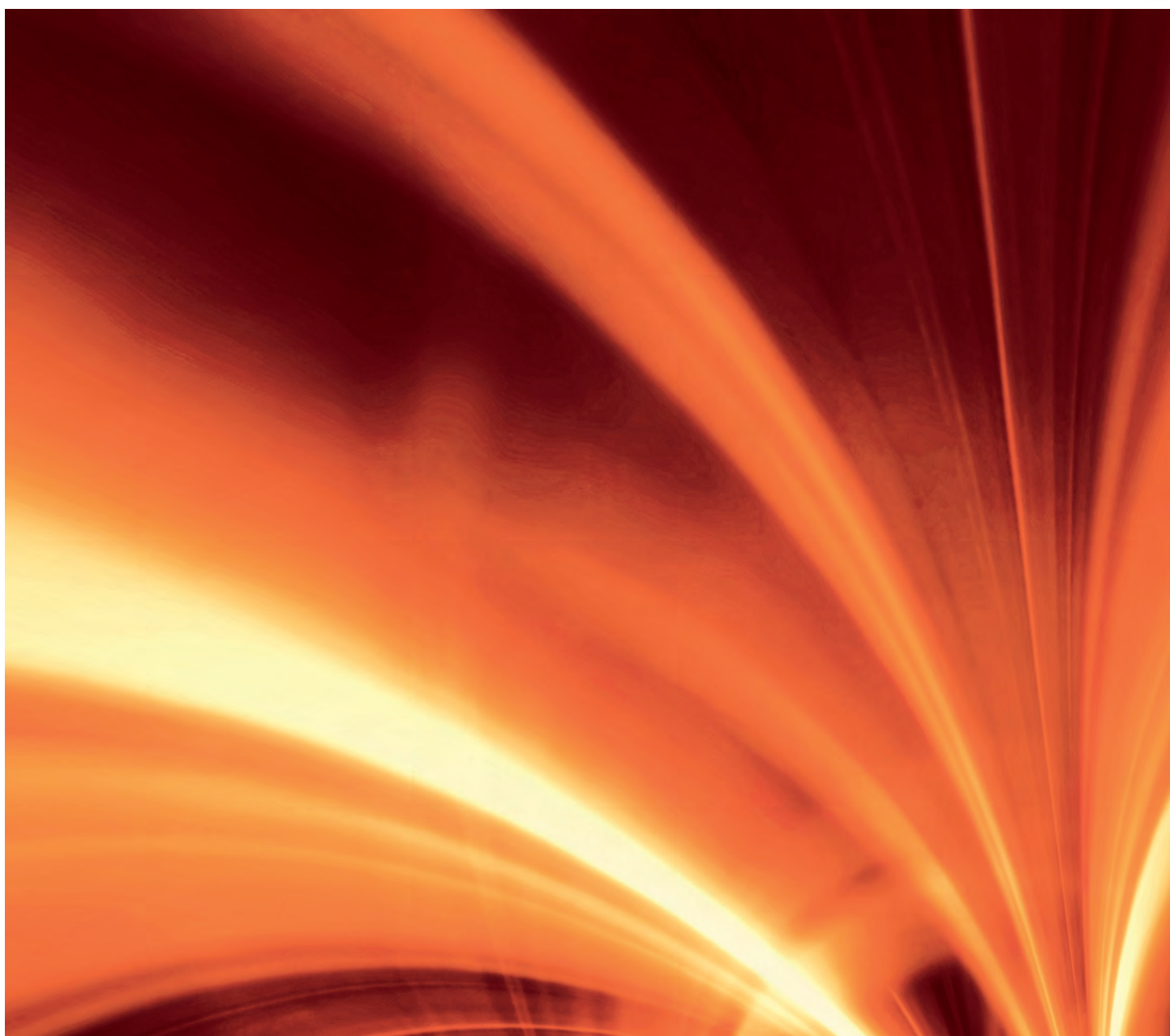


Emerging models of delivery across the FE and skills sector:

Case studies



The case studies in this document are intended to complement *Emerging models of delivery across the FE and skills sector: A guide for governing bodies and senior leaders* and the accompanying *Decision-makers' support package*, produced by Ecorys and Primetimers on behalf of the Learning and Skills Improvement Service (LSIS).

