

Letting a Thousand Flowers Bloom? The Transformation of Further Education Colleges in Wales and Comparisons with other UK Nations¹

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ABSTRACT

This article focuses on the mergers of further education colleges in Wales. It traces the development of Welsh Government policy on the transformation of the further education (FE) sector and discusses a number of key documents that shaped its policy. The article analyses the response of further education colleges and describes the different types of college merger that resulted. The paper draws conclusions as to the outcomes of the approach taken by the Welsh Government, which was largely one of giving a policy lead and leaving it to individual colleges to respond.

Key words: further education college, transformation, mergers, Welsh Government

Introduction

This article discusses and analyses recent Welsh Government policy, which has actively promoted the transformation of post-16 education and skills providers. It focuses on the mergers of FE colleges, which took place primarily from 2009. Some comparisons are made with the approaches taken in the other UK nations to restructure FE.

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Background

The UK education system outside universities and private schools before 1988 was described as a ‘national system locally administered’ (Parkes and Locke, 1978: 361). Central government in Westminster established policies and laid down standards while the local education authorities (LEAs) had the powers and duties to provide education, owned their colleges and could decide whether or not their colleges should merge. Some delegated powers were given to FE governing bodies in the Education Reform Act (ERA) 1988 (Welsh Office/Department for Education and Science, 1988) (see Graystone et al., 2015 for a more detailed description).

In 1992, there were thirty FE colleges in Wales in eight LEAs (Table 1). Following the Local Government Wales Act (1994), twenty-two unitary authorities replaced the two-tier structure of counties and districts from 1996.

Changes to FE legal status and structure in Wales

Under the Further and Higher Education Act 1992, FE colleges and sixth form colleges in Wales and England were granted incorporated status, run by independent governing bodies. Similar reforms took place in Scotland and later in Northern Ireland (1998).

On 1 April 1993, a new FE sector was established in Wales covering FE colleges, one sixth form college and several designated FE institutions,² funded by a new further education funding council for Wales (FEFCW). Work-based learning (WBL) was funded by training enterprise councils (TECs). Following the 1997 referendum on devolution and the resulting legislation (Government of Wales Act, 1998), the National Assembly for Wales began work in 1999. In 2001, the Learning and Skills Act, 2000 drew on the recommendations of the seminal report of the Education and Training Action Group (ETAG, 1999) and led to the merger of the funding responsibilities of FEFCW and the TECs to form Education and Learning Wales (ELWa). In April 2006, ELWa merged with the Welsh Government (WG)³ which took over responsibility for funding and planning post-16 education and skills (see also Thomas, 2011: 48–60).

FE colleges were given increased responsibilities under the Further and Higher Education (Governance and Information) (Wales) Act, 2014. They now had sufficient independence from government to enable the Office for

John Graystone 121

Table 1. FE colleges in Wales in 1992 (just before incorporation) and relevant local education authority

Llandrillo College (Clwyd)	Coleg Meirionnydd (Gwynedd)	Coleg Powys (Powys)
Llysfasi College (Clwyd)	Coleg Pencraig (Gwynedd)	Barry College (South Glamorgan)
Welsh College of Horticulture (Clwyd)	Glynlifon College (Gwynedd)	Coleg Glan Hafren/Cardiff Tertiary College (South Glamorgan)
Carmarthenshire College of Technology and Art (Dyfed)	Gwynedd Technical College (Gwynedd)	Afan College (West Glamorgan)
Coleg Ceredigion (Dyfed)	Aberdare College (Mid Glamorgan)	Gorseinon College (West Glamorgan)
Pembrokeshire College (Dyfed)	Bridgend College of Technology (Mid Glamorgan)	Neath College (West Glamorgan)
Crosskeys College (Gwent)	Merthyr College (Mid Glamorgan)	Swansea College (West Glamorgan)
Ebbw Vale College of Further Education (Gwent)	Pencoed College (Mid Glamorgan)	Coleg Harlech (located in Gwynedd but funded by Welsh Office)
The Hill Residential College (Gwent)	Pontypridd College (Mid Glamorgan)	
Newport College (Gwent)	Rhondda College (Mid Glamorgan)	
Pontypool College (with Usk Agriculture) (Gwent)	Ystrad Mynach College (Mid Glamorgan)	

National Statistics (ONS) to reclassify them as ‘non profit institutions serving households’ (NPISH). In England, similar legislation was passed. The governments in Northern Ireland and Scotland chose not to legislate and their colleges remained classified as government public bodies. The assets and liabilities of FE colleges in Northern Ireland and Scotland therefore ‘belonged to’ their devolved governments.

