

<b>Item No.</b> N/A	<b>Classification:</b> Open	<b>Date:</b> April 2017	<b>Decision taker:</b> Leader of the Council
<b>Report title:</b>		Southwark Council's response to consultation on the proposed merger of Lewisham Southwark College with Newcastle College Group	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Head of Chief Executive's Office	

## RECOMMENDATIONS

1. That the Leader reaffirms the council's position in not supporting a merger of Lewisham Southwark College with the Newcastle College Group (NCG). In the council's view the best interests of Southwark's learners are served by a local solution involving a merger with another London provider. This approach was endorsed at March cabinet as part of a broader response to the area based review of further education in central London.
2. That the Leader submits the formal [consultation response](#) provided at Appendix 1.

## BACKGROUND INFORMATION

3. The Area Based Review was set up by the government to review further education in different regions across the country. It took place in the context of reduced budget with the primary aim to create more financially viable institutions. It remains of significant concern to the council that Southwark has a wealth of local jobs but lacks the high quality local FE offer needed to ensure our residents take full advantage of these opportunities.
4. The council has made a concerted effort over the years to address local issues in regards to skills provision and has been advocating for a local solution to quality and sustainability concerns of Lewisham Southwark College in particular. The refresh of the Council Plan 2014-18 further established this ambition stating that the council '*...with local business and other partners will make sure our residents are equipped with the skills and knowledge to access the many exciting opportunities that being in Southwark brings and support a high quality FE and skills offer in the borough.*'
5. For Southwark the Area Based Review has provided a further platform to raise concerns about the quality of local FE provision. It has given less attention to the needs and outcomes of vulnerable learners; those with learning in difficulties and disabilities, those with mental health issues and young people in care and care leavers for example. The council and partners will seek to address these critical issues through the development of a local skills strategy.

## KEY ISSUES FOR CONSIDERATION

6. Lewisham Southwark College describe the following benefits of the proposed merger with Newcastle College Group as follows:

- Enable Lewisham Southwark College to grow into a bigger, stronger and more vibrant college in order to provide the very best education and training for students, supporting the businesses and communities of Central South London and offering greater opportunities for apprenticeships, higher education courses and commercial training
  - Ensure long-term financial security, allowing LSC to realise ambitious future development plans and broaden its curriculum
  - Use specialist expertise and knowledge within NCG to drive up quality standards in curriculum development, teaching, and support services
  - Students will remain at their current campus, with no expectation to travel further to complete their studies or progress to new courses.
7. As detailed in the response to the NCG consultation (Appendix 1) the council has previously raised a number of concerns regarding the proposed merger of Lewisham Southwark College with NCG. The council is of the view that the best interests of Southwark learners are served by a local solution, involving a merger with another London provider. Alternative options considered through and alongside the review process included a merger between Lewisham Southwark College with Lambeth College and London South Bank University as well the option to merge for Lewisham Southwark College to merge with City of Westminster College. An opportunity has been lost in not taking such options forward.
  8. As such, the council has made it clear that it does not support the current favoured position of the board at Lewisham Southwark College to merge with NCG. As noted in the Area Based Review of Further Education report, *“...borough representatives (from Lewisham and Southwark) emphasised their continuing and strong preference for a merger with another London provider, and from Lewisham and Southwark boroughs, their opposition to the NCG proposal. Representatives from Lewisham Southwark College and Lambeth College confirmed that they would ensure their corporation boards took full account of stakeholders’ views in making their decision”*.
  9. Moving forward, whatever the outcomes of local college mergers, the council will continue to act in the best interests of Southwark’s residents. This will mean working to ensure local FE providers deliver a secure and improved quality offer for Southwark learners especially those with additional needs and support. This will include addressing basic skills provision in literacy and numeracy, working with schools and ensure quality pathways into higher level technical learning and employment, meeting local employer and stakeholder priorities and safeguarding local physical assets.

## **Consultation**

10. The proposed development of a new local skills strategy allows for further consultation to take place with local schools, FE and adult community learning providers and the Business Forum.
11. The future of FE and skills in Southwark was discussed at the Southwark Business Forum in September 2015. A number of businesses signed up to a statement demanding an improvement in local FE provision.

## Policy implications

12. The area reviews were essentially designed to enable all colleges to be financially secure for the long term; creating '*...institutions which are financially viable, sustainable, resilient and efficient, and deliver maximum value for public investment.*' FE colleges are independent organisations with separate governance to make proposals for future arrangements so they are not legally obliged to take into account the views of local authorities when making merger decisions. However, it was noted in the final Central London Area Based Review report that '*...representatives from Lewisham Southwark College and Lambeth College confirmed that they would ensure their corporation boards took full account of stakeholders' views in making their decision.*'
13. The government confirmed in the autumn statement that it will devolve the 19+ Adult Education Budget to London (approx. £400 million/annum). It is expected that the funding will be devolved to the GLA in 2019-2020. This, and the development of a sub-regional Skills and Employment Board in London to implement the Area Based Review recommendations and priorities for London present an opportunity for local authorities to utilise their position as key stakeholders to further represent the needs of their residents and learners.
14. This will be increasingly important in the context of Brexit as London looks for ways to sustain high levels of growth and ensure that changes in immigration policy have no impact on the supply of skilled labour in the capital. Given that the capital is a high skill economy, with a reliance on flows of international labour to meet its skills demand particularly in important sectors such as finance and construction, London needs to use greater control of parts of the skills system to ensure that we can meet the future skills needs of our economy.

