



Module 7

Collaboration and partnerships

For suggestions on how to get the most out of these self-study materials, see the booklet on 'Using the materials'.

Preface to Governance Training Materials

At the time of writing the Governance Training Modules, the **Education Act 2011** had been implemented. It abolished the Young People's Learning Agency, with funding for colleges now being administered by either the Education Funding Agency and / or the Skills Funding Agency. It significantly reduced the complexity of colleges' Instrument and Articles of Government, giving them greater flexibility to run their own affairs. The details are included in Schedule 12 of the Act which makes a number of amendments to prior legislation. Section 29b of Schedule 12 states that "the governing body of the institution may modify or replace its instrument of government and articles of government". These must however comply with certain requirements set out in Part 2 of Schedule 4, thereby retaining some of the key responsibilities previously enshrined in legislation. In some cases, the statutory provision for sixth form colleges differs from that of general further education (GFE) colleges with the **Department for Education (DfE)** overseeing the former and the **Department for Business, Innovation and Skills (BIS)** the latter; however all colleges will now be actively considering the changes that affect them and all governors will need to be aware of the implications for their own organisation. At the same time as the Education Act 2011 was passed into law, the Association of Colleges published **The English Colleges' Foundation Code of Governance**.

This voluntary code of practice was developed by the sector following extensive consultation and all GFE colleges have been encouraged formally to adopt it. It has the full support of the government and is seen as "an important milestone in making colleges more locally accountable and in freeing them to respond more effectively to local learners, employers and community partners".

The government's reform plan for the further education and skills system was set out in **New Challenges, New Chances** published on 1 December 2011 and further refined in **Rigour and Responsiveness in Skills** published in April 2013. A **summary of NCNC** is available from LSIS. In November 2011 the final report of the Independent Commission on Colleges in their Communities, **A Dynamic Nucleus**, was published. Alongside New Challenges, New Chances, these two documents establish the foundation for the future development of the further education and skills sector.

The 2013 version of the Governance Training materials incorporate these significant changes to the operation of further education but all governors are recommended to familiarise themselves with and take account of the key documents referred to in this preface. The materials enshrine the six principles set out in the Good Governance Standard for Public Services by the Independent Commission on **Good Governance in Public Services** (2005), to which all governing bodies are referred.

The **Association of Colleges** has also compiled a **Governance Resource Library** which provides a wide range of online resources for governors and which will usefully complement these materials.

The **Learning and Skills Improvement Service** which has produced these updated and much valued governance training modules will cease to exist after August 2013. It is hoped the essential updating of these resources will be regularly carried out by other existing organisations or newly-emerging ones.

Acknowledgements

The first edition of these training materials was published by the Further Education Funding Council in 2000 and further updated and amended in 2002 following the establishment of the Learning and Skills Council in 2002. They were commissioned by LSC in 2002 under the Standards Fund and produced by a partnership of national organisations involved in further education.

This third edition of the training materials has been published by **The Learning and Skills Improvement Service (LSIS)**, as part of the **Leadership Skills for Governance** programme, and incorporates the changes brought about by the Education Act 2011 and government policy initiatives as at January 2013.

Authors

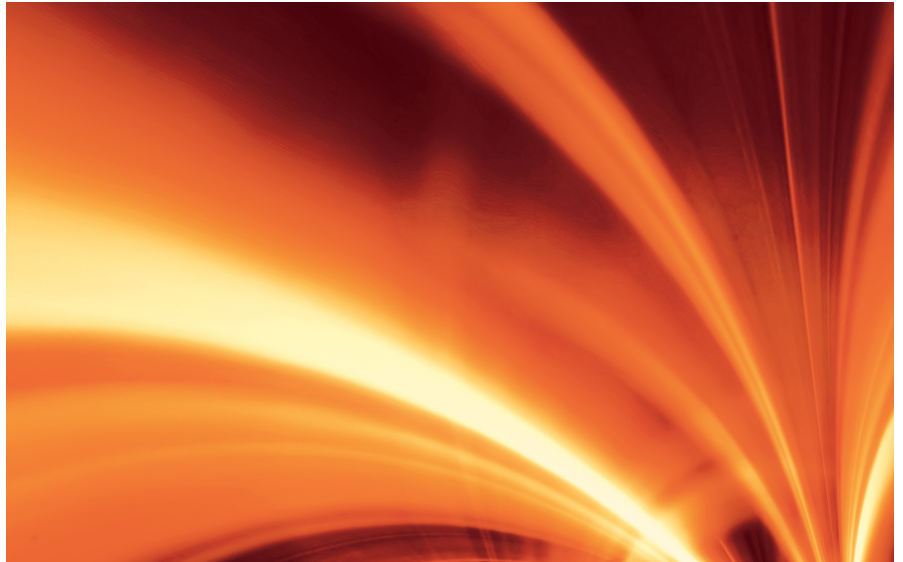
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Feedback on the modules should be sent to fegovernance@lsis.org.uk

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Introduction

This module looks at your responsibilities as a governor in terms of partnership and collaboration. It is intended for all new governors. It will also be of benefit to those who have been governors for some time but who wish to check, extend and update their knowledge about this topic.

Aims

By the end of this module you should be able to:

- explain the different ways a college can partner or collaborate with others;
- describe the benefits and risks of such partnerships and collaboration;
- outline your own institution's partnership and collaboration activity;
- explain how your institution's partnership and collaboration with other providers contribute towards social inclusion and equality of opportunity;
- participate actively in discussions and in decision-making – at both governing body and committee level – about the key issues relating to partnerships and collaboration; and
- ask the questions about potential risks that should be considered when discussing new strategic partnerships / collaboration.

Contents

Mark the sections you want to study and tick them off as you complete them.

To do

Done

Section 1

Current policy and government agendas

Section 2

Definitions and types of partnership and collaboration, with examples

Section 3

What does this mean for governance in your college?