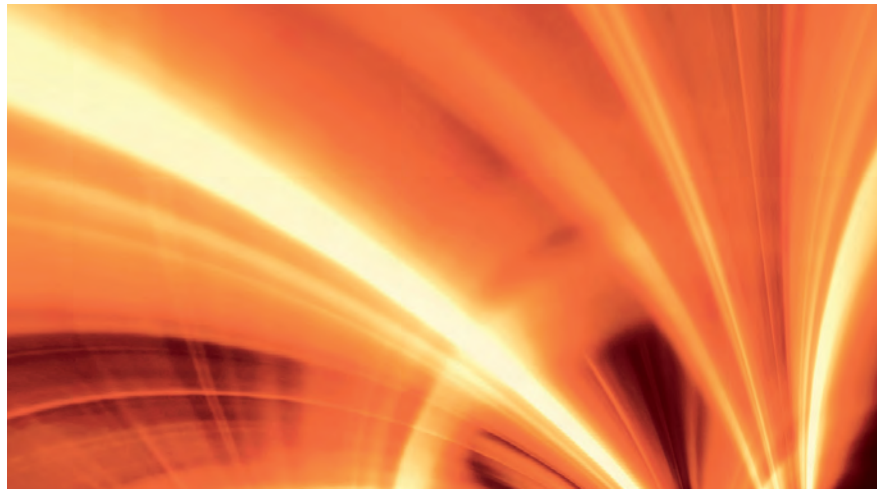
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Kingston College and Carshalton College

	Kingston College	Carshalton College
Website	www.kingston-college.ac.uk	www.carshalton.ac.uk
Number of learners	10,100	4,800

Type of model

Kingston College and Carshalton College operate as a federate model. The model involves an integrated senior management team, but each college has its own governing body, which operates autonomously.

A federate model was a more desirable option for the two colleges than a merger because the board of governors wanted each college to retain its separate identity and to continue improving its offer without being distracted by the merger of two curriculum structures. The model also allows both colleges to operate as independent brands. Ensuring that the colleges retained their separate identities was a key factor that led to governors at both colleges agreeing to this model.

Key drivers

The three key drivers that led to both organisations to decide to collaborate were as follows:

1. **Finance and efficiency** – the economic climate and anticipated reduction of funding in the sector meant that both colleges were looking for opportunities to share back-office functions and management costs, and deliver cost efficiencies.
2. **Curriculum interests** – securing the autonomy of the colleges meant that both institutions could protect their front-line services and continue to deliver improvements in their provision. In addition, both colleges wanted to ensure that they could continue to improve their provision, anticipate challenges in the future and be able to manage these challenges in the future.
3. **Circumstances** – Carshalton College was looking for a new approach to delivering services following the retirement of its college principal.

Planning processes

In March 2011, governors of the two colleges gave their backing for both institutions to develop a proposal to form a federation. Permission for the two colleges to change their legal entity was granted on 1 December 2011. A federate project plan was put together, covering practical issues such as HR and finance. The operational plan stemmed from various management meetings. The implementation process lasted between six and seven months. Both institutions are currently considering streamlining their IT functions.

To support the federation, Kingston College and Carshalton College have set up a company to deliver corporate services for the new delivery model. The company acts as a 'hinge' between the two colleges. Corporate services staff from both institutions took up posts in the company in April 2012. The company is overseen by a board of directors made up of three governors from each college. This approach ensures equal partnership with regards to control of the company, and the relevant legal agreements.

The company supports the sharing of costs between the two colleges, in particular, around VAT regulations. Savings have also been made by ‘collapsing’ individual teams from the two colleges, and bringing them together under one structure.

A lot of work was undertaken by the two colleges to ensure that the federate model and the company set up to manage corporate affairs were appropriate for both colleges and allowed them to operate effectively. As the two colleges had collaborated before under different projects and had a good understanding of how the other worked, the transition process worked more smoothly.

