Collaborations and Mergers: Rapid Review of Research on Collaborations and Mergers between Further Education Providers

April 2007

Of interest to everyone wanting information about collaborations and mergers in the further education sector
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Paragraph number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Background</td>
<td>3</td>
</tr>
<tr>
<td>What are Mergers, Partnerships and Collaborations?</td>
<td>9</td>
</tr>
<tr>
<td>Drivers of Merger, Partnership and Collaboration Activity</td>
<td>15</td>
</tr>
<tr>
<td>Recent trends</td>
<td>17</td>
</tr>
<tr>
<td>Outcomes for Learners, Staff and the Further Education Institution</td>
<td>20</td>
</tr>
<tr>
<td>Learners</td>
<td>21</td>
</tr>
<tr>
<td>Further education college staff</td>
<td>27</td>
</tr>
<tr>
<td>Further education institutions</td>
<td>29</td>
</tr>
<tr>
<td>Value for money</td>
<td>31</td>
</tr>
<tr>
<td>Examples of Good Practice</td>
<td>34</td>
</tr>
<tr>
<td>Learning from local practice</td>
<td>37</td>
</tr>
<tr>
<td>Summary and Implications</td>
<td>39</td>
</tr>
</tbody>
</table>

**Annexes**

A: Method

B: References

Written by the Policy Research Institute at Leeds Metropolitan University.
Introduction

1 The Policy Research Institute at Leeds Metropolitan University was asked by the Learning and Skills Council (LSC) to provide a ‘rapid review’ of 40 documents forwarded by the LSC. These documents included various White Papers, research reports and evaluation reports which presented information associated with various dimensions of merger and collaboration activity at the local and national level.

2 This summary outlines the key findings from the review of these documents as well as drawing on a targeted scanning of academic and practitioner literature to provide an overview of evidence with a view to informing further thinking associated with mergers and collaboration in the sector.

Background

3 The Foster Review of Further Education (Foster, 2005) built on the reform agenda that has been pursued since the election of the first New Labour Government in 1997. At the heart of the reforms lies the belief that education and training can simultaneously develop and sustain employer competitiveness whilst also enhancing citizenship and social cohesion. The need for innovation and the drive to put the ‘user’ at the centre of policy and practice through a ‘learner focus’ is a key element of Foster’s vision.

4 The Department for Education and Skills (DfES) responded with a White Paper (DfES, 2006) setting out the reforms needed, including more choice for customers, tailoring services to meet individuals’ needs, encouraging new, innovative providers to enter the market and robust action to tackle poor quality combined with more autonomy for the excellent performers. December 2006 saw the publication of the Leitch Report (Leitch, 2006), which set out ambitious goals for 2020 for the UK to become a world leader in skills. Leitch also outlines some principles to underpin the reform of the skills agenda, which include:
increased action and investment on behalf of employers, individuals and the Government

• a demand-led system that meets the needs of individuals and employers

• a system that is responsive and adaptable

• simplification, rationalisation and improved performance of current structures.

Merger and collaboration are specific examples of development possibilities that exist within this strategic context. In the current situation, it is recognised that no one institution will be able to provide the full range of opportunities that the 14–19 reforms require, so collaboration between schools, sixth form colleges, further education (FE) colleges, centres of vocational excellence (CoVEs), work-based learning (WBL) providers and employers will be essential in creating coherent networks for learning that enable choice and flexibility. This continues an agenda that has been pursued for some time, as illustrated by the Learning and Skills Council (LSC) London East 14–19 Conference which concluded that:

we will only be successful in the delivery of 14–19 if partnership working and collaboration become the norm and accepted practice across institutions and sectors

(LSC London East, 2003:4)

Effective partnership working is seen as the key to the realisation of the LSC’s mission as evidenced by its approach outlined in, for example, its Equality and Diversity Strategy (LSC, 2004a) and its work with the voluntary and community sector (LSC, 2004b). More recently the Quality Improvement Agency (QIA) has produced a national Improvement Strategy (QIA, 2007), which suggests that the vision for change:
Developing effective partnerships is a core principle of the QIA Improvement Strategy.