Section 4

Case studies

Working on the self-study activities

These materials have been designed for flexible use. You can work through them with other governors in training and development sessions. You can also work through sections and activities in your own time and at your own pace if you find it difficult to attend organised training sessions. Governors who have used these materials point out how valuable it is to work on at least some of the suggested activities together with another governor or group of governors, as there is such potential to learn from each other's experience. For suggestions on how to organise this kind of support for yourself, see the booklet on 'Using the materials'.

What you will need

To complete activities in this module you will need to obtain the following documents or information from the clerk:

- any reports to the board about partnerships or collaborative activity produced by the senior management team; and
- information about partnerships and collaboration in your local area, that affect the college.

Where you need to make notes in response to activity questions, we suggest you do this in a notebook or on separate sheets of loose-leaf paper, and store the information you compile along with the module, for future reference.

Section 1

Current policy and government agendas

The further education (FE) and skills sector has a key role in meeting government ambitions to achieve the highest quality skills to support an advanced and competitive economy and to support lifelong learning.

The vision for driving positive change in public services includes:

- consumer choice to force colleges and other providers to raise their game;
- competition to create pressure to raise standards;
- payment for results on the outcomes that society needs; and
- transparency about what is spent and what it achieved.

This is underpinned by a philosophy of local democratic accountability. To support this, the Government is reviewing the funding methodology and encouraging the sector to look at innovative, cost-effective ways of delivering what the economy needs. This includes new models of delivery through partnerships, mergers, federations, and collaborative arrangements between different services, sectors and employers, and outsourcing to the private sector.

Since incorporation in 1992, colleges have been forming partnerships and collaborating with each other, local authorities, employers, schools, universities and other services, mostly for the purposes of widening participation and increasing the skills' levels of the workforce.

In more recent years, mergers and new infrastructure models have developed to meet local needs and increase value for money. Some colleges have merged to strengthen their financial position and provide a more coherent curriculum offer to the local community. These are described in Section 2. To achieve the Government's economic and skills' ambitions requires more innovation and more collaboration in the FE and skills sector, ensuring that the FE system can respond to the challenges ahead. This will include the development of new business models which reflect and respond to the new operating environment and are capable of making the most of the new opportunities open to schools, colleges and other learning and skills' providers.

As with any business, colleges need to assess and reassess continually their position within the 'market' and local circumstances in which they operate. Colleges respond to the changing needs and demands of students and employers; they respond to the needs of their communities; and they respond to government priorities. The current government (2011) is encouraging colleges to look at establishing or further developing collaborative working arrangements both within the FE college sector and with schools, universities, other training providers and employers. This could include adopting different models for different groups of students.

The Education Act 2011 takes forward the legislative proposals in the **Schools White Paper, The Importance of Teaching** (Department for Education 2012), and measures from the Department for Business, Innovation and Skills (BIS) to improve skills, including two elements of the reforms to higher education funding.

Key areas affecting the FE and skills sector are:

- the power to dissolve a Corporation (a precursor to mergers, of which there have been over 100 since 1992), and freedom over a college's Instrument and Articles, outside a core set of requirements (which will include retaining staff and student governors, and for sixth form colleges, parent governors).
- the closing down of five quangos: the General Teaching Council for England, the Training and Development Agency for Schools, the School Support Staff Negotiating Body, the Qualifications and Curriculum Development Agency, and the Young Person's Learning Agency and gives new powers to the Secretary of State as a consequence of some of these changes;
- the removal of certain duties of school governing bodies, local authorities and further education institutions, including the duty of local authorities to appoint school improvement partners; and
- changes to the arrangements for setting up new schools, and amends to the Academies Act 2010 to make provision for 16-19 academies and alternative provision academies.

The Act opens up opportunities for further education to partner with the school sector, and for the school sector, the opportunity to offer sixth form provision.

Reforms to the higher education sector

The Government issued a White Paper in June 2011 called 'Students at the Heart of the System' proposing a number of significant changes to higher education policy with the principal aim of opening up competition for student places.

The implementation of these proposals has presented FE colleges with the opportunity of expanding their HE provision.

There have been two key changes in 2012-13:

- unrestricted recruitment of high achieving students (those with AAB A level entry grades); and
- an allocation of 20,000 places to providers 'that combine good quality with value for money' whose average fee is £7,500 or less

As a result of the bidding process, the 20,000 places were divided between 190 universities (higher education institutions/HEIs) and colleges; about 9500 places between 35 HEIs and 10,500 between 155 FE colleges. Of the 155 FE colleges, 65 were new to direct funding from the Higher Education Funding Council (HEFCE).

In 2013-14 the unrestricted recruitment allocation will apply to students with grades ABB and 5,000 places will be open to bidding as in 2012. HEFCE has also been asked to provide support for FE/HE partnerships where FE partners are not directly funded. This change is partly in response to the under-recruitment of students to a number of established universities in 2012.

Government policy for HE is changing rapidly, not least as the result of constraints on public financing. FE colleges with good quality provision can expect further opportunities for expansion in the future.

Frank McLoughlin CBE, Chair of the **157 Group** of 27 large GFE colleges and principal at City and Islington College said: "HE provision in FE colleges is very cost effective for students, and typically involves more hours a week of tuition than in universities, which is reflected in very high rates of reported student satisfaction."

A [Guide to HE in FE](#) is available on the Association of Colleges (AoC) website and [HEFCE advice on HE student numbers](#) is available on the HEFCE website.