Organisational processes

People management and communication

A number of processes were carried out to ensure that the transition to a new model was as effective as possible. This included the following:

- The colleges worked hard to ensure that the process was as transparent as possible.
- The change management process was underpinned by extensive discussions with staff.
- Unions were heavily involved in the process, because of the impact on staffing.
- It was particularly important to communicate to staff that, compared to another model, the federated model was likely to lead to fewer job losses.
- Both colleges involved their local authorities in the discussions during the transition process to reassure them of the benefits of the model.

Leadership and management

The federate model has one principal and one senior leadership team, but two governing bodies. The governors of both institutions played a key role in the process. They had to be satisfied with the due diligence of the two colleges, and also that both institutions would be able to work effectively together. They were also required to approve the representations and requests from the secretary of state, and approve shareholder agreements for the company that was set up.

Resources, finances, assets

While both colleges were confident that they had the human resources and intellectual resources to carry out the implementation, they were aware of needing to account for other costs, including for redundancy, due diligence and in relation to standardising their systems. Funding bids were submitted for a range of different funding streams, none of which were successful.

To date, £150,000 has been spent on fees and due diligence, £100,000 on systems and £300,000 on restructuring. It is anticipated that the new business model will lead to a saving of £1.4m next year.

Challenges

The main challenge faced by the two colleges was leading staff through the change process and convincing them of the benefits of moving to a federate model. Another challenge was the level of bureaucracy faced by both colleges, particularly as the process for change took place before revisions to the Education Act, and before new freedoms and flexibilities were introduced in the sector.

Realised and intended benefits

Moving to the federate model and having a central company that spans the two colleges has led to a number of savings in back-office functions, which means that the federation is able to protect front-line services. The federation has also led to the production of a “leaner and stronger” management structure between the two colleges.

The federate model has enabled both colleges to take advantages of the costs savings made from a merger, while retaining individual identities and avoiding the need to merge curriculum management structures.

Lessons learned

- The federate model has been successful because of the likeness, the symmetry, and the distance between the two colleges involved, as well as the complementary skills and positive attitudes of the governors who supported the process.
- Colleges should review each potential operating model and find the one that suits them the best. Colleges need to be creative and committed, and be prepared to change course if one model will not work for their institution.
- The transition was effective because both colleges had worked together previously, and therefore had a strong understanding of the culture within which the other operated.

Stockport College

Website	www.stockport.ac.uk
Number of learners	12,000

Type of model

Stockport College plans to adopt a moderated John Lewis (mutual) model. It is currently exploring how to get its staff more involved in the college's decision-making process. In addition, the college is also exploring the benefits of adopting a 'cooperative' approach to its delivery. This will involve other stakeholders, including students, local employers, community groups, local businesses and the local authority. Stockport College decided against focusing solely on a mutual model, as it wanted also to become more "externally focused" and more responsive to its local community – and to "keep an eye on both camps".

There are no current plans to change the legal entity of the college. Its focus is to ensure that the strategic direction of the college is informed not just by the senior management team and the governors, but involves all staff.

The college has also recently gained approval from the Department for Education (DfE) to set up a free school, which will be in the form of an academy focusing on science, technology, engineering and mathematics (STEM) subjects and will have its own governing body and staff structure. The free school will share some services with the college.

Key drivers

The overarching driver for looking at another way of operating was to improve staff motivation. Moving towards mutual principles was seen as an effective way to boost staff morale. With limited funding available to improve employee benefits, finding alternative ways to involve staff in the running of the college was seen as important. This includes ensuring staff feel that they have 'buy-in' to the process of the college. Ultimately, the aim is to help raise the standards of teaching in the college and improve the learner experience.

Other key drivers were:

1. **Policy** – taking advantage of new flexibilities and legislation introduced in the sector.
2. **Curriculum interests** – ensuring that provision is responsive to the needs of the local community.

Planning processes

The principal shadowed staff from John Lewis plc as part of the work on exploring mutual principles. Consultations were also carried out with the college's own staff. This included a pilot study with six staff representatives, which explored how employees could be involved in the college's decision-making processes, and how to enable staff to have their say about its strategic direction.

As part of the process, Stockport College is currently working with the principal of the Cooperative College.

Organisational processes

People, management and communication

The college has carried out an informal consultation process with staff and the unions.