The Hazelkorn review in 2016 recommended the setting up of a Tertiary Education Authority, as ‘the single regulatory, oversight and coordinating authority for the post compulsory sector’ covering FE, higher education (HE), WBL and adult and community learning (ACL) (Hazelkorn, 2016: 53). The WG response was deferred until after the Welsh Assembly elections on 5 May 2016.

Transformation and reconfiguration

FE colleges in Wales vary considerably in size, number and type of students and the range of programmes and services offered. Humphreys describes them as: ‘the key institutions for developing and sustaining the vocational skills of individuals and the wider workforce, thus contributing to the economy; and they are usually deeply embedded in the economy, society and culture of their locality and region’ (Humphreys, 2011: 6).

FE colleges deliver 80 per cent of post-16 qualifications outside higher education (HE) and two-thirds of 16–19-year-olds attend their local college (ColegauCymru, 2014). In 2014/15, 57 per cent of colleges’ learners were adults over the age of nineteen, most studying part-time and more than 150,000 learners were enrolled at FE institutions in Wales (ColegauCymru, 2016).

In all four nations of the UK during the past decade, the number of FE colleges has fallen, mainly as a result of mergers. The WG in various publications described this process as ‘transformation’, a term first used by Webb (2007: 30). The Cambridge Dictionary defines ‘transform’ as ‘to change completely the appearance or character of something or someone, especially so that that thing or person is improved’ (<http://dictionary.cambridge.org/dictionary/english/transform>). The themes of change and improvement were central to WG policies.

Different approaches have been taken in each UK nation to FE college mergers.

John Graystone 123

- as a result of an imposed government decision (Northern Ireland);
- a balance between an imposed legislative approach and individual governing body decision (Scotland);
- a strong central policy steer (area reviews in England from 2015) but ultimately left to individual governing bodies to decide;
- inconsistent central policy steers but ultimately left to individual governing bodies to decide (England prior to 2015); and
- strong central policy steer with final decisions left to governing bodies (Wales from 2008).

College mergers before 1993 and 1993–2004

Prior to 1993, there had been several LEA-driven college mergers in Wales, reflecting individual LEA policies. These did not cross LEA boundaries.

- Gwent Tertiary College formed from a merger of colleges at Newport, Pontypool, Ebbw Vale, Cross Keys, Usk and the Hill in Abergavenny;
- Yale College had previously been a sixth form college in Wrexham and became a tertiary college;
- Coleg Powys was formed from bringing together campuses in Brecon, Llandrindod Wells and Newtown;
- Coleg Meirion-Dwyfor established as the first phase of the tertiary reorganisation with three centres Coleg Meirionnydd, Coleg Glynllifon and a new centre in Pwllheli; and
- Carmarthenshire College of Technology and Art formed by merging the Llanelli Technical College and Dyfed College of Art, later becoming Coleg Sir Gar. The Llanelli campus became tertiary prior to incorporation.

After 1993, some college mergers occurred, usually where colleges were judged to be too small to be run efficiently (although the definition of small was unclear), not performing satisfactorily, financially underperforming or not recruiting to their student numbers (Thomas, 2011: para. 9).

- Coleg Menai was formed by the merger of Coleg Penraig and Gwynedd Technical College (August 1994);

- Coleg Morgannwg was formed after Pontypridd College merged with first Rhondda College (1 August 1995) and then Aberdare College (August 2003);
- Bridgend College took over Pencoed, a small agriculture college (August 1999);
- Neath Port Talbot College was set up after the merger of Neath and Afan colleges (1999);
- Coleg Harlech/WEA North resulted from a merger between Coleg Harlech and WEA North (August 2000); and
- the first FE/HE merger in Wales when Merthyr Tydfil College was taken over by the University of Glamorgan from 1 August 2004.

Some mergers were considered but not carried out as there was no strong central policy steer and the college governing bodies remained unconvinced of the benefits of merger.

Development of policy in the post-16 education sector

A review of early policy statements shows that the WG did not initially advocate the reconfiguration of post-16 education and skills. The government's major strategic education policy document, *The Learning Country*, for example, makes no mention of reducing the number of FE colleges. Instead, describing FE as 'pivotal', it emphasises the importance of 'partnerships' and refers to 'the consortium principle' to enable partners to share staff and resources' (WG, 2001: 53). There is also no mention of mergers in the remit letters sent by the education minister to the chair of ELWa in 2002 and 2003 (Davidson, 2002; Davidson, 2003). The preferred approach was to promote the development of twenty-one community consortia for education and training (CCETs), recommended in the ETAG report, which brought together education and training providers at local level. Their role was to 'seek ways of improving the quality, efficiency and client focus of local services through collaboration and cooperation between local providers' (Morgan et al., 2004: 230). These CCETs, seen by the WG as having a crucial role in bringing together partners at local level (WG, 2001) had disappeared from view in later key policy documents in 2006 and 2007 (WG, 2006a; Webb, 2007).