## Community impact statement

15. Not applicable.

## Financial Implications

16. There are no financial implications arising from this report.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

17. Not applicable.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Response to Area Based Review of Skills - March 2017 cabinet report	Local Economy Team	Elaine Gunn 020 7525 5479

## APPENDICES

No.	Title
Appendix 1	Lewisham Southwark College Consultation Response

## AUDIT TRAIL

<b>Lead Officer</b>	Stephen Gaskell, Head of Chief Executive’s Office	
<b>Report Author</b>	Elaine Gunn, Principal Strategy Officer	
<b>Version</b>	Final	
<b>Dated</b>	11 April 2017	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional</b>		11 April 2017

## Lewisham and Southwark College Consultation Response

Southwark Council response:

1. Southwark Council does not support a merger of Lewisham and Southwark College with the Newcastle College Group, as in the council's view the best interests of Southwark's learners are served by a local solution involving merger with another London provider.
2. Further, the council would also question the full accuracy of the statement in the consultation document (page 4) regards the area review 'endorsing a merger between LSC and NCG'. This masks the fact that the review highlighted very clear local stakeholder opposition to the merger proposal. Both Southwark and Lewisham councils made it clear during the Area Based Review that they does not support the current favoured position of the board at Lewisham Southwark College to merge with Newcastle College Group (NCG).
3. As noted in the Area Based Review of Further Education report "*borough representatives (from Lewisham and Southwark) emphasised their continuing and strong preference for a merger with another London provider, and from Lewisham and Southwark boroughs, their opposition to the NCG proposal. Representatives from Lewisham Southwark College and Lambeth College confirmed that they would ensure their corporation boards took full account of stakeholders' views in making their decision*".
4. Alternative options considered through and alongside the area review process included a merger between Lewisham and Southwark with Lambeth College and London South Bank University as well the option to merge for Lewisham and Southwark to merge with City of Westminster College. The council believe an opportunity has been lost in not taking such options forward.
5. Ensuring local people have the skills to access the range of employment opportunities remains a challenge, locally and regionally. Provision from Lewisham Southwark College has for several years been judged inadequate, and still requires improvement. This is in direct contrast to the quality of schools within the borough, with over nine in ten judged either good or outstanding by Ofsted. Moreover, the majority of Southwark learners entering FE study outside of the borough, suggesting a lack of confidence in the local offer meeting their needs and aspirations. The latest London CCIS data (May 2016) identifies Southwark as being within the top 5 London boroughs to 'export' learners with 71% of residents learners aged 16-18 travelling outside of the borough to study.
6. The renewal and transformation of the local FE offer learners is therefore urgent and critical to the delivery of a wider skills strategy that best meets the needs of today's learners so they contribute and make their difference to the jobs and skills of tomorrow. The council has previously made a submission to the FE Commissioner, with a statement supported by large local employers, to advocate for a local skills offer that is more aligned to employer needs and that focuses on collaboration to create a local curriculum that is more fit for purpose and able to meet the needs of residents and businesses. A key improvement required by the council from any future local FE offer (whether this merger or otherwise) would therefore be demonstrating rapid and positive progress to meet the aims set out in that submission.
7. Should the merger progress – and so in response to which benefits of the proposed merger are important to the council and what further improvement we would wish to see

– the council will expect the outcomes of this merger to deliver a secure and improved quality offer for Southwark learners, especially those with additional needs and support. This will need to include addressing basic skills and provision in literacy and numeracy, Special Educational Needs, working with schools, FE providers and universities, ensuring quality pathways into higher level technical learning and employment, meeting local employer and stakeholder priorities and safeguarding local physical assets and real property.

8. The council is opposed to the merger between Lewisham Southwark and NCG. If the merger does ahead regardless, the council believes the proposal for local accountability (*each college, Principals and their senior teams have delegated authority to ensure that their college meets the needs of local people and employers*) is important to ensure the interest of Southwark learners remain fully protected. The council notes that the merger also aims to ensure that the *very best education and training (will be provided) for students, supporting the businesses and communities of Central South London and long term financial stability*. The council is concerned that there has been limited evidence of achieving this aim to date and so would wish to see early and significant improvement in performance to demonstrate the newly merged institution's ability to deliver.
9. Please note these comments are subject to council scrutiny call-in.