Leadership and management

The college plans to look at different levels of governance, at a staff level as well as a student level, in order to have an overall governing body that has representation at all levels. It also plans to review its instruments and articles and change these accordingly in the near future.

Resources, finances, assets

Stockport College is currently looking at the costs involved in moving towards mutuality principles. For example, the college is considering the costs involved in freeing up time for staff to act as representatives on their various boards. A cost-benefit analysis is being undertaken to understand these cost implications.

Financial constraints are likely to impact on future plans, and the college plans to ensure that its staff have the training required to carry out their future roles as elected representatives appropriately.

Challenges

Challenges faced by the college include:

- Time commitment needed from staff, and how to manage asking people to commit more time to the college.
- Training needed for staff.
- How to work with the unions.
- How changes can be made within current financial constraints.

Realised and intended benefits

The college hopes that adopting mutual principles will increase staff motivation and result in improvements in staff performance.

It also believes that it could increase enrolments in its apprenticeship and work-based learning provision if it became more responsive to employers and the local community. Improving responsiveness to the community will mean that the college can put on provision that employers and the community want.

Lessons learned

- Ensure that you communicate with staff at all levels to help the process run smoothly.
- Get advice from those who have been through a similar process, for example, John Lewis and the Cooperative College.
- What works as a model for one college will not necessarily fit another – one size does not fit all.
- Understand the funding implications of using a particular type of model and the upfront costs involved in implementing the model.
- Understand whether the costs of implementing a new funding model will ultimately outweigh the gains.

Hull College

Website	www.hull-college.ac.uk
Number of learners	22,000

Type of model

Hull College Group consists of Hull College, Goole College and Harrogate College. Hull College formed Goole College 30 years ago. Harrogate College merged with Hull College about four years ago. The group is currently run as a general further education college as defined by the Further and Higher Education Act 1992.

The group has been going through a process of change since 2011 and recently completed a review of different organisational models and the pros and cons of changing its legal structure. Hull College Group wanted to explore opportunities for growth following on from the introduction of the new freedoms and flexibilities in the sector.

The senior management team and governors participated in separate away days to assess the different models. The options they considered were keeping the same structure as an FE college; becoming a private limited company; and becoming a staff-owned mutual. Hull College Group reached the conclusion that it did not need to change its legal form and should instead focus on making improvements, such as making its management team and services more responsive to local needs in each geographical area. These included developing different cultures and levels of autonomy for each college site in the group and responding to changes in local employers' needs and their local economies, while maintaining group services and a group-wide set of accountabilities at senior management team level. The group views these changes as part of its long-term strategy for the next three years.

Hull College Group has started this process and is improving the efficiency of its back-office functions to provide group-wide services in finance and human resources; in addition, it is improving delivery of the curriculum in order to enhance students' experience.

Hull College Group is sponsoring a new studio school, due to open in September 2012. The studio school is a new type of school aimed at providing 14 to 19-year-olds with a different school experience, focusing on a project-based curriculum, work experience opportunities and paid employment in years 12–13, while studying. Students will be taught in small groups and businesses will be involved in the projects and curriculum of the school. Hull College Group also sponsors an academy.

Key drivers

The initial drivers for exploring different operating models were in response to government policies around the freedoms and flexibilities introduced in the sector, the funding cuts and the diversion of funding towards apprenticeships. The Hull College Group needed to react to the increasingly competitive environment developing in the FE sector, and also recognised that it needed to:

- manage and assess risks better and respond to new challenges
- assess opportunities for growth

- improve efficiencies, by restructuring to ensure that its back-office functions were streamlined across all academic areas and the three sites – the group was keen to protect the student experience and serve its local communities well
- consider whether it needed to change its governance structure in light of the flexibilities introduced
- invest in their IT infrastructure and ensure its three sites can run efficiently.

Other drivers were:

- The forthcoming introduction of loans for adult learners for level 3 qualifications and the change to higher fees and loans for higher education students, with cuts to core funding grants in HE
- Improving responsiveness to different needs
- Helping employers makes sense of the funding changes.