From 2005, a number of WG reports focused on changing the structure of the wider public sector under its Making the Connections strap line (e.g.

John Graystone 125

WG, 2005). A significant WG-commissioned report, chaired by Sir Jeremy Beacham, aimed primarily at local authorities, recommended increased joint working across organisations, sectors and services (Beacham, 2006). The central aims were to enhance capacity, improve efficiency, and increase the range and quality of public services. No major structural reorganisation was proposed. The priority was to make the existing system work better. Another important document (WG, 2006b), directed at transforming public services in Wales, made only a passing reference to FE colleges, recommending that they should be involved in a central procurement service.

Around the same time, Jane Davidson, education minister, reviewing progress since the publication of *The Learning Country* in 2001, concluded that performance in FE was 'variable' and proposed a review of its strategic mission (WG, 2006a: 20ff). Sir Adrian Webb, appointed to carry out this review, published his report in late 2007. He drew attention to research indicating that 'efficiency gains in an FEI are most evident when turnover reaches circa £15m a year: but only 55% of FEIs are operating at this level' (Webb, 2007: 67). He argued for a programme of reconfiguration by 2009 'to ensure that FEIs are operating at a minimum size level' with budgets above £15m (Webb, 2007: 83). This 'resizing' could be achieved through federations, mergers or a new college. No stand-alone college should have a turnover of less than £15m. He also proposed the setting up of nine 14–19 commissioning consortia in four regions to plan and deliver a wider entitlement to learners and set out the areas to be covered by each (Webb, 2007: 72). His grouping of FE colleges within each consortium area was seen at the time as a blueprint for college cooperation and mergers.

Interestingly, Webb fell short of recommending a minimum size of school sixth forms even though he drew attention to the Audit Commission's recommendation that the minimum effective size of a school sixth form was 150 learners. He stated that 'some very small sixth forms are operating at a level which is impossible to be economically efficient or to provide a full range of entitlement to learners' (Webb, 2007: 67).

Progress after Webb

Following Webb, the WG rapidly issued a consultation document (WG, 2008a) and later published its skills and employment strategy and action plan, drawing on Webb's conclusions (WG, 2008b). It accepted that:

126 *John Graystone*

Fewer, larger institutions could offer benefits to learners and better value for money. However we recognise there are different circumstances in different parts of Wales and no 'gold standards' for provider size can be applied, especially in rural areas and for Welsh medium schools (WG, 2008b: para. 10.15).

The statement that there was no single preferred model for provider size was significant in determining how colleges responded. The action plan was clear in what was expected – 'more partnerships between providers, more HE and FE mergers; fewer but better resourced secondary schools and more tertiary arrangements' (WG, 2008b: para. 10.16). The report rejected the 14–19 commissioning consortia recommended by Webb 'though they may work in specific circumstances'. A Transformation Policy Branch within the Department for Children, Education, Lifelong Learning and Skills (DCELLS) was set up to expedite progress.

Later that same year, WG went considerably further by proposing the setting up of learning partnerships – comprising local authorities and education and training providers – to come forward with strategic outline plans to transform delivery in order to raise standards, increase post-16 participation and improve skills levels to benefit employers and the local economy. These proposals had to be compliant with HM Treasury's Five Case Model. The WG reconfirmed that it did not support any one specific model of collaboration or reconfiguration (WG, 2008c: 2) but put forward four broad types of reform, as follows:

1. 16–19 provision involving schools and FE colleges working closely with each other to deliver the Learning and Skills Measure, possibly through joint governance arrangements or by the transfer of a school sixth form to another school or to an FE college 'to create a tertiary college';
2. A reduction in the number of work-based learning contracts;
3. Collaboration between colleges and universities with the possibility of mergers between colleges or between colleges and universities; and
4. The creation of adult community learning partnerships to deliver provision for 19+ learners. (WG, 2008c: 14–16).

WG noted that proposals should take account of relative inefficiencies and inflexibility in post-16 delivery, drawing on Webb's conclusion that this was more likely to happen in school sixth forms with fewer than 150 students and in FE institutions with a turnover of less than £15m. Rather ambitiously, the WG expected proposals to be submitted by January 2009 and stated that 60 per cent 'will be agreed by July 2009 and implemented by September 2010'. All remaining proposals were to be in place by

John Graystone 127

September 2011. In the event bringing together various parties was more time-consuming and the process more complex than anticipated. The deadlines slipped.