The following presents the findings emerging from a rapid review of the literature seeking to inform LSC thinking in this arena. The report is organised under the following headings.

• What are mergers, partnerships and collaborations?
• Drivers of merger, partnership and collaboration activity
• Outcomes for learners, staff and the FE institution
• Examples of good practice
• Summary and implications.

What are Mergers, Partnerships and Collaborations?

Mergers, partnerships and collaborations are distinct but clearly related concepts. The literature search provided no definition of ‘merger’ in the FE context; however the concept is widely linked in economic theory to acquisition as part of the process of growth of organisations or as a means of rationalising the structure of declining industries (Chiplin and Wright, 1987).

In terms of partnerships and collaboration, a number of different definitions have been put forward by practitioners, policy-makers and researchers. The following is a selection that seeks to capture the essence of the concepts.
Partnerships can range from agreements between actors to work towards a common end, to agreements which form a legal contract through which specific targets for performance are defined by the contracting parties.


A partnership is a collaboration among business, non-profit organisations and government in which risks, resources and skills are shared in projects that benefit each partner as well as the community.


Collaboration is taken to imply a very positive form of working association with others for some form of mutual benefit.


Watters (2005) suggests that there are five forms of partnership commonly found in the learning and skills sector:

- **Strategic alliance**: including learning partnerships, information advice and guidance, and 14—19 strategic and delivery partnerships
- **Joint venture**: including inter-agency and inter-organisational projects and enterprises and also ongoing voluntary sector training and skills consortia
- **Supply chain**: including contracting arrangements between provider and subcontracting organisations that deliver specific aspects of provision (for example, work placements, franchised arrangements, progression partnerships)
- **Networks**: including co-ordinated opportunities for sharing information such as Skills for Life forums or quality improvement networks
- **Advisory groups**: including local LSC strategic area review stakeholder groups, or provider curriculum groups involving relevant agencies and/or employers in contexts such as widening participation or workforce development.
A further useful conception is that developed by the Nuffield Review of 14–19 Education and Training (Hayward et al, 2006) to underpin analysis of partnership and collaboration in the sector. This characterises partnerships in terms of ‘weakly’ or ‘strongly’ collaborative, aligned along a continuum where local partnerships may find themselves at different points in each of six dimensions. The six dimensions are:

- visions, purposes and underlying principles
- curriculum qualifications and assessment
- planning, organisation and governance in a local area
- professionalism, pedagogy and leadership
- physical learning environments and communications systems
- accountability framework.

Further conceptions of partnerships have been applied in the post-16 education and training sector ranging from federations to hubs to ‘pyramids and spiders’ (Woodrow, undated).

In the absence of a single simple and widely agreed definition, there can be problems identifying what actually constitutes ‘merger’, ‘partnership’ or ‘collaboration’ as an activity, process or outcome. For the purpose of this review, we recognise the wide range of meanings but do not differentiate in terms of specific configurations. The general concepts of partnership and collaboration are used interchangeably whilst merger is dealt with as a separate entity, defined (implicitly) by the researchers within the specific research context.
Drivers of Merger, Partnership and Collaboration Activity

15 Policy development and implementation are increasingly underpinned by the development of partnerships over a range of service areas (Lowndes and Skelcher, 1998). A belief in the benefits of partnership and collaboration infuses most governmental communications with both public and private stakeholders. Consequently, policy initiatives at all levels – national, regional and local – are often based on partnership and collaborative working. It is seen as an established way in which to provide integrated approaches to complex, multi-dimensional and multi-agency policy challenges. Factors external to the institution, in particular policy mechanisms such as funding, inspection and targets, are very influential in determining institutional behaviour.

