process and was displacing Logic B. However, it was also argued that, over time, they might be viewed as complementary and mutually dependent views of FE development. Logic B would, therefore, need to emerge at end of the ABR process and into the implementation phase. Discussion contained in this final section of the second research report attempts to cast some light on the relationship between these two logics of reform.

What has been the function of the ABR process in London – a decision-making forum or a ‘behavioural nudge’?

A key aspect of Logic A has been the process of institutional merger and alliance formation. The distinguishing feature of the ABR process in London is that many of the proposed mergers and institutional collaboration processes existed in some form in advance of the ABR sub-regional discussions and decision-making. The views of college leaders interviewed

in both 2016 and 2017 was that the ABR process itself was not crucial in terms of their decision-making. The Department for Education (DfE) sub-regional reports, on the other hand, suggest a rational process of data collection, discussion and decision-making. The reality was that the ABR meetings functioned less as a critical forum for discussion and decision-making and more as a 'nudge' to consolidate a different type of institutional behaviour that had already been set in motion between the time ABRs were announced and before they had actually begun in earnest.

How far has there been a convergence of views of different stakeholders?

In the first year of research London college leaders and other stakeholders hoped that Logic B would be the main outcome and that FE would have a higher and more positive profile as a result. However, within this shared aspiration there were differing expectations across the institutions and between institutions and local government in particular. Unsurprisingly, FE college leadership and governors were primarily concerned with the implications for their institution and its future. In certain instances, as we have seen, a small minority were prepared to defy the wishes of the ABR recommendations. In addition, FE and SFC leaders also had differing emphases within the ABR process with the latter having to decide about whether to academise or not and seeking a much broader review of general education and relationships with schools (something that ABRs were not tasked to do). Logic A - the focus on financial viability and merger decisions - was therefore not a prime site of consensus. The real potential consensus lay and lies in relation to Logic B and is the reason why many college leaders and local authority representatives had supported the ABR process in the first place.

How will the FE mergers work out – will it have been worth it?

Nevertheless, the original and over-riding policy motivation for ABR was financial – seeking efficiencies of scale in order to cope with austerity and reductions in public expenditure. Other policy aims were assembled on top of the prime aim. So, has there been conclusive evidence that larger colleges are any better than smaller ones? The Scottish and Northern Irish experiences offer conflicting evidence regarding the ability of newly merged colleges to

meet anticipated outcomes⁸. In the English case, it is too early to tell and for the DfE to declare the ABR process a 'success' simply based on the scale of reorganization would appear to be somewhat jumping the gun. The question is whether this scale of reorganization can deliver the very diverse anticipated outcomes.

Reasons for the uncertainty are not difficult to fathom. On the one hand, larger organisational formations have the potential to achieve economies of scale in terms of administration, facilities and provision, allowing these formations the possibility of offering a wider range of options at a lower unit cost and to concentrate resources in vocational areas that require specialist facilities and staff expertise. On the other hand, large and dispersed organisations are difficult to run and quality assure, whether internally or externally⁹, throughout their many layers; they are at risk of losing their local identity and can incur high transactions costs in the change process. Therefore, it is possible to assemble a balance of factors that work for or against greater effectiveness and efficiency.

The tipping factor in terms of outcomes, therefore, may not simply be 'college effectiveness and its leadership' in a market environment (the dominant narrative of FE incorporation), but the effects of the 'system environment' on all the constituent organisations. Research from the OECD (2013)¹⁰ suggests that it is the system environment - the relationships between institutions and wider social partners working in a dynamic and collaborative way in what we have referred to elsewhere as an 'ecosystem' - that may prove critical to innovation and growth. It is through these 'local systems' that wider opportunities for involvement in skills development and increased investment may lie in an era of urban regeneration and infrastructure development involving both the private and public sectors.

⁸ Jisc (2016) *Overview of mergers in the sector* <https://www.jisc.ac.uk/guides/technology-implications-of-mergers-and-restructures/overview-of-mergers> accessed 24 August, 2017; Scottish Funding Council (2016) *Impact and success of the programme of college mergers in Scotland* http://www.sfc.ac.uk/web/FILES/ReportsandPublications/College_mergers_overarching_report.pdf accessed 24 August, 2017.

⁹ Through the auspices of the Office for Standards in Education (Ofsted)

¹⁰ Ross, C. and Brown, R. (2013) *Entrepreneurial ecosystems and growth oriented entrepreneurship* The Hague: OECD

Competition and collaboration in the post-ABR period – how far can the new sub-regional structures bring about the realization of Logic B?

At the time of writing, Logic A (the financial logic) still reigns supreme; but it has also stimulated its partner and possible successor (Logic B). While the Government may still see FE in competitive terms; that is not the way it is seen on the ground in London.