These ideas, presented at a series of regional meetings, were not well received by a number of headteachers and by some local authorities, arguing that they did not see a need for these reforms and expressing suspicions that schools might lose students to competitive local FE colleges. College principals were much more supportive.⁴

The transformation agenda took place in parallel with other initiatives. As part of the policy of promoting cooperation between FE institutions and schools, legislation gave power to FE colleges to collaborate with the governing bodies of other colleges or schools through the use of joint committees (Education and Inspections Act, 2006; WG, 2009a). However schools and colleges did not see the advantage of these arrangements and no joint committees were established. The Learning and Skills (Wales) Measure (2009) proposed local curricula for students aged 14–16 and 16–18. A WG circular stated that 16–18-year-olds must have access to thirty courses of study with a minimum of five vocational courses, to be achieved through close cooperation between colleges and schools (WG, 2010a).

Other developments were taking place to promote collaboration and transformation. The WG explored ways of reducing administrative costs in education and commissioned a report that concluded: 'collaboration in design and provision of common functions and practices should deliver rapid service and cost improvements' (Price Waterhouse Coopers, 2010: 41). This was judged to be a more immediate solution to driving down costs than reconfiguration of the FE sector. Also, the six careers companies were reconfigured into a unitary organisation (Edwards, 2010: 3). Following an independent review of Welsh for Adults (WfA), the number of WfA providers was due to be reduced from twenty-eight to between ten and fourteen from August 2016 (Edwards, 2013).

The WG's progress report in 2009 stated that most learning partnerships had embraced transformation but 'a few have so far not been successful in planning change. Sometimes there has been an unwillingness to confront the vested interests of some providers' (WG, 2009b: 2). The WG stated that it would work with learning partnerships to address these challenges. The tri-level reform approach developed by Michael Fullan (Fullan, 2005: 4), which advocated that all parts of the education system must work together to achieve successful reforms, was emphasised. It served to reinforce the

WG approach, which was ‘to reject the idea of a national transformation framework and ... encourage stakeholders to develop local solutions to local needs’ (WG, 2009b: 6).

The 2009 progress report analysed the twenty-nine proposals that had been received and identified five broad types:

1. FE/maintained secondary school collaboration led by local authorities (fourteen proposals);
2. all post-16 provision delivery united (five);
3. FE mergers (six);
4. local authority reorganisation of maintained schools (two); and
5. all Wales sectoral/skills arrangements (two).

The FE college mergers were taken forward but most strategic outline plans, particularly those classified under proposals 1 and 2, never took place.

Further development of FE policy in Wales

Leighton Andrews, incoming education minister, set up an independent task and finish group, chaired by Vivian Thomas who was asked to consider ‘a long-term, whole system view on whether education structures enable and support delivery of best value services to the citizens of Wales’ (WG, 2010b). The remit covered all education and skills provision with the exception of HE. The Thomas report concluded that there was inconsistency of performance at school level and that overall the pace of improvement had been too slow, arguing that these were caused by the way that education was structured in Wales. Over thirty recommendations were made impacting upon the entire education system (Thomas, 2011).

In respect to FE, the report drew attention to the positive approach of the FE sector to transformation and the improvement in standards but pointed out that small colleges were unable to secure the large financial capital necessary to meet the requirements of fast changing vocational requirements (Thomas, 2011: 82). The response of colleges stood in marked contrast to that of school sixth forms. Thomas pointed out that almost half of the 170 schools with sixth forms had fewer than 150 pupils, with 32 below 100 (Thomas, 2011: 77); little had changed in the four years since Webb. The report recommended that: ‘the rationalisation of FE colleges in

John Graystone 129

Wales and their estates should be continued and – taking into account issues of geography, faith and language – the FE sector should move from the current 21 FE institutions to between 10–12 corporate entities by August 2013’ (Thomas, 2011: 20).

FE mergers: progress

So what were the results of the government policy on transformation? The number of FE colleges fell from twenty-five in August 2009 to nineteen in August 2012. By August 2015, there were fourteen in total – nine independent corporate FE colleges (the figure recommended in the Thomas report), three colleges wholly owned by universities, one designated Catholic sixth form college and one designated FE institution (Table 2). Only three colleges had not been involved in mergers – Bridgend College (although this had merged with Pencoed College in 1999); St David’s Catholic College (although it had entered into a strategic partnership with Coleg y Cymoedd and a local school to deliver A levels); and Pembrokeshire College, which in 2015 was planning to enter into a closer working relationship with local sixth forms.