Local Enterprise Partnerships

Local Enterprise Partnerships (LEPs) are a key cornerstone of the government's new local economic development policy. They were announced in June 2010 when the government invited all local authorities and business leaders across England to submit proposals for LEPs in their area to provide strategic leadership on economic priorities in order to create the right environment for business growth. They replaced the Regional Development Agencies in April 2012 and whilst they have been allocated small start-up funds, the intention is that LEPs will be self-financing. In 2011, it was announced that 21 enterprise zones would be created and LEPs were invited to submit bids. Enterprise zones attract lower business rates, relaxed planning rules and investment in superfast broadband. As at May 2013 there are 39 LEPs and 24 enterprise zones have been approved with the intention of creating over 30,000 new jobs by 2015. Information on LEPs can be found on [the LEP Network web site](#).

The [Local Growth White Paper, 2010](#) outlined the potential role of LEPs as follows:

- working with government to draw up key investment priorities;
- coordinating proposals or bidding directly for the Regional Growth Fund;
- supporting high-growth business;
- ensuring business is involved in the development and consideration of strategic planning applications;
- leading change on local business regulation;
- strategic housing delivery, including pooling and aligning the funding streams designed to support housing development;
- working with local employers, Jobcentre Plus and learning providers to help people into jobs;
- coordinating approaches to leveraging private funding;
- exploring opportunities to develop incentives to encourage renewable energy projects; and
- helping to deliver national priorities such as digital infrastructure.

LEPs have been formed which are locally-owned partnerships between local authorities and businesses and play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.

The government's skills' strategy elaborated further on the relationship between LEPs and FE and HE institutions outlined in the White Paper. The role of LEPs in providing strategic leadership and addressing local priorities is central to the Government's strategy for sustainable, long-term economic growth. The skills' strategy envisages that colleges, universities and other providers will work collaboratively with local partners to ensure that the skills' demands of individual students and employers are met.

In addition to representatives of local business and local authorities, LEP boards will have a member from the HE/FE sector. In many cases this will be a vice chancellor of a local university but a number of principals of further education colleges now sit on the boards of LEPs.

Colleges in the community

In November 2011 the report of an independent commission on colleges in their communities – [A Dynamic Nucleus](#) – was published. It identifies the role that colleges currently play in their local communities and the strategic potential they have for adding value by leading learning and working.

The potential lies in colleges' location and their instinct and ability to link with local organisations, including local authorities, employers and the third sector. The report has been welcomed by government and provides examples of the way in which colleges contribute through collaboration and partnership. A practical guide **Thinking outside the college** has been produced with advice to governors on ways in which they can develop and demonstrate their public value contribution.

Activity

Find out more about how current government policy influences your college's current strategic planning.

Work through the questions below to find out more about these influences on your college's strategy. Make a note of your answers on a separate sheet of paper.

1. Look through some recent principal's reports to governors. What partnership or collaboration issues do they raise? Make a note of them. In what way do they illustrate any of the current policy or government agendas listed above?
2. Look at your college's mission statement and strategic objectives. How do these relate to the current government policy objectives?
3. Look through your college's prospectus. How does the curriculum offer support the economic and social development of the local community?
4. Find out which LEP your college is located in. What businesses are represented and how is the HE/FE sector represented? In what ways is your college involved in LEP activity?

Viewpoint

We hope this activity has given you an insight into how current policy and government agendas are considered by your institution. You should have identified some partnerships or collaborative activity within your institution. You may feel that one or two aspects need to be considered more carefully. When you can, check your thoughts out with the clerk or perhaps with the relevant senior post-holder with responsibility for partnership working. If you have any questions or action points that you want to follow up, make a note of them in the 'Action planner' in 'Using the materials'.

In the next section we look in more detail at types of collaboration and partnerships.

Section 2

Definitions with examples

2.1 Collaboration

Collaboration has taken place in the sector for a long time and has enjoyed differing degrees of success. Moving forward, collaboration is likely to have a role to play in the sector with the coming together of providers (both public and private) identifying ways of working together more effectively.

Collaboration offers organisations the opportunity to find efficiencies through specialisation; this may involve giving up elements of their provision to others who may offer better quality and / or more cost-effective delivery models.

Previously, meaningful collaboration has been difficult in FE as colleges have been encouraged, since incorporation, to work in competition particularly in their local area. Collaborative working requires trust between all parties and the need to develop working relationships over time. The drivers for collaboration have since become more compelling with cuts in public spending and the need to meet the local economy's skills' agenda, whilst showing value for money.

Collaborative delivery arrangements

Collaboration between FE providers can be facilitated via a range of mechanisms. There are opportunities for a wide range of collaborative activities which may be more, or less, formal. Collaborations or 'federations' can involve many different types of provider and other organisations which may be linked geographically, through an industry specialism, or through a focus on a particular group of students. Collaborative models can rely on relatively informal arrangements or can use legally documented formal arrangements. In practice some models are more easily established than others, but effort put in to establishing a more formalised structure at the beginning may yield greater benefits to all partners. Some possible federal structures are:

- **One provider leads the group**
Such a provider could facilitate a group and often provides the legal entity for contracting. The provider may also provide specific expertise on behalf of a group, for example, they might lead on marketing, providing quality assurance systems, working with employers, or liaising with the funding agency and other funding bodies. The group will define its purpose and objectives and the range of provision or customer services to be considered. Members of the group would be selected according to the objectives of the group and the provision or services to be influenced.
- **A representative structure**
In this model there is a clearly defined and published structure allowing each member to be represented at the decision-making level, such as on a Board or on a joint committee, possibly with the chair moving to each member in turn. Members of the group actively contribute resource to support a central secretariat, for example through subscription. The central secretariat coordinates activity but may also hold expertise that all members can call on, such as for legal or marketing advice, or project management. In this type of federation, task groups or thematic sub-groups are often established to take forward strands of work.