16 The imperative for change in FE is provided by the Leitch Report (Leitch, 2006) and the FE Reform White Paper (DFES, 2006), which seek to move towards a demand-led system, with responsibility for gaining skills shared between Government, learners and employers. The system must be designed and delivered to meet the needs of customers – individuals and employers — and supply only high-quality provision to increase productivity and employability. The recent LSC consultation (LSC, 2007:6) notes that we need more learners and more employers to engage with skills training, and a system that purposely sets out to give more choice and control to its customers in order to enhance their individual and business competitiveness. The most obvious driver at the local level is the statutory requirement for all areas to offer a new 14–19 entitlement.

Recent trends

17 The literature search and review revealed very little information on merger activity in England in recent years beyond a reference (Association of Colleges, 2007) to seven college mergers in 2001 and 2002, two in 2005 and three mergers currently going through a stage of
public consultation. The FE sector in Northern Ireland is currently undergoing a period of radical restructuring being driven by the Department for Learning and Employment Northern Ireland (DELNI) strategy, Further Education Means Business. An economic appraisal underpinned options in respect of the size and structure of FE in Northern Ireland (DELNI, 2005) and the restructuring of the sector currently under way involves 16 FE colleges merging into 6 area-based colleges.

In a paper forming part of the substantial research for the Nuffield 14–19 Review (Hodgson, Spours and Wright, 2005), it is suggested that ‘local pragmatic’ patterns of collaboration have arisen around provision. Evaluation reports underpinning the review suggest that these collaborative arrangements are highly localised and often unstable and relatively weak. A further report on collaboration between schools and FE colleges in Wales by Estyn (the body responsible for inspecting the quality and standards of education and training in Wales) suggests that there is little collaborative activity, with just over one in three schools with sixth form colleges collaborating with FE colleges, mainly through provision of small number of A-level courses (Estyn, 2006). The Nuffield 14–19 Review Annual Report (Hayward et al, 2006) concludes that it is difficult to gain an accurate picture of what progress is being made at the national level. It goes on to suggest that partnerships between schools and FE colleges are at a more developed stage than those between FE colleges and private sector providers.

As policy has moved to tackle social exclusion and to target those groups most at risk of exclusion, collaboration and partnerships have become increasingly important in the design and implementation of policy. Several reviews of practice provide an insight into the collaborative approaches being adopted to meet the needs of those groups most at risk of disadvantage in our society, including groups with mental health difficulties (FEFC and LGA, 1998) disabilities (LSDA, 2006) and ethnically diverse groups (Godfrey and Bright, 2005).
Outcomes for Learners, Staff and the Further Education Institution

It is difficult to establish the effects of partnerships, collaborations and mergers on issues such as learner participation, attainment and progression because of the different configurations of partnerships and collaborative arrangements in different localities and the impact of wider influences such as the labour market (Hayward et al, 2006). In particular, there are difficulties measuring performance in collaborative arrangements due to a lack of systematic data collection on programme outcomes and a failure to produce clear performance measures. The evidence-base underpinning outcomes for learners, staff and the FE institution is relatively sparse, perhaps reflecting these methodological difficulties along with a more general emphasis on participation rates as opposed to retention and attainment. Overall, the evidence would indicate that there were comparatively few short-term benefits realised from the merger process and that the outcomes from partnership and collaboration are mixed.

Learners

A key priority of the change agenda for the learning system has been to ensure more informed choices for young people, increase participation in learning, raise levels of achievement, and improve progression into further learning (including higher education (HE) and the world of work), along with improving the quality of the learning experience.

The research associated with mergers between FE and HE institutions (DfES 2003a; DfES, 2003b) provides an insight into a range of outcomes affecting learners. These may be realised in some but not all cases and are contingent upon a complex set of local factors and conditions. The outcomes included:

- some growth in student numbers, particularly in adult part-time provision
• development of well-articulated progression routes between FE and HE (although this did not result in significant improvements in progression in the short term)

• improvements in retention and completion rates in both FE and HE provision previously offered by FE colleges

• little direct evidence of improved quality of the learning experience.

23 In terms of collaboration and partnership, whilst recognising that they are important factors in improving participation, attainment, progression, and quality, the evidence-base in terms of outcomes is emergent rather than established.