Some mergers, such as those in 2010 between Coleg Menai and Hyffordiant Môn and Hyffordiant Gwynedd, took place between FE colleges and training providers. Neath Port Talbot College purchased a

Table 2. The fourteen FE colleges and FE institutions in Wales, August 2015

Bridgend College	Gower College Swansea
Cardiff and Vale College	Grŵp Llandrillo Menai
Coleg Cambria	NPTC Group
Coleg Ceredigion*	Pembrokeshire College
Coleg Gwent	St David’s Catholic College**
Coleg Sir Gâr*	The College Merthyr Tydfil***
Coleg y Cymoedd	WEA YMCA CC Cymru****

* wholly owned by University of Wales Trinity Saint David

**designated sixth form college

***wholly owned by University of South Wales

**** designated further education institution

language school in England in 2011. But not all planned mergers succeeded. Coleg Gwent and Ystrad Mynach College commissioned a feasibility study (KPMG, 2010) to review options including merger but it was decided not to merge; the latter college later merging with Coleg Morgannwg. In 2015, the governing body at Coleg Gwent turned down a proposed merger with Cardiff and Vale College on the grounds that it wanted closer collaboration and partnerships with other colleges in the south-east Wales region (Evans, 2015).

Table 3. Types of FE college mergers in Wales: August 2009–August 2015

<i>Type A</i>	<i>Type B</i>
Gorseinon and Swansea (new name Gower College Swansea) – 20 August 2010	Deeside and Welsh College of Horticulture (retained Deeside College name) – 1 August 2009
Deeside and Yale (Coleg Cambria) – 1 August 2013	Llandrillo and Meirion-Dwyfor (retained Coleg Llandrillo) – 1 April 2010
Barry and Glan Hafren (Cardiff and Vale College) – 1 August 2011	Deeside and Llysfasi (retained Deeside College) – 1 August 2010
Morgannwg and Ystrad Mynach (Coleg y Cymoedd) – 1 August 2013	Llandrillo and Menai (Grŵp Llandrillo Menai) – 1 April 2012 – modified type B
	Sir Gâr and Trinity Saint David (retained Coleg Sir Gâr) – 1 April 2013 – HE/FE merger
	Ceredigion and Trinity Saint David (retained Coleg Ceredigion) – 1 August 2013 – HE/FE merger
	Neath Port Talbot and Powys (NPTC Group) – 1 August 2013 – modified type B
	WEA South and Harlech/WEA (N) (WEA Cymru) – 1 January 2014
	WEA Cymru and YMCA Wales Community College (WEA YMCA CC Cymru) – 1 August 2015 – modified type B

Types of FE college mergers in Wales

Mergers of FE colleges fell into two broad types – A and B. Under the former, both colleges dissolved and a new legal entity was established. In the latter, one college was dissolved and transferred its assets and liabilities to the other which retained its legal status. Type B was easier administratively and legally and therefore quicker and cheaper to execute. Several mergers can best be described as a ‘modified model B’ in which both colleges were treated as equals although legally one college was absorbed by another. Of the thirteen mergers from 2009, four were type A, six type B, including two HE/FE mergers, and three can be described as modified type B (Table 3).

Impact on turnover

In 1997/8, only one college had an annual turnover of over £30m. Of the twenty-nine colleges, twenty-seven had a turnover less than £15m, of which eighteen were below £10m (Welsh Funding Councils, 1998: Table 7.1). The average income was just under £7m. By July 2009, nine colleges had a turnover of below £15m (Graystone and Davies, 2010; WG, 2010c), less than Webb’s recommended level. By 2015 things had changed and all but three FEIs had a turnover of more than £15m each (Table 4); the three being Coleg Ceredigion, wholly owned by a university; St David’s Catholic College, a designated sixth form college; and WEA YMCA CC Cymru, a designated specialist institution. Eight colleges had turnovers of more than £40m and average income was around £33m (WG, 2014).

A note on higher education in Wales

There were parallel developments in HE. An important review of the mission and direction of HE (Jones, 2009) concluded that reconfiguration relied too heavily on financial factors or assumptions about benefits accruing from general capacity increase and argued that there should be an ‘emphasis on outcomes and efficient delivery not on configuration as an end itself’ (Jones, 2009: paras 73–7). However there was a compelling case for ‘consolidating critical mass particularly in wider configuration including ... merger’ and strong support for HE–FE partnerships which would improve access and progression into HE.

Table 4. Number and turnover of FE colleges and FE institutions in Wales 1996, 2009 and 2015

<i>Turnover £m</i>	<i>Number of colleges July 1996</i>	<i>Number of colleges July 2009</i>	<i>Number of colleges after mergers August 2015</i>
0–5	13	4	0
5–10	10	5	3
10–15	6	2	0
15–20	0	5	0
20–5	0	5	2
25–30	0	2	1
30–5	1	1	0
35–40	0	0	0
40–50	0	0	4
50–60	0	1	2
60+	0	0	2
Total	30	25	14

The WG accepted Jones's conclusions. While emphasising the importance of collaboration, the WG 'expected to see proposals emerging for further reconfiguration of the HE sector ... including institutional mergers and collaboration' (WG, 2009c: para. 75) but it was left to governing bodies to decide. The education minister set out his view that 'Wales will have a smaller number of stronger universities – institutions well placed to compete on the global stage and to contribute strongly to the economic, educational, cultural and social well-being of Wales' (Andrews, 2014: 326; WG, 2013: 4).