Planning processes

Hull College Group had separate away days with its governors and the senior management team, who were tasked to weigh up the pros and cons of the different models. This resulted in a number of unanswered questions, including whether the college would be able to:

- access the full range of funding streams it currently does if it changed its status to become a private limited company
- retain its current functions if it became a private training provider.

Organisational processes

People, management and communication

Key staff members of the senior management team and governors were involved in the decision-making process about whether or not the group changed its legal form. Views of the wider management team were also sought as part of a workshop session on future business development.

Leadership and management

As part of the away day, the Hull College Group governors discussed the governance structure to assess whether they had the right balance and skills sets needed for the next five years. The key skills sets they felt they required included:

- **Strategic skills** – skills that would help them to make future projections about what the college should be doing in the long term; and
- **Business development skills** – to help the college assess the strategy needed to take it forward.

They also felt there was a need for a stronger role for student governors.

The group has recently recruited several governors with the above skills sets to replace those who had retired, and is now confident that it is making better use of its governors and maximising their expertise. It also recognises that the level of debate must always be at a strategic level and focused on the long-term needs of the college.

Resources, finances, assets

Hull College Group did not put any extra resources into reviewing its organisational model. Existing resources were diverted to support the process, for example, the clerk had the main responsibility for researching the different legal models.

Challenges

Challenges faced by the Hull College Group included:

- Knowledge gaps about the implications of changing its legal form.
- The change management processes associated with streamlining its back-office functions and explaining the implications for existing staff.

Realised and intended benefits

The process that Hull College Group has just been through has raised its awareness of the legal forms available, which it can revisit in the near future should it become clearer what the implications are. However, in the main, the college has benefited from restructuring its back-office functions. This process has improved consistency in its service delivery, generated cost savings and improved the management structure. The governors and senior management team have also developed a closer working relationship and a greater level of professional trust and accountability through this process.

Lessons learned

- Ensure the role of governors is debated, and the governance structure fits well with the college strategy.
- Use governors' time constructively, to have the time and space to debate long-term strategy, to describe what the structure and success in five years' time will look like and make this the focus of the governors' work, rather than time on detailed monitoring of current issues.
- Encourage college leaders to talk to other organisations that have adopted new legal models.
- Use the guidance in the Annex of *New Challenges, New Chances*¹ to help assess risks.
- Ensure that your leadership team has access to the right information and support to make informed decisions about different legal forms.
- Use the expertise of the clerk to inform the debate on governance models, possibilities and problems.

1 The Department for Business, Innovation and Skills (BIS), 2011. *New Challenges, New Chances*. www.bis.gov.uk/assets/biscore/further-education-skills/docs/n/11-1213-new-challenges-new-chances-implementing-further-education-reform

Oxford and Cherwell Valley College and Reading College

Website	www.ocvc.ac.uk
Number of learners	18,000

Type of model

Oxford Cherwell Valley College (OCVC) acquired the FE interests of Thames Valley University (Reading College) on 1 August 2010. OCVC established a separate company limited by guarantee to run Reading College, with its own Board of directors. This limited the liability of members of the joint venture company (JVC) to a nominal amount of £1. Other legal forms were dismissed because of the tax and charitable status implications. For example, a community interest company (CIC) cannot have charitable status, but a charity can set up a CIC subsidiary company.

Reading College is registered as an educational charity with the Charity Commission. OCVC set it up as a charity to make a clear statement that the college was a not-for profit organisation being set up for the benefit of the community. The other benefit was that assets of organisations with charitable status can be transferred to another organisation with a similar status. Hence, OCVC will be able to transfer the assets of Reading College into its corporation, should it wish to do so.

OCVC also plans to set up a university technical college in Reading, which will be run as a limited company with separate memorandum and articles.

Key drivers

Reading College was originally part of the Thames Valley University structure (which has subsequently been renamed the University of West London). The opportunity to acquire Reading College came at a time when OCVC was looking to secure economies of scale, in response to the tightening economic climate. Its governing body was also exploring ways for the organisation to grow. Merging with Reading College therefore provided a good opportunity for OCVC to meet its strategic objectives.