- **A statutory joint committee**
This allows institutions to participate in joint committees with other institutions. The creation of a joint committee enables the provider's corporation (and the governing bodies of other committee members) to delegate a range of decision-making powers to that committee. In this way, institutions can work together to take forward projects for the benefit of students in their institutions.
- **An incorporated organisation / company**
Institutions may consider establishing or acquiring a company in order to meet a specific need or to deliver specific services. For example, a specific trading company could be set up to focus on local employers, establish a different brand, or to focus on a specific industry sector. The providers need not be linked geographically but could be linked through an industry specialism such as land-based provision or nuclear decommissioning.
- **Working with the Third Sector**
The Third Sector includes a very diverse range of organisations including the following: voluntary organisations; community groups; tenants' and residents' groups; faith groups; housing associations; most co-operatives and social enterprises (provided profits are retained for the benefit of the members or community served); most sports' organisations; grant-making trusts; and private clubs.

Organisations can take a variety of forms including one or more of the following:

- mutuals
- community interest companies
- industrial and provident societies
- not-for-profit trade associations
- charitable trusts
- companies limited by guarantee
- unincorporated groups.

FE has long worked with the Third Sector in order to extend its reach into communities. Today, the Third Sector works in a variety of ways, e.g. through consortia and partnership with other providers, to provide an holistic approach to meeting the needs of disadvantaged students.

- **Trusts**
Trusts are a powerful way of enabling different types of providers to work together on specific, well-defined objectives. The purpose of the Trust is to use partnership working as a vehicle to drive up standards through long-term, formal relationships between the partner organisations and the school(s). Schools will draw on the skills and experience of Trust-appointed governors to strengthen the governing body and strategic leadership.
- **Academy sponsors**
Collaboration with schools can bring many advantages to high performing post-16 educational providers. Academies are all-ability state-funded schools, managed by independent sponsors. In July 2007, the Government announced that it would no longer be necessary for HE, FE and other educational institutions to make an up-front financial contribution in order to become involved in the sponsorship of academies. It is more important that strong educational establishments focus on what they are best at: delivering quality teaching and learning and positively shaping the ethos and culture of the academy they sponsor. For information about how FE colleges might sponsor academies, see the prospectus '*Academies and Trusts: Opportunities for schools, sixth-form and FE colleges*'.

Example

Abraham Guest is a secondary school designated as a National Challenge Trust School and Community Adult Education Centre. The lead Trust partner is Winstanley College. On becoming a National Challenge Trust School, a board of trustees was established, led by Winstanley College, and several of the governance positions on the school board were filled by trust appointments. The governing body of the school is accountable to the trust and therefore accountable to Winstanley College as the lead partner, holding the majority of the Trustee positions. The school is in the process of transferring to becoming an academy with Winstanley as the sponsor. This requires the current governing body of the school to be dissolved, and a new sponsor-led governing body established.

Drivers for collaboration

Colleges and other providers within the FE service have been involved in collaborative working for many years. It is recognised that collaborative working can be challenging and may have associated risks. There are many reasons why colleges and other providers should consider working together, but key drivers include the following though this is not an exhaustive list:

- building capacity within organisations and across federations to enable partners to thrive in a demand-led system;
- changing the way provision is delivered to better meet the needs of employers, adult learners and 14-19 year olds;
- meeting a specific need of the community;
- establishing coherence across 14-19 provision, and across other boundaries;
- deploying technology effectively to support a demand-led system;
- improving, moving or extending facilities; and
- sharing back-office services and systems.

Local planning to respond to identified gaps or poor quality

With the new localism agenda, more emphasis is placed on local area planning for delivery.

Raising Expectations: enabling the system to deliver (DIUS, 2008) sets out instances where the organisation of learning provision would change as a result of tackling gaps through competitions or by expanding high-quality provision delivered by a single provider.

- **Specialisation**
Institutions may choose to collaborate as a result of specialisation. Some institutions have sought a distinctive mission by specialising in training for particular industry sectors; some are considering whether to narrow their client group in other ways, often in the context of shifts in provision and demand that are emerging within their areas. This could be combined with moves to attract larger number of students from outside their immediate area, or indeed internationally.
- **Ensuring choice and quality**
Collaborative working arrangements can provide the means to expand the range of opportunities available to students, spread excellence in teaching and learning, and make it easier for the best providers to spread their influence across the system and lead change. All collaborative models can involve any number of organisations with potentially very different organisational objectives. However, there are some common factors which can deliver successful outcomes for students and employers as well as the partners involved.

It is important that the group does not get too unwieldy, that it is able to influence provision directly and speedily, and that it avoids having unreasonable expectations of what partners can contribute in terms of finance or time. Common characteristics demonstrated by successful collaborative partnerships are:

- a sense of shared identity/common purpose;
- clarity of vision and purpose and partner roles;
- strong, cohesive leadership and a strong management infrastructure;
- commitment; and
- trust.

Activity

Get to know your institution's partners and collaborators.

In this activity you will be finding out more about the partnerships your institution has with other providers. You may already have some of this information from working through the activities in Module 1: Introduction and Module 6: Strategy and educational character. If not, or if there are gaps in your information, you should look at your principal's report to governors and/or your college's annual report.

1. Identify the formal and informal partnerships your institution has with other providers, both public and private.
2. Now consider how these contribute to your institution's mission and vision.
3. What are the risks associated with these partnerships and how are these monitored?
4. What kinds of partnerships would you like to see your college engaging in and why?

Viewpoint

You should be getting a better understanding of the institution's attitude and culture towards partnerships and how they contribute to the institution playing a full role in the community it serves.

2.2 College mergers

“I am not saying that mergers should never happen, but there needs to be a wide variety of approaches if we are to achieve a revitalised and dynamic system. We want to work with you to refine our approach so that change is catalysed, not by failure, but by innovation.”