The Universities of Glamorgan and Newport merged (11 April 2013). University of Wales Trinity Saint David, the result of a merger between University of Wales, Lampeter and Trinity University College (September 2010), merged with Swansea Metropolitan University (1 August 2013) and later with Coleg Sir Gâr and Coleg Ceredigion. However the planned merger between Cardiff Metropolitan University and the University of South Wales failed after the former remained unconvinced of the need for a merger, in spite of strong ministerial pressure (Andrews, 2014: 304–9).

John Graystone 133

Number of post-16 education institutions in Wales by 2015

The number of post-16 education institutions in Wales fell between 2007 and 2015 (Table 5) through FE college mergers and mergers of universities. The number of WBL contracts also fell as some colleges formed consortia with other colleges and with training providers to bid for WBL funding (Turner, 2014). But in spite of Webb and the transformation agenda, little significant change had occurred in the number of school sixth forms (Welsh Government, 2015). Tertiary arrangements in which schools' sixth forms merged with FE colleges had taken place in Blaenau Gwent, Merthyr Tydfil and Rhyl but these had taken much time, including overcoming legal challenges.

Conclusion

This article has explored the transformation of FE colleges in Wales. Responsibility for education policy in Northern Ireland, Scotland and Wales is devolved from Westminster. Each nation has developed distinct post-16 education and skills policies and different approaches to reduce the number of FE colleges. There is an interesting tension in Wales, shared with England, between the desire of the WG to drive through policies balanced against the freedom of each FE college to determine its own strategy. Every year, for example, the education minister issues a letter to college principals setting out the WG's priorities for the year ahead and providing a 'framework for your future strategies and operational plans' (Lewis, 2015). But these are not central diktats. The fact that WG provides around 80 per cent of college funding (DfES, 2016) and sets the conditions

Table 5. Changes in numbers of educational institutions in Wales (2007–15)

	<i>School sixth forms</i>	<i>FE colleges</i>	<i>WBL contracts</i>	<i>Universities</i>
2015	161	14	6 delivery consortia and 18 lead contractors	10 (including Open University)
2007	170	25	64 contracts (2007–11)	13 (including Open University)

on the proper use of this funding is, however, a strong influence on what colleges can and cannot do.

Mergers between FE colleges in the UK took place before incorporation and, led by LEAs, did not cross local authority boundaries. In the ten years after incorporation mergers were often welcomed and sometimes encouraged by funding bodies and governments. But, as one retired principal remarked, the fact that the funders of FE colleges in Wales had changed several times – from LEAs, the FEFCW, TECs, ELW_a to WG – meant that structural changes were not always high on the agenda (private communication, 2016).

Calvert identifies two broad drivers for FE mergers – ‘rescue’ and ‘strategic’. In the former a ‘struggling college is rescued by, and usually amalgamated into, a stronger college’. A ‘strategic’ merger takes place when two colleges that are already successful merge because they believe ‘they will be even stronger if combined’ (Calvert, 2009: 9). Department for Business, Innovation and Skills (BIS) describe this model as ‘building a competitive edge’ (BIS, 2015: 27). To these may be added a third – ‘policy driven’ – where there is either strong direction or encouragement from central government for mergers to take place.

In Wales, before 2007, mergers can largely be described as either ‘rescue’ or ‘strategic’ or a balance of both. Following the Webb review in 2007, FE mergers were more likely to be ‘policy driven’, although some mergers also fit into the ‘rescue’ category and most can be described as ‘strategic’.

In a study covering FE colleges in the UK, BIS placed mergers into five broad categories:

- larger colleges seeking to grow;
- smaller colleges concerned about their financial viability;
- financially sound colleges seeking to reduce overheads in the face of future tight funding;
- pressure from powerful and influential stakeholders; and
- board influence where the governors made a unilateral decision.

The study sees the mergers in Wales as fitting into the fourth category. But the word ‘pressure’ is not the right one to describe developments in Wales. DfES officials did exert pressure on a few occasions where a college was perceived as being in financial difficulty (e.g. Welsh College of Horticulture and Coleg Harlech/WEA North). This might include the possibility of withdrawing financial support. But the ultimate decision was left to the

John Graystone 135

governing body. The usual pattern was for the WG to give a strong steer, leaving it to individual colleges to decide whether or not to merge. Some did so from a position of financial strength and a desire to grow (e.g. Deeside and Yale) and others were concerned about their financial viability and sought merger partners (Coleg Meirion-Dwyfor and Coleg Powys). All colleges sought to reduce their overheads.