The three key drivers that led OCVC to want to merge with Reading College were:

- **Tightening economic climate** – public sector cuts had heightened the need for economies of scale, and being part of a large institution would offer greater opportunities for economies of scale through shared services.
- **Securing advantage in an increasingly competitive market** – the geographical expansion provided OCVC with the opportunity to access large employers, and to engage more with employers. The Oxford and Cherwell area largely consists of SMEs, whereas Reading and the surrounding area has large employers such as Cisco and Oracle. The acquisition provided an opportunity for OCVC to extend its employer services into the Berkshire area.
- **Creating staff opportunities** – the merger would provide career prospects for staff and opportunities for them to progress to senior levels, and to work across the two colleges.
- **Gaining financial security** – acquiring Reading College would provide the “critical mass” to give OCVC greater financial security and a better chance of surviving as an independent institution.

Planning processes

OCVC's growth strategy was agreed by its governors in May 2009, which coincided with the opportunity to acquire Reading College through a tendering process carried out by the former Learning and Skills Council (LSC). Interested parties were required to submit a proposal, by December 2009, to acquire Reading College. In October 2009, the board approved the decision for OCVC to progress with its application, and the merger process was completed on 1 August 2010.

Organisational processes

People, management and communication

Before the acquisition opportunity, OCVC had consulted with staff about its growth strategy, so they were aware of the college's plans for the future. Staff were also informed about the process through staff bulletins. The unions were consulted on behalf of Reading College staff. After the acquisition, OCVC had informal discussions with Reading College employers to explore local employers' interests. It has since set up an advisory group of local employers to advise the governing body on issues that are relevant to them, to inform, among other things, curriculum design.

Leadership and management

OCVC and Reading College have maintained separate governance structures because of their distinct legal entities, which have different operating rules. OCVC is run as a corporation, which has different instruments and articles from those of the limited company with charitable status set up to run Reading College. For example, Reading College is required to submit annual returns to the Charities Commission and Companies House. Three governors from OCVC sit on the Reading College board, and an OCVC board member chairs the Reading College advisory group.

OCVC has recently appointed new governors to replace those who were coming to the end of their terms of office. It took the opportunity to review what skills sets were required to drive the new agenda. The governing board now consists of chief executives and senior managers from large corporations who have experience of mergers, acquisitions, change management, finance, HR and estate management structure.

Resources, finances, assets

No extra resources were identified to support the merger, although the Learning and Skills Network (LSN) was initially responsible for implementing certain elements. OCVC and Reading College both contributed resources to support the merger process. The OCVC principal also ran Reading College while it recruited a principal. One of OCVC's deputy principals acted as principal during this time. OCVC made an initial investment to cover the acquisition, restructuring and harmonisation costs. Compensation costs had to be paid to staff whose remits were affected by the merger. The appointment of a principal for Reading College was an additional cost.

Challenges

Challenges arising from the merger process included:

- **Staff culture** – merging the cultures of two different institutions, which has taken time to embed.
- **IT infrastructure** – it was never envisaged that the IT from both colleges would need to be run as one system and form one network; OCVC has been streamlining the two colleges' IT infrastructure.

- **Time constraints** – the short timescale within which OCVC had to implement the merger due to the transition of the LSC to the Skills Funding Agency.
- **Pension rights** – staff employed by Reading College were not entitled to join the same pension scheme as those in OCVC, because the company set up to run Reading College was not being funded directly by the government. OCVC therefore had to make the staff of Reading College employees of OCVC to ensure that they could access the same pension scheme.

Following the acquisition, OCVC discovered that Ofsted would be treating both colleges as one entity, rather than being inspected separately as they had expected. It is now considering how to ensure that functions across both colleges can be made consistent for future Ofsted inspections.

Realised and intended benefits

The two colleges together are much stronger financially and are operating successfully as a result of restructuring and streamlining their back-office functions. The acquisition of Reading College also gave OCVC the opportunity to bid for a university technical college (UTC) in Reading. It has also provided an opportunity for both colleges to develop curriculum synergy, and share best practices, as well as giving OCVC an opportunity to extend its employer services to Berkshire.