John Hayes, Minister of State for Further Education, Skills and Lifelong Learning, speech 15 June, 2011

The precise statistics for mergers in the sector are unclear; that there has been a significant reduction in the number of colleges is not disputed. In 2010, KPMG predicted that there would be no more than 270 general further education (GFE) colleges. As at September 2012, the AoC lists 219 GFE colleges and 26 mergers since 2008. Between 1993 and 2008 there were a further 72 mergers resulting in 43 merged institutions. What is clear is that the reduction in numbers has resulted largely from mergers rather than the closure of institutions. The reasons for merger may be categorised under two headings:

- **rescue:** in which a struggling college is ‘rescued’ by and usually amalgamated into a more viable college
- **strategic:** in which two colleges that are already fairly successful merge because they believe they will be even more viable if combined [Understanding FE Mergers \(Calvert 2009\)](#)

Types of merger

There are currently two types of merger.

- **Model A** – where a new corporation is established, then the existing corporations dissolve and their property, rights and liabilities are transferred to the new corporation.
- **Model B** – where one corporation dissolves and its property, rights and liabilities are transferred to an existing corporation.

The practical differences between the two are:

- For Model A, a new corporation must be established, which will comprise an entirely new board of governors. A new staffing structure must be established, with all staff having to be appointed to posts in that new structure.
- For Model B, one of the corporations will continue. The governing body of that corporation would not have to change, although it has been common for the board to invite members of the other corporation to join, either by filling vacancies or by increasing the size of the board.

Following the implementation of the Education Act 2011, FE and sixth form college corporations are the only bodies that can dissolve themselves. This has removed the right of the Secretary of State to dissolve an English FE corporation or of the local authority to dissolve a sixth form college. In circumstances where the affairs of a college have been mismanaged by the governing body, the Secretary of State has reserved powers to intervene ‘in extremis’. The procedures to be adopted when dissolving a corporation are set out in [Statutory Instrument 2012 No 1167](#).

Dissolution process for further education corporations

Decision to consult dissolution proposal

Following assessment of options, corporation decides to consult upon proposal to dissolve.



Publication of the dissolution proposal

At least four months before the proposed date of dissolution, corporation publishes dissolution proposal for consultation and sends copy to prescribed persons.



Consultation on the proposals

Proposals should be consulted on for a period of at least one month from the date of publication.



Consideration of responses and publication of outcomes

At the end of the consultation, corporation considers consultation responses and publishes a summary of the consultation and its outcome within two months of the end of the consultation period.



Decision to dissolve and draft resolution

Corporation agrees to dissolve and publishes draft resolution (including the proposed date of dissolution) at least one month before dissolution.



Resolution by college corporation

Corporation resolves to dissolve.

Note: Where a dissolution proposal involves establishing a new corporation, which is the responsibility of the Secretary of State, the corporation(s) must submit the draft proposal to the Secretary of State for comment before going out to consultation and must submit any final proposal for Secretary of State agreement to establish the new corporation, before publishing the outcomes of the consultation.

Colleges are reminded that they must act as trustees in accordance with **guidance on managing financial difficulties** issued by the Charity Commissioner. Whilst the assets of a college could be transferred to a private company, it should be noted that they can only be used thereafter for charitable purposes. In the situation where a Secretary of State has decided to intervene in the affairs of a college, he/she may remove all or any of the members of the governing body, appoint new members of that body if there are vacancies and/or give a direction requiring the governors to collaborate with another organisation or make a resolution to dissolve. Prior to intervention it is probable that an external team of consultants will be attached to the college, a process that is currently overseen by LSIS.

Dissolution of a college is most likely to occur where a merger is intended. However it could also be applied where a college wishes to operate as a company limited by guarantee rather than a corporation.

The new process for dissolution is intended to be less cumbersome than previously. Whilst **guidance on dissolution of a corporation** is provided by the Department for Business, Innovation and Skills (BIS) for FE colleges and by the Department for Education (DfE) for sixth form colleges this is not a substitute for appropriate expert legal advice which is to be recommended. An example of a merger process under the old regulations is included here for illustration of the kinds of procedures expected

Example

The merger of two South West colleges

All mergers require a public consultation to enable the communities they serve to have a say in the merger proposals. Most colleges produce a document or prospectus that sets out the rationale for merger and the benefits it will bring the community. Recently a public consultation began between two colleges in the South West region that are considering a merger. They plan to discuss their plans with local people over a period of five weeks as they hope to safeguard their future and create a new, unified college.

The colleges believe a combined institution will provide “major benefits” and ensure a “sound future”, particularly in response to expected funding cuts over the next few years. Both governing bodies feel this merger constitutes a shared vision for learning in their communities and will maintain access to learning for rural communities.

The two colleges are very similar in terms of curriculum and performance, and the merger is aimed at ensuring the rural towns between the two campuses are well served by good vocational colleges. This is a merger from a position of strength and the new college is expected to maintain and improve performance, whilst also reducing costs and increasing participation.

Both college governing bodies considered public feedback and submitted their complete merger plan to the Minister of State for Further Education. The proposals were approved by the Minister and the college opened under a new name in February 2012. For a detailed research investigation into mergers in the FE sector see ‘The evidence base on college size and mergers in the FE sector’, DIUS, 2008

Alternatives to merger

The focus on individual accountability is a major contributory factor to the lack of trust between colleges, their willingness to share data and delegate strategic decisions to others. It particularly inhibits the development of federative activity which could be a useful alternative to merger and a basis for the development of shared services. Often merger is the only option available to failing colleges. There are shared services' collaborations developing across institutions, particularly in finance, HR and management information systems.

Mergers are particularly successful where it is recognised that an entirely new situation is being created and where exhaustive advance planning and modelling takes place to look at the potential benefits and costs.

Hard federations and soft federations

Many institutions are considering federations, either hard or soft federations.

- A **hard** federation generally is where there is one governing body that oversees several institutions, and is accountable for the federation. However there are developing hard federations with more dynamic models of governance. Each institution will still have its own budget, but the governing body will make strategic budgetary decisions on behalf of the federation. There may be one executive position with overall accountability for the federation, but each institution may still have its own Chief Executive Officer.
- A **soft** federation is where each institution maintains its own governing body and management structure, but a governance committee is established that has delegated powers to make certain decisions on behalf of the federation, usually with shared membership from each institution in the federation. Protocols are agreed for what can and cannot be decided by the committee and when it is required that a recommendation has to be approved at the institution's governing body.