Have mergers raised standards? Colleges worked hard to raise standards during transformation. Estyn annual reports between 2011 and 2016 underlined the improved performance of FE colleges (see Estyn's annual reports 2011–2016a, and reports on individual colleges). Of the two colleges which received outstanding Estyn reports in the early part of 2016, Coleg Cambria had merged and Bridgend College had not (Estyn, 2016b; Estyn 2016c). It is difficult therefore to attribute this improvement directly to mergers. A number of weaker colleges were 'rescued' and absorbed into stronger and more successful colleges – this undoubtedly raised overall standards. The Welsh education minister from 2009–13 was able to support a claim that the FE sector was 'the most efficient, high performing and socio-economically engaged part of our education system' (Andrews, 2014: 375).

Have mergers reduced costs? ColegauCymru identified average savings of £500,000 per year from mergers mainly in management and back office services (ColegauCymru, 2013: 15). BIS noted that one newly merged college had saved £2.5m in management and support costs having spent £1m and another had made savings of 5 per cent in the first few months with no loss of service to learners (2015: 24). The Scottish Funding Council was expecting £50m savings per year from the mergers in Scotland at a development cost of £54m (BIS, 2015: 27) – a view challenged by the Scottish Parliament's public audit committee (McIvor, 2015). BIS quoted a Learning and Skills Council sponsored study by KPMG which stated that unit costs in larger colleges *tended* to be lower and inspection grades *tended* to be higher than in smaller colleges (BIS, 2015: 7). But an earlier study had shown that a merger may bring cost benefits to a college's central administration but 'these are outweighed by the higher teaching costs and deterioration in teachers' performance' (Kingston, 2001: 43).

Have mergers led to job losses? There have been recent substantial staff losses in FE although most of these can be attributed to funding cutbacks in all four nations since 2010. Following mergers, savings are usually made as a result of restructuring. As staff costs comprise around two-thirds of college expenditure in Wales (DfES, 2016), inevitably these savings lead to

staff cuts, mainly in management and support staff posts. Unions have had mixed views on mergers. In its 2009 manifesto UCU Wales Cymru noted that their members supported greater collaboration and where appropriate institutional mergers ‘providing there are no compulsory redundancies’ (UCU Wales Cymru, 2009: 7). The union later urged the governing body of Cardiff Metropolitan University to engage in merger discussions (UCU Wales Cymru, 2012). It accepted that the 800 FE job losses in 2015/16 in Wales were the result of funding cuts (UCU Wales Cymru, 2016: 2). The NASUWT strongly opposed the merger of Rhyl High School with Coleg Llandrillo (*Daily Post*, 2013).

Have mergers led to regional colleges? In Wales, there was a strong push towards colleges operating in an area wider than the local authority and many can now be described as sub-regional. These developments have not reduced the focus on serving local areas and local campuses have not been closed. Indeed many students may be unaware that their local college is part of a larger conglomeration. For example, Grŵp Llandrillo Menai still retains Coleg Llandrillo, Coleg Menai and Coleg Meirion-Dwyfor as separate sites, each with its own principal. Merged colleges have increased critical mass and are increasingly able to draw down funds from DfES or borrow money for capital projects. Some mergers have led to substantial investment in college buildings and facilities, a point made by principals in the BIS study (BIS, 2015:14). Cardiff and Vale College’s recently opened its £45m campus following its merger (Barry, 2015).

Why did mergers take place relatively smoothly in Wales? In spite of some challenges, FE colleges responded positively to the transformation agenda. One principal remarked that senior leaders had developed working relationships through ColegauCymru, their representative body, over many years that gave us ‘the confidence to open quite sensitive discussions and to agree strategies before moving to any formal situation’ (private communication, 2016). At an early stage well before the Webb report, FE colleges were alert to potential reforms to the structure of post-16 education and skills. For example, college principals, under the aegis of ColegauCymru, met in July 2006 to consider the challenges facing colleges and the likelihood of the post-16 landscape being reconfigured. They received presentations from a college principal and the chief executive of ColegauCymru (then called fforwm) and debated in some detail the future direction of the sector (Edwards, 2006; Graystone, 2006). These discussions continued at future meetings and updates on transformation became standing agenda items. One principal remarked that senior managers and

John Graystone 137

governing bodies were therefore well prepared for the announcements by the WG on the transformation agenda and reported that several colleges had already begun the process of discussing likely collaboration including mergers (private communication).

The WG's 'let a thousand flowers bloom' approach appeared to be well suited to the approach of colleges. Leighton Andrews, writing after he stood down as education minister, referred to the fact that 'colleges were delivering for Wales ... they anticipated our objectives and responded well to what we were suggesting' (Andrews, 2014: 365). This echoed the comment in a government White Paper that 'the sector has responded well and commitment towards transformation in the sector remains strong' (WG, 2012: para. 23.10). A research report for the National Assembly for Wales (Jones, 2013: 4) endorsed this view.

