

To John Hayes BIS

From

Date

10 January 2012

Redacted - Section 40 -  
Personal Information

## Proposed Merger of Southwark College and Lewisham College: Update and next steps

### Issue

1. To update the Minister on discussions with Southwark College and Simon Hughes MP on 9 January and to advise on next steps, including formally establishing the DfE position on the proposed merger versus other options

### Timing

2. By 16 January.

### Recommendation

3. That the Minister:

- notes and comments on the latest position
- writes to Nick Gibb, DfE Minister for Schools

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Section 35 -  
Formulation of  
government  
policy

### Coalition Considerations

4. No direct reference in the Coalition programme, but policy development should be consistent with giving freedoms to colleges (section 31).

### Argument

Redacted - Section 35 - Formulation of  
Government Policy

5. Following consideration of advice on Southwark College's proposal to merge with Lewisham College ( [redacted] submission of 8 December and subsequent discussions involving officials and [redacted] the Minister wrote to the Chair of Southwark College Corporation on 19 December 2011, asking that other options be considered, taking local soundings. The Minister said that he would review the situation on hearing the outcomes from a meeting between [redacted], the college and BIS officials, to take place early in the New Year.

6. A meeting was held on 9 January 2012 between the Chair and Principal of the college, [redacted] and regional officials from the Skills Funding Agency and YPLA. Prior to that meeting, it had been established with DfE officials and YPLA that they would support consideration of a broader range of options to meet the needs of 16-18 learners.

7. The meeting discussed other solutions and whether they were appropriate and particularly whether the Southwark Local Authority was signed up to the merger proposal as fitting in with its vision for 16-18 learners, and what the benefits would be to young people from the merger. The merger model is based on shared facilities and integrated teaching and

learning across ages and the meeting discussed whether consideration had been given to a split at 19 and what DfE ministers' views were on this.

8. Concerns were raised with the college about lack of transparency and the limits of the consultation proposal as it deals only with the closure of Southwark without fully addressing alternatives. However, there was evidence that both Southwark and Lewisham had tested other options including merger with other colleges and private sector solutions.

9. [REDACTED] Whilst the process has started within the current legislative framework which requires Secretary of State approval to dissolve a college, on commencement of the relevant provisions within the Education Act 2011 on 1 April 2012 college corporations will be able to determine for themselves whether or not they want to dissolve and merge.

[REDACTED] Given the importance of the outcome for 16-18 year olds in particular we recommend that, before reaching a firm conclusion on next steps we need to be clear on the position of DfE ministers and also that of the Local Authority. We therefore suggest that the Minister writes formally to Nick Gibb [REDACTED]

## Resources

11. There are no costs arising from this submission for the Department.

## Legal

12. The current processes allow for Ministers to raise questions about the merger at this point in the process, but there is no legal basis on which to stop a proposal moving forward to consultation.

## Press and Stakeholder Handling

## Special Advisers' (SpAds) advice

14. Special Advisors have not had an opportunity to review this submission.

**Cleared by:** Susan Pember (BIS, Director FE and Skills Investment)

**cc list:** SoS' Office; David Willett's Office; Perm Sec's Office; Special Advisers; Philip Rutnam, Susan Pember, Bobbie McClelland, [REDACTED] Ruth Curry [REDACTED]

[REDACTED] Chris Thompson [REDACTED]



## Merger Proposal between Southwark and Lewisham Colleges

1. Southwark is a small college serving 16-18 and 19+ learners (about 5,000 in total). Lewisham is a successful large college also with a mix of 16-18 and 19+ learners (about 16,000 in total).
2. The key drivers for the proposed merger are on the one hand, the declining financial health of Southwark College and on the other, Lewisham College's desire to further strengthen its position in the long-term and ensure the breadth of its offer for learners. Two independent strategic options reviews have found that Southwark College needs to grow to be sustainable, but lacks the capacity to do this. The current picture at Southwark is one of a significant and increasing deficit, reliance on additional support from the Skills Funding Agency, poor learner outcomes and a recent inadequate Ofsted inspection outcome (report to be published on 12 January 2012). In addition, the college has a cadre of interim managerial staff, including some from Lewisham College brought in to contribute to the work to improve standards. Lewisham College's approach is driven by a strategic decision that it needs to work far more outside borough boundaries if it is to have a greater impact on reducing local unemployment.
3. The Colleges believe that the merger will meet growing demand at Southwark, improve its financial health, maintain and enhance choice for learners, and meet the long term strategic aims of Lewisham. They also feel the proposed merger will support the economic developments of Central, South and South East London especially around the South Bank.
4. The proposed merger is intended to fill a gap in the market with respect to vocational provision. Whilst a number of schools and academies offer *academic* provision for 16-18 year olds in both boroughs, the view is that the *vocational technical* offer for both young people and adults is under-developed. The regeneration programme in the Southwark borough, which includes development of the Shard, will mean a rise in demand for high quality skills training, as employers seek suitably qualified and trained candidates for the jobs they offering.
5. The merger proposal therefore aims to enhance learner choice by increasing the range of apprenticeships on offer (including at Level 4), developing employer-linked Centres of Skills Excellence which will offer higher level skills but also be focused on provision for the young unemployed, establishing specialist centres for young people with learning difficulties and disabilities, creating an HE Centre to offer affordable and flexible degree level courses, and maintaining specialist courses and the use of College facilities for community learning.

### Consideration of Alternatives to Merger

6. Southwark College commissioned independent Strategic Options Reviews by the Institute of Education at London University (February and June 2011) which considered a number of options (standalone; dissolution; public private partnership). These were rejected in favour of merger with Lewisham. Lewisham College opened the College up to approaches from potential partners including Private Sector Partnerships and University Partnerships as well as merger options. Ultimately, it accepted an independent review recommendation that learners in south London would benefit strongly from close cooperation between Lewisham College and Southwark College, given the latter's good transport links, the complementary nature of its course offer and the prime position of its estates.

### Travel to learn patterns

7. BIS has drawn together data on travel to learn patterns for learners in Southwark and adjacent local authority districts (LADs). In summary, this shows the following:

*Southwark residents*

- 16-18 learners: substantial volumes of learners travel out of Southwark, both for academic and vocational learning: 45% of 1,800 academic learners (A levels, GCSEs, Diplomas) attend 8 academy school sixth forms within Southwark, but 55% attend GFECs and SFC Colleges elsewhere (including 200 learners (140 A level/60 vocational) who attend Richmond upon Thames College at a distance of 14 miles from Southwark College). For vocational courses 25% of 3,200 learners attend College or private provision in Southwark but 75% travel out.
- 19+ learners: of the 19,000 Southwark adults that undertake further education 80% travel outside the LAD to learn. Only 600 are on academic courses, 25% at Southwark College and 75% in adjacent LAD. The remainder undertake vocational learning, 10% at Southwark College, 10% in private Southwark providers and 80% travelling out of Southwark (both adjacent LADs and further afield).

*Learners at Southwark College*

- Southwark College has over 5,000 learners: 4,000 adults (90% undertaking vocational courses) and 1,000 young people (all on vocational courses).
- Of the 1,000 young people at Southwark College, almost half travel into Southwark from other areas, 35% from adjacent LAD and 15% from further afield. A similar travel pattern occurs for their adults, for both vocational and academic courses.