Joint venture partnership model

There is an option for providers to collaborate and be run as a Joint Venture Board. A JVB is a non-exempt charity (unlike colleges which are exempt charities); one provider, either public or private sector, is the accountable body for funding and other related purposes. The partnership can reflect:

- a wish on the part of one partner to share curriculum and services benefits;
- a wish to improve career development pathways and develop internal talent;
- a desire to utilise each other's expertise, particularly with regard to support services but also in terms of their curriculum development and quality improvement experience; or
- one partner's willingness to contribute working capital to the venture.

This not-for-profit partnership model is an alternative option to merger. The original idea of the not-for-profit model came out of meetings and discussions with the then Secretary for State for Business, Innovation and Skills, who was concerned about the loss of local involvement and control of smaller FE colleges in financial difficulty. There were two fears: large colleges swallowing up smaller ones and the danger that successful colleges would be reluctant in future to take on smaller colleges which may then disappear. This model allows for private organisations to partner with colleges for the good of the community.

2.3 HE / FE partnerships

There are already a great many further and higher education partnerships, some at a regional level, for example: Regional University Network Leeds Metropolitan University, where 24 FE colleges work in a network to enhance the HE regional offer to students. Another example is the Combined Universities of Cornwall (CUC).

Example

CUC secures funding for and coordinates the growth of university-level education in Cornwall. It ensures that Cornwall's unique university partnership is more than the sum of its parts and is developed in a way that truly benefits the region's people and businesses. Students are recruited and taught by CUC's partner universities and colleges, each of which brings its own strengths and specialisms to the partnership and to the county.

In the past, one of Cornwall's most serious challenges has been the annual exodus of young people leaving the area because it was not possible for them to study their favoured subjects close to home. Very few of these people returned to live and work in Cornwall, dividing families and making it hard for local businesses to recruit skilled, creative young people. It also hampered new enterprise and innovation. At the time of CUC being set up, Cornwall had 2500 funded HE places for an approximate population of 450,000. It was the county with the poorest economic performance in England at the time.

The partnership was set up eleven years ago. It came out of a strong vision for the county shared by the social and community partners as well as the education institutions in Cornwall. Key leaders in the universities at the time, the Government Office of the South West and Cornwall County Council, had a clear sense of what Cornwall needed to develop its economic strategy. Previously, Cornwall had had aspirations for a university to stem the outpouring of 17-18 year olds who returned (if at all) in their thirties and forties, creating a huge demographic dip with consequences for economic development and enterprise in the county. The opportunity to do something about this came through the European Regional Development Funding Programme.

The partners asked: 'What are the really major things we could do with this money that would transform Cornwall, as opposed to lots of little local projects that would produce more of the same?' They realised Cornwall needed transformational change, at the heart of which were increasing opportunities and access to HE in Cornwall. The funding provided the opportunity to create the Combined Universities of Cornwall Partnership. It was the lever that enabled Cornwall to make significant progress. Different options were explored and the preferred model was to build on the different strengths of all the HEIs with an existing interest in Cornwall: the Universities of Exeter and Plymouth, University College Falmouth, the Open University, College of St Mark and St John, and the FE colleges in the county. This was seen as the best way of harnessing complementary strengths, in particular of the institutions not based in the county.

2.4 University Technical Colleges (UTCs)

“The next great poverty-busting structural change we need – the expansion of University Technical Schools – offering first-class technical skills to those turned off by purely academic study.”

David Cameron, Prime Minister

University Technical Colleges are a new concept in education. They allow 14-19 year olds to take a highly-regarded technical course of study, at a specialist school equipped to the highest standards. UTCs are sponsored by a university or college of further education, with clear progression routes into higher education or further learning in work. They offer full-time courses which combine practical and academic studies. Employers are involved from the start in shaping the curriculum.

University Technical Colleges are free-standing institutions offering just two specialisms, for example engineering and advanced manufacturing. UTCs are academies but schools or colleges cannot become a UTC by simply converting to academy status. All applications for UTCs must be submitted to and approved by the Department for Education.

Example

Black Country UTC

Based in Walsall, the UTC is being supported by lead sponsor, Walsall College, and co-sponsored by the University of Wolverhampton and Walsall Council, with strong partnerships with local employers. It is intended that the new training academy will reinvigorate the Black Country’s engineering heritage. The Black Country UTC officially opened in September 2011 to its first cohort of year 10s and year 12s (sixth form). Its specialisms are engineering and science.

The Black Country UTC aims to create the next generation of engineers and scientists, who will work on exciting and challenging projects, developing innovative new products and processes that could change the way we live in the future. It will provide forward-thinking year 10 and year 12 pupils with a unique opportunity to get a head start in developing the skills required for an exciting and rewarding career in the fast-changing engineering industry.

In the process of setting up the UTC, Walsall College rationalised some of its provision, handing over curriculum for 16-18 year olds in engineering and design to the UTC, in return for progressing them onto the higher level foundation degrees and technical qualifications offered at the college.

2.5 Cross-sector partnerships – health / social / education

Many institutions are starting to partner more with other public sector services, such as the health service, community youth groups and social services, to support each other in achieving their goals.

Example

Northamptonshire County Council

Northamptonshire Adult Learning service has articulated a distinct role for adult learning in the county that sits alongside and is separate from the Government’s drive for vocational skills. It has a vision for well-being and social community development, both of which may lead to an increase in skills and economic activity, though this is

not the intended core purpose for delivering adult learning. The authority sees its role more as a part of the community development, social networking, health and well-being of citizens. The Service Manager describes adult learning as having a role in “supporting the extended family in a community”, as families increasingly live apart and people become isolated from family support. Those individuals and families need support so that their complex needs are not escalated to requiring high-cost specialist social services.