Other factors also worked in the colleges' favour. For example, twelve principals retired between 2009 and 2015. This no doubt aided the merger process. However, four serving principals took different roles in newly merged colleges, indicating a willingness to put aside personal interests.

A strong and purposeful leadership was crucial, a point reinforced in an analysis of mergers in England (Jupp, 2015: 195) and underlined by comments from principals involved in taking forward mergers. One emphasised the difficult challenge of 'convincing your board of the strategic benefit of seeking closer collaboration with another college' (private communication, 2016).

Up to £650,000 per merger was set aside to pay for due diligence, legal advice and the cost of external consultants (BIS, 2015: 23) – this was seen by one principal as 'critical in achieving the end goal' (private communication, 2016).

The WG 'encouraged' colleges to consider merger. The word 'encourage' has many meanings in this context and senior civil servants would regularly visit colleges (particularly when a principal was due to retire) to emphasise the importance of the governing body considering merger opportunities. But, as noted by one ex-principal, this voluntarist approach resulted in 'small, uneconomic sixth forms remain[ing] recalcitrant and resistant to arguments that Wales should embrace a tertiary system at post-16' (private communication, 2016). This is supported by another ex-principal who remarked that

the test of government policy does not just rest on the success or otherwise of college mergers but with reform across the entire post-16 sector. The notable lack

of any real progress in rationalising sixth form provision in schools has severely impacted on the objectives of the reform. (private communication, 2016)

Another lamented the fact that the WG ‘permitted the LEAs and schools to avoid any meaningful reorganisation as a way of raising educational achievement’ (private communication, 2016). The education minister seemed to acknowledge this view when he pointed out that ‘local authority led secondary school reorganisation was moving at a slower pace’ (Andrews, 2014: 366).

To underline this point, by 2015 every FE college in Wales had considered merger options and all but three had merged, whereas 95 per cent of school sixth forms remained as they were in 2007 (see Table 5).

Several retired principals noted the lost opportunity after the Webb review to consider economic drivers for reconfiguration. As one pointed out, ‘the loose policy framework ... provided little guidance for us in the front line ... With hindsight a clearer expectation to align with school based networks, higher education and economic regions would have possibly created a more robust college framework for Wales’ (private communication, 2016).

Unlike in Northern Ireland and Scotland, there was no preferred model in Wales, confirmed by the chair of ColegauCymru and principal of a merged college (Evans, 2016). Deeside College took part in three separate mergers eventually becoming Coleg Cambria. Coleg Llandrillo merged twice. WEA YMCA CC Wales was formed from two mergers. Two merged colleges set up ‘group structures’ with college principals serving under a chief executive – Gr_p Llandrillo Menai and NPTC Group. In some cases a ‘large’ college merged with a smaller college (Coleg Llandrillo with Coleg Meirion–Dwyfor; NPTC College with Coleg Powys; Deeside College with Coleg Llysfasi). In other cases, colleges of similar size merged (Swansea and Gorseinon Colleges; Deeside and Yale Colleges; Coleg Morgannwg and Ystrad Mynach College). Coleg Ceredigion and Coleg Sir Gâr merged with the University of Trinity St David’s as wholly owned subsidiaries.

A merger is of course the beginning of a new institution. A merged college has to develop a common culture, revise its management and staffing structures and ensure common quality and management information systems. It is too early to judge fully whether these have been fully achieved. Calvert quotes a business analyst as saying that in the corporate world the failure rate of mergers is between 50 per cent to 80 per cent (Calvert, 2009: 13). Calvert identifies a number of critical factors for

John Graystone 139

implementing a successful merger. These include a clear and unified vision, consistent communication and early planning (Calvert, 2009: 300). The BIS study, which involved college visits, added rigorous analysis of options, benefits and risks, avoidance of vested interests, a strong sustained leadership and effective governance (BIS, 2015: 18–21). As indicated by a senior civil servant in Wales (private communication, 2016), the test of success of the reforms in Wales will be if there are improved standards of student educational achievement; better access and improved participation by people from all backgrounds; enhanced progression for learners to employment or further training; and financial efficiency for the institution.

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Notes

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- ² ‘FE college’ is used in this paper to include FE colleges and designated FE institutions unless specific reference is made to categories of college and institution.
- ³ The Wales Act 2014, section 4, changed the title of the ‘Welsh Assembly Government’ to the ‘Welsh Government’, although the latter term had been used before that date. In this paper the latter term is used throughout except in relevant references.
- ⁴ The author attended one consultation seminar in Cardiff when virtually every contribution from the floor from schools opposed any changes to school sixth forms, some speakers arguing that the proposals came as a complete surprise.