The view amongst the education professionals involved in the research was that the best mergers arise from long-standing collaboration. Mergers, therefore, could be viewed as a form of sub-regional collaboration rather than the basis of competition. There is also a sense that the merger process itself is far from over and the later stage mergers could see the emergence of a number of 'super colleges'.

It is also interesting to note how participants viewed the differences between the effects of a focus on the national and the local. National policies were seen to promote institutional 'reactiveness' (e.g. the well-known shifts that result from chasing funding streams); whereas a sub-regional focus can promote 'proactiveness' to become engaged with local educational partners, communities and employers and through this to open up growth opportunities. It was suggested that colleges will now be looking beyond the 'cuts logic' and eyeing opportunities to develop more apprenticeships and to consider how to work with a devolved adult education budget. This suggests that any expansion will have to be by some element of agreement rather than by competition.

As the ABR process progresses the momentum therefore appears to lie with collaboration rather than competition. Is it the case that 'triangles' of new college formations, employers and local authorities will prove to be the sustainable outcome of the London ABRs rather than the mergers themselves?

A key question that remains, nevertheless, is the strength of the new regional and sub-regional fora and strategies. While all parties thought them helpful as a way of going forward, these fora do not have specific powers over colleges to enforce particular behaviours. Nevertheless, they may be able to exert moral and peer pressure. And there is the potential role of the devolved adult education budget that will lie in the hands of

regional government. At the same time, it was recognized that there have been different levels of collaboration across the sub-regions, influenced not only by civic leadership, but also by a sense of local identity and the potential for urban regeneration. In this regard, eyes may well be on the East sub-region that enjoys some of these facilitating factors to see how far the ABR process can result in long-lasting change.

There is also the question of the degree of inclusivity in the new regional and sub-regional strategic fora. Will they be able to bring all the important partners to the table and will this be manageable? Effective partnerships should not only involve colleges, employers and local authorities, but also schools, HEIs and independent training providers (ITPs). But this collaborative effort is taking place against a background of continuing competition. It is worth noting that London will soon comprise several large college formations together with a number of much smaller free-standing organisations and hundreds of ITPs and small sixth forms that continue to defy the very logic that propelled ABRs. This serves to fuel a great deal of 'functional competition' between different types of institutions (e.g. colleges, schools and ITPs competing over sub-degree provision and colleges and HEIs competing over higher level provision). How far will the regional and sub-regional fora be able to encourage a new division of labour with regards to post-16 provision unless they are able significantly to extend their operational reach. Collaboration, it was suggested, is most likely to result from a climate of economic, demographic and education expansion and where it is required for accessing additional resources.

The overall governance of FE and skills more generally in London remains an issue. While London's colleges have been extremely proactive in relation to the ABR process, their actions were not guided in any meaningful sense by a London plan. This means that the new college formations are not necessarily aligned with the sub-regional boundaries and that the workings of these bodies and their memberships will have to be highly adaptive if they are to effectively respond to London's scale and its skills needs.

Is there room for both vocational specialization and 'legitimate parochialism'?

While the discussions in London have thus far focused on scale – the size and reach of the new college formations and, to a lesser extent, on the scale of London and its specialist

needs - the research also raised the issue of the local and the parochial. In terms of the discussion so far, the concept of parochialism has been understood in a pejorative sense when describing the actions of, for example, college governors defending their institution and their 'patch'. However, the research also unearthed what might be termed 'legitimate parochialism' when describing the importance of balancing the development of higher level provision and the needs local populations and local economies that are currently functioning at the lower levels. Current government VET policy is primarily focused at the higher levels. Colleges and local authorities in London have legitimately focused on putting the lower levels of the skills ladders in place and working with employers in the position they find themselves in and not just where they might wish to be in the future. The real fear is that large college formations, potentially functioning increasingly at the higher levels, will inadvertently leave local populations behind. Thus the new strategic sub-regional bodies will have to discuss all levels of provision and their relationship in the creation of effective progression opportunities into employment and higher study.

ABRs – is the FE college sector transitioning towards an education and skills system?