This reflects the three core purposes of the council:

- to help people help themselves
- to help those who cannot help themselves
- to be a trusted advocate.

These core purposes are encapsulated in the adult learning service’s mission:

“Through learning to empower people in Northamptonshire to live more independent lives as active citizens, helping to deliver safer communities and promoting a dynamic and prosperous economy.”

The service is working in partnership with the Northamptonshire Teaching Primary Care Trust (NTPCT) to provide a series of community-based adult learning courses for people with mild to moderate depression and anxiety.

The courses currently offered by Northamptonshire Adult Learning are structured around the themes of:

- well-being, including stress management and confidence building; and
- creative expression, including creative writing, painting, drawing and card making.

Over 300 learners have attended these courses. People can self-refer by contacting ‘Changing Minds’ (NTPCT) or are referred by their GPs.

The Mental Health Foundation independently evaluated this programme over three years. The Learning for Life report published the results of this study, showing that community based adult learning programmes provide a simple, low-cost way of helping to reduce the symptoms of mild to moderate mental stress.

Section 3

In your college

As you discovered in the previous activity, your institution has many partnerships and collaborations in various forms. Some will be at a strategic level and therefore of interest to governors, whereas others may be operational and managed wholly through the leadership team.

So what is the role of governance in partnership and collaboration?

Governors will be particularly interested in any partnership or collaboration that changes the educational character, accountability or business model of the institution. As with any business decision, the risks need to be managed and it is the responsibility of the governing body to identify and manage the risks through a risk-based approach to partnerships and collaborations. Every institution will have different drivers and motives for working with other institutions.

Below is a series of reflective questions to help you think about your governance role in collaboration and partnership.

Strategic questions

- How is partnership and collaboration articulated within our current vision, mission and values?
- How could new partnerships and collaborations help us better meet our vision and mission?
- Which institutions or services in our community, if we worked together, could help us provide better access to education and training and improve the quality of our service?
- What impact would such collaborative arrangements make on the governance of the institution?
- What impact would such collaborative arrangements have on the management of the institution(s)?
- In what ways does this partnership add value to the students in our community?
- What are the key benefits of the partnership?
- What are the key risks?
- What are the critical success factors (CSFs) for success with this partnership? (CSFs refer to a limited number, maybe between three and eight, of characteristics, conditions or variables that have a direct impact on the effectiveness or viability of a given activity.)

It is helpful to test scenarios, with “What if?” questions, for example “What if the relationship breaks down?” This helps to identify all the known and potential risks and plan to manage them

Viewpoint

If your institution is considering a strategic partnership or collaboration, there will be support from the funding agency and guidance to support your plans. In any decision the student should be the central focus of any decision. Public consultation and listening to the voice of the community, along with a clear stakeholder communication strategy is critical for success in any partnership or collaboration.

Section 4

Case studies

Case study 1

Barnfield College Federation

Our federal vision

“To be Britain’s highest performing federation, where customer and community needs are met, students are happy, successful and reach their full potential.”

Barnfield is a Beacon College, graded outstanding by Ofsted, an Investor in People Gold Champion and the WorldSkills leader for the Eastern region.

In September 2007, Barnfield broke new ground by becoming the first further education college in the country to sponsor two significantly underperforming secondary schools, create academies and form a federation.

There were two key objectives:

1. To raise standards and maximise outcomes and opportunities for the children in the schools.
2. To provide best value for money delivery and services.

Since opening, GCSE results have more than tripled in both academies and from a position of being in special measures they are now judged to be outstanding. These are the highest Ofsted grades achieved in their lifetime as schools. Barnfield again made history in 2010 by opening the UK’s first 14-18 Studio School and again in 2011 when converting a primary fee-paying school into a Free School.

In September 2011 the **Studio School** was graded by Ofsted as making outstanding progress.

It provides a unique opportunity for 14-18 year olds of all abilities to develop their natural interest in business and practical skills and learn in a different way to the more traditional classroom-based environment.

The students aged 14-16 study core GCSEs, NVQs, and BTECs in subjects such as business, plumbing, engineering, beauty therapy or catering, alongside enterprise projects focusing on people skills, communication, global dimensions and sustainability.

On completion of their course the young entrepreneurs are ready for a variety of options including progression to higher education and employment.

Post-16 students at the school take a Level 2 or Level 3 BTEC in business, as well as developing the skills necessary for setting up and running their own businesses.

The unique selling points for Studio School include:

- a personalised programme and timetable;
- a personal coach and business mentor;
- a curriculum focused on enterprise skills;
- a mix of vocational and academic qualifications;
- real work, paid employment projects set by employers; and
- progression to self-employment, apprenticeships or higher education.

Over the last four years the Federation has grown in size and maturity. The Federation is now led by the Barnfield Education Partnership Trust, members of the Federation include Barnfield College (16+ upwards), Barnfield South and West Academies (11-18 years), Barnfield Moorlands Primary Free School (4-11 years) and the country's first FE-sponsored Studio School (14-18 years enterprise academy), with several other academies and developments planned for 2012 and beyond.

In March 2012, the principal of the Barnfield Federation announced he was considering converting the college to a company running on a for-profit basis. The Education Act 2011 would allow the DfE to pay funds into a company limited by guarantee, which does not have shareholders. Private investors could be attracted to a model of this kind, providing funds for buildings and infrastructure. Proposals of this kind remain politically controversial as they hint at the privatisation of education. They would also need to be approved by governors and be subject to statutory consultation procedures. Nevertheless, the current Secretary of State has recently approved a free school in Suffolk that will outsource management to a commercial company in a 10-year contract worth £21m. Developments of similar kinds in the FE and skills sector should not be ruled out and may be seen as opportunities by colleges in the future.