Lessons learned

- Assess risks and finances carefully before undertaking an acquisition.
- Mergers require a clear planning and exit strategy. If being carried out with a partner, the lead organisation should consider if it could continue on its own if the partnership fails.
- Setting clear boundaries for implementing the new arrangements and providing clear guidance for governors is important.
- Gain inputs from legal support and external advisers. LSN provided change management expertise and this support was essential.
- Recognise that some management processes need to be strengthened. Succession planning is important – organisations should reflect on where they want to be in five years' time and the skills sets required to achieve this.
- Do not underestimate the amount of time and resources involved in an acquisition or merger, particularly as funding is no longer available to support the due diligence or implementation processes.
- When going through an acquisition process with a partner, have a partnership agreement setting out who will be responsible for what, and how both organisations will be involved in the governance of the institutions.
- Be aware of pension rights and Ofsted implications when setting up a new company to run an acquired institution as a separate entity.

Birmingham Metropolitan College

Website	www.bmetc.ac.uk
Number of learners	32,400 ²

Type of model

Birmingham Metropolitan College recently carried out a project funded by the FE Efficiency and Innovation Fund, titled “From Mutual Principles to Mutualisation”. The project explored the challenges and benefits of forming a mutual. A key element of the feasibility research project involved the assessment of establishing an asset trust to manage the physical assets (college buildings); this included assessing the financial and legal implications of setting up such a trust in the FE sector and wider considerations. Asset trusts have been introduced in the NHS, setting a precedent for this type of model. The John Lewis Partnership has also long established a similar model by ring-fencing its physical assets, which are managed by a separate board.

Harborne Academy is also part of the Birmingham Metropolitan College Group, which has links to a number of other schools. A capital build project is under way to rebuild the school.

Key drivers

Birmingham Metropolitan College is committed to focusing change around the learner, the learner journey and the learner experience. The college decided to carry out this project because it was keen to explore how it could innovate around exciting models for a new type of staff engagement, specifically around the principles of collaborative ownership. It also felt that the benefits of a delivery model incorporating mutuality principles would increase staff motivation and ultimately benefit its learners.

Planning processes

The college consulted a number of organisations that operated as mutuals to examine how they had developed a sense of custodianship among their staff. Planning activities were mainly focused on implementing their project. The project involved developing a detailed implementation plan, which included buying in external consultant expertise; sourcing legal advice from legal experts; consulting a range of experts; consulting with a number of companies; carrying out desk research; and carrying out staff consultations, including with the senior management team.

Organisational processes

People, management and communication

The project involved a number of consultations with staff as well as the senior management team. The college was keen to manage communication about the project carefully with its staff to ensure that they were aware of the limitations of the project, particularly, that it was a research project and not an implementation process.

2 www.telegraph.co.uk/education/universityeducation/universities-and-colleges/8591574/Birmingham-Metropolitan-College-guide.html

Leadership and management

The college's governors were proactively involved in the project, including identifying risks and challenging the senior management team about the pros and cons of adopting mutuality principles.

An indicative governance model was developed through the research project; however, the college does not intend to change its governance structure. The board currently has 22 members, who adhere to its articles of governance. It may, in the near future, consider what governance structure would be needed to manage an asset trust, were it to explore further the merits of this approach.

Resources, finances, assets

The resources that Birmingham Metropolitan College put towards its project included establishing a dedicated project management team and commissioning external experts such as consultants and lawyers to provide advice on technical aspects of the project.

Challenges

The main challenge faced by the college during the project was managing staff expectations about the college's plans, and ensuring that its communicated clearly to staff about the project.

Realised and intended benefits

The project provided insights into the different forms of mutuality, from which the college hopes the sector can draw lessons. One example is the John Lewis model, whereby staff are partners of the service delivery aspect of the business, but are not owners of the physical assets, which are part of an asset trust.

Another example is based on an organisation called Scott Bader, an international chemical company that provided input into the research and hosted the team for site visits as part of the project. Scott Bader had created an approach it described as a 'commonwealth': staff in that organisation did not have direct shares within the company as with the John Lewis model, but had significant voting rights on the direction of the company. This approach meant that key decisions taken by the chief executive about the direction of the business had to be approved by their staff in a way that was very different from a conventional business.