Do the ABRs signal a move from a 'colleges sector' to an 'education and skills system'? By college sector we are referring to a set of marketised institutions formed by Incorporation in the early 1990s and further defined by a set of national policy, funding and regulatory levers. The college sector, understood in this sense, is meant to denote a separate educational sector with a distinctive role and set of functions compared with other institutions such as schools and higher education. The concept of an FE or education and skills 'system', on the other hand, suggests a set of local, sub-regional and regional collaborative relationships in which FE colleges make a distinctive contribution to a local learning and skills system, particularly by supporting progression pathways from lower to higher levels of knowledge and skill. On the evidence collected so far it would appear that ABRs could be a step in the direction of the formation of local skills and progression systems. This does not necessarily mean, however, that we are moving from a college sector to a college system, not least because they exist at different levels – the former national and the latter regional or sub-regional. What we may be witnessing is that the national FE college sector is becoming more regionally and sub-regionally systemic. This

could, nevertheless, be interpreted as a sign of the emergence of a post-incorporation phase for FE.¹¹

The evidence collected so far in the ABR process suggests, therefore, a ‘hybridized’ moment and a form of transitioning between a marketised sector and a more public collaborative spatially located system with an increasing focus on partnership working in localities and regions. However, this type of partnership working is full of tensions and contradictions and currently might be most accurately described as ‘weakly collaborative’.¹²

The unique scale and dynamic of London: can it develop a future vocational skills system?

Meeting the economic and skills demands of London as a global city is highly challenging given the dynamics of its economy and education system. London has over eight million people, representing a population size equivalent to no fewer than 14 other English cities and the size of a number of European nation states. It also has a highly financialized economy that acts as a magnet for educated migrant labour, both from abroad and from within the UK. This dynamic between London’s dominant economy, its centrifugal labour market, high number of higher education institutions and the fact that London’s schools tend to have highly academic sixth forms with a focus on HE progression, has served to restrict the development of its technical and vocational skills system. Colleges have often been left to cater for those young people who have been denied access to general education post-16. At the same time, the concentration of companies in the city’s centre has produced what we have termed a ‘supernova effect’, in which millions of workers travel into a very large central business district, often from great distances in part because they cannot afford to live within easy reach of work. The urban supernova also contributes to the vocational skills equilibrium because it is based on the assumption of travel and migration rather than local and sub-regional skills development.¹³

¹¹ The concept of a post-Incorporation phase of FE is discussed by Hodgson, A. and Spours, K. (2015) in ‘The future for FE colleges in England: the case for a new Post-Incorporation model’ in *The Coming of Age of FE?* Edited by A. Hodgson. London: IOE Press.

¹² The concept of ‘weakly collaborative’ was initially explored in Hodgson A. and Spours, K. (2006) in ‘The organisation of 14–19 education and training in England: beyond weakly collaborative arrangements’ *Journal of Education and Work* 19 (4) 325-342.

¹³ These dynamic factors are discussed in the first report of the East London Vocational Education and Training Project (ELVET) *Education, skills and employment in East London: an ecosystem analysis* (2016).

Post-ABR structures are having to contend not only with the market logic of FE, but with these deeper tectonic forces of London and its economy. A question arises therefore as to whether these new strategic fora can function effectively on their own. Our discussion here suggests that they will have to be reinforced by regional and national strategies and to link with the development of a more polycentric and rebalanced London signified by the strategies of Cities in the East and West.¹⁴ It is not the function of this paper to appraise national government strategies, other than to state that their effect will at best be contradictory. The immediate issue, therefore, is the role of London's Mayor, the GLA, the Skills Vision for London and the Skills for Londoners Task Force.¹⁵ The Mayor's strategy is just getting up and running and the pan-London skills framework and strategy is yet to impact on the post-ABR environment.

New dimensions of institutional and area-based leadership?

But progress will not be down to new structures alone; it will require new qualities of institutional and area-based leadership comprising a number of interlocking scalings of 'systemness':

- managing a polycentric organization but with a strong unifying culture throughout;
- distributing leadership across different sites to achieve a sense of the local, yet retaining cohesion and quality across the college group/formation as a whole;
- thinking strategically about different levels of skills and social needs associated with local populations of all ages thus preserving and developing local identities, but also opening up mobility through progression to higher level skills;
- developing a strong sub-regional role and culture in terms of vocational specialisation;
- engaging in relationship-building with local authorities; HEI and a range of employers and reaching strategic agreements that may require short-term sacrifices in order to achieve long-term gains.

¹⁴ The idea of a polycentric and rebalanced London is also discussed in *Education, skills and employment in East London: an ecosystem analysis* (2016).

¹⁵ GLA (2016) *Skills Vision for London: a global city providing opportunity for all*.

These capacities suggest dimensions beyond those of dual professionalism and reaching into the realms of 'triple professionalism' that focuses not only on vocational and pedagogy expertise but also requires a third dimension of boundary crossing and collaboration.¹⁶ In the new era this third dimension of professionalism would appear to be critical.

¹⁶ The concept of triple professionalism is explored in Hodgson, A. and Spours, K. in 'Why IfL should promote 'triple professionalism' *InTuition*, Issue 13, Summer, 2013