Case study 2

Birmingham Metropolitan College

Context

Birmingham Metropolitan College (BMC) is a further and higher education college with eight campuses distributed within Birmingham. The college was created in August 2009 as a result of the amalgamation of Matthew Boulton College and Sutton Coldfield College.

In 2003 North Birmingham College, formerly Brooklyn Technical College, merged with Sutton Coldfield College. North Birmingham College was then dissolved with all of its property being transferred to Sutton Coldfield College on 1 August 2003, with the college buildings becoming the Great Barr campus (now known as BMC's James Watt Campus). In 2006, plans were put before Parliament for the merger of Josiah Mason Sixth Form College and Sutton Coldfield College. They were approved by the Secretary of State and Josiah Mason College was dissolved on 1 August 2006, with its properties being transferred to Sutton Coldfield College. During this process the boards of each college were merged with representation from each on the newly formed board.

In 2008, Matthew Boulton College and Sutton Coldfield College were already collaborating in providing courses to increase access to students. A document, 'A Merger for Improvement: A compelling Case for Change', was produced as a public consultation document, by the then Learning and Skills Council. The proposal was based on the voluntary commitment of both colleges to merge. To allow the merger of the two colleges, Matthew Boulton College was dissolved and all of its properties transferred to Sutton Coldfield College. The merger to create Birmingham Metropolitan

College was approved by the Secretary of State in June 2009 and came into effect from August 2009.

“Indeed, recognising the potential benefits as highlighted in the Strategic Options Review and Feasibility Study carried out by Tribal on behalf of the LSC, both corporations have positively and proactively embraced and facilitated the merger process.”

The full rationale is documented in the consultation document and highlights the benefits of the merger to students, businesses and in supporting the city’s ability to respond to.

the challenges set within the city’s regional Skills and Employment plan which will enable the merged college to:

- make an impact on sub-regional and regional strategies and targets;
- respond to growth in new technologies and market sectors particularly health, public services, manufacturing and creative industries;
- help to build the foundations for a knowledge economy by reducing skills mismatch;
- address the problem of the significant groups of potential students within the catchment areas of the colleges who are disadvantaged by contributing to the integrated employment and skills system across the city region particularly for young people not in education, employment or training (NEETs);
- respond strategically to the new challenges in employer-led environments by being better able to respond to the integrated strategy;
- change the skills emphasis to become demand-led in key sectors in the Midlands;
- be better placed to attract investment;
- lessen the impact of fluctuations in the local regional needs;
- develop a national and international profile; and
- become more attractive to employers with a broader and deeper curriculum focused on our key specialisms.

Following the merger, the new college had a combined student population of 27,000, making it one of the largest further and higher education institutions in the United Kingdom. The college has three main campuses in Birmingham and ten smaller satellite centres that cover central and north Birmingham. Students are recruited from 15 local authorities in the wider West Midlands region. As the college is one of the largest providers of sixth-form education in the country (8,500 students aged 16-19 on both academic and vocational programmes) with a record of excellent teaching and learning, it was approached to sponsor Harborne Academy, a struggling secondary school in the city. A Trust has been set up to oversee the academy and the college is responsible for the school board, which the college clerk will also service.

Governance structure

When the decision was made to merge Matthew Bolton and Sutton colleges, there were two existing boards with a mixture of individuals who had extensive history and knowledge of the colleges and communities. They were all very forward-thinking, supportive of the merger and hugely interested in it succeeding. However there were many members whose terms were about to expire and a decision was taken to recruit a large number of new board members for the new college.

The college designed a marketing campaign to attract applications from the community. An advert was placed in the local papers, the national papers and over 100 letters were written to key figures in the community, clearly stating the needs and desires of the new college and the role of the board. The merger had a high profile over the previous 12 months and was well-publicised in the local media. Around 60 applications were received by the college. Two members of the old board were

transferred to the new board, for continuity and because of their professional skills: an accountant and a chartered surveyor. In the recruitment and selection process a matrix of skills, diversity and community representation was created to assist recruitment, to ensure a representative board in gender, ethnicity, skills and knowledge.

[Find out more about BMC governance.](#)

Viewpoint

At the time of writing these materials, the FE and skills sector is investigating new business models, and there may be other emerging models not currently covered in this module. This has given you an overview of the models that are being developed and the opportunities available to institutions. Any model needs to start from the institution's mission and vision, providing the right 'fit for purpose' business model and strategy to deliver the mission and vision. The current government (2013) is actively promoting more freedom for institutions to decide for themselves what is 'fit for purpose' and not to be constrained by previous bureaucracy.

Summary of key learning points

In this module you have looked at the policy landscape, and the current and emerging opportunities for partnership and collaboration. You have also started to identify the current strategic partnerships your institution currently has, and think about the potential partnerships and collaboration that could add value to the service you provide to your community.

It is important that any partnership or collaboration keeps students, and how this adds value to the community at the heart of any strategic decisions. Taking a risk-based approach will ensure a thorough exploration of the options available and will enable the best strategic decisions to be made.

Where next?

You have now completed work on Module 7: Collaboration and partnerships.

If there are areas in which you need more guidance or information, they may be covered in other modules. Turn to 'Check your current knowledge and skills' in 'Using the materials'. This self-assessment questionnaire will help you to decide which modules or sections of modules may help to fill these gaps. Tick the useful sections for further study.

If you cannot find the information you need within these materials, turn to the 'Action planner' in 'Using the Materials'. Note down what further information, support or guidance you would like. The 'Action planner' gives advice on who may be able to help, and how.

Putting it into action

We hope that working through this module has raised useful questions, increased your awareness of issues and given you ideas for practical action that you would like to follow up. The 'Action planner' in 'Using the Materials' contains a section where you can note down any questions or action points that you want to follow up within your own institution.

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