Lessons learned

- Establishing and maintaining a mutual as a legal entity is a complicated process: some organisations have been doing this for a long time and still face challenges.
- There is no standard model for achieving mutuality in the FE sector – no one size fits all.
- Developing mutuality principles may involve a phased implementation programme.
- Transition funding should be available to support organisations interested in changing their legal forms.

Leeds City College and Leeds College of Music

	Leeds City College	Leeds College of Music
Website	www.leedscitycollege.ac.uk	www.leedscitycollege.ac.uk
Number of learners	55,000 ³	752 ⁴

Type of model

Leeds City College merged with Leeds College of Music in August 2011. Leeds College of Music was set up as a wholly new subsidiary company and therefore retained its own identity and branding. The college was set up as a separate subsidiary company because of its national and international reputation, and the importance of the branding to its success.

Keeping Leeds College of Music as a separate subsidiary also meant that Leeds City College could ring-fence any risks associated with Leeds College of Music. Taking this approach to the merger took time, and included the need to agree not only the model, but also the terms and arrangements for setting the new company up, as well as agreeing the reporting arrangements between the new company and Leeds City College.

Key drivers

Leeds College of Music was seeking a merger partner, and Leeds City College saw the potential partnership as a good opportunity for both institutions.

Planning processes

A merger plan was developed for Leeds College of Music, which was important as the merger took place at the same time as Leeds City College's merger with Joseph Priestly College. As both mergers took place in the same year, the process required clearly defined project plans with a number of different work streams.

Organisational processes

People management and communication

Though Leeds City College staff were aware that the merger was taking place, the impact on staff at the college was limited because the merger did not involve the integration of two institutions. Both institutions, however, developed a communication strategy to ensure their staff, learners and external partners were aware of the changes taking place.

3 www.telegraph.co.uk/education/universityeducation/universities-and-colleges/8579029/Leeds-City-College-guide.html

4 www.ucas.com/students/choosingcourses/choosinguni/instguide/1/130

Leadership and management

The principal and senior team of Leeds City College led the changes, with a strategic steer from the governing body of both institutions. The merger was overseen by a merger board that included the chair of governors and other governors from Leeds College of Music.

A new governing body, which included members from the previous Leeds College of Music board, was established for Leeds City College; Leeds City College has the majority representation on this board.

The college has no immediate plans to change its governance structure as a result of its merger with Leeds College of Music. Two governors from Leeds College of Music currently sit on the board of Leeds City College. Leeds City College plans to review the size of its governing body in the near future.

Resources, finances, assets

Leeds College of Music received strategic funding from the Higher Education Funding Council for England (Hefce), which was used to support the merger process. The college also accessed legal advice.

Challenges

This was the first time that a higher education institution had merged with an FE institution, therefore there was no legislation available to guide the process. As there was no precedent for this type of merger, the colleges worked closely with Hefce and the Skills Funding Agency to ensure that they got the processes right.

Realised and intended benefits

The merger has been a “really positive collaborative venture” for both institutions. The benefits from the merger include the following:

- Leeds City College has benefited from the specialist provision offered by Leeds College of Music.
- The merger has resulted in joint working opportunities for staff across both institutions with respect to training and development.
- The students from both institutions have benefited from being part of a larger organisation. For example, students from Leeds City College have been able to use the facilities provided by the Leeds College of Music.

Lessons learned

- **Be clear about what you want the organisation to look like**, and put in place a very **clear project plan** to ensure that the different aspects are covered with a number of work streams.
- **Communication** is key to the successful implementation of a merger; this includes meetings to ensure that each work-stream is functioning properly and effectively. It is important that the right message is communicated to staff, particularly as people do not like change, and many will need time to understand the processes involved with a merger.
- **Agree a head of terms** that acts like a memorandum of agreement between the two colleges: this helped with the merger process.

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Learning and Skills Improvement Service

The Learning and Skills Improvement Service (LSIS) is the sector-owned body supporting the development of excellent and sustainable FE provision across the learning and skills sector. Its aim is to accelerate the drive for excellence and, working in partnership with all parts of the sector, build on the sector's own capacity to design, commission and deliver improvement and strategic change.

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