24 The substantial research under the aegis of the Nuffield 14–19 Review develops and draws on a range of evidence and most recently suggests that collaboration between schools, colleges, universities, private sector providers, voluntary bodies, HE institutions and employers has begun to improve learner choice at 14 and to support a broader curriculum and learner progression (Hayward et al, 2006). This represents considerable progress made since the first annual report (Hayward et al, 2004), which found that that whilst collaborative arrangements had increased the range of provision for 14–19-year-old learners and opened up new or enhanced progression routes, there was little strong evidence about whether these arrangements increased participation or raised levels of attainment. Notwithstanding this general progress, the most recent evidence finds that the impact of different configurations appears to have minimal effects on levels of participation and attainment (Stanton and Fletcher, 2006).

25 At the local level, a review of 14–19 provision in the West Midlands by the Learning and Skills Network (LSN) suggests that there has been an increase in the range of choices available to the learner, with the 14–19 offer having been significantly expanded through providers’
collaboration, although there is no evidence presented that looks at the impact of this on engaging learners, progression and attainment (Hardman, 2006). The 14–19 pathfinders also report improvements to the quality and range of learning provision in a variety of contexts.

Merger, collaboration and partnership can also be important factors in improving the student learning experience; however once again the evidence made available through the LSC and uncovered through the literature search underpinning this review is sparse. An exception is provided in the LSN study (Hardman, 2006), which presented case studies relating to LSC Birmingham and Solihull showing that learners had had a positive experience and that engagement at school had improved.

**Further education college staff**

The literature search and review identified a small evidence-base associated with the outcomes of merger, partnerships and collaboration for staff.

In a review of mergers or transfers between FE and HE (DfES, 2003a), several issues were highlighted, including the following.

- The cultural challenges and difficulties of bringing together very different staff, structures and conditions of service can have an unsettling effect on staff.
- There is some evidence of mergers resulting in improved facilities and more resources for available for staff development.
- Most staff felt that their pay and conditions of service had improved since transfer.
Further education institutions

The reviews of mergers (DfES, 2003a; DfES, 2003b) provide an insight into a range of outcomes for FE institutions. These may be realised in some but not all cases. These outcomes included the following.

- There was a need to ensure the medium- to long-term survival of FE provision at a time when some or all of the provision was at risk.
- Improvements in retention and completion rates were observed in both FE and HE provision previously offered by FE institutions.
- There was some growth in student numbers, particularly in adult part-time provision.
- The brand image of FE provision improved, although loss of brand identity for some of the specialist FE colleges was a problem in the initial post-merger period.
- There was development of well-articulated progression routes between FE and HE, although this did not result in significant improvements in progression in the short term.
- There was some pressure to raise entry levels, reduce lower level provision and focus on HE and options for progression, if necessary at the expense of FE.
- Merged institutions faced organisational challenges in terms of harmonising systems (for example quality assurance systems or management information systems), parity of esteem and management (representation and responsibilities).
- Increased costs were associated with, for example, maintenance of a split site and development of a transport infrastructure.
- There was evidence of improved financial strength and significant leverage on funding streams.
In terms of partnerships and collaborations, there is clearly a range of outcomes which may be realised by FE colleges. However, the evidence-base does not reveal much hard evidence. In some instances, institutions will benefit more than others from collaborative working. For example, a review of collaboration between schools with sixth forms and FE colleges finds that schools gain most from collaboration as it enables them to retain more learners in their sixth form than would otherwise have been the case (Estyn, 2006).

**Value for money**

The evidence-base underpinning this review provides an indication of value for money in terms of, for example, economies of scale and the realisation of valuable land as outcomes of the merger process (DfES, 2003a).

Furthermore, there is some evidence that partnership and collaboration may lead to better value for money by eliminating some uneconomic teaching groups. However the benefits are sometimes counterbalanced by the need for learners to travel further (Estyn, 2006).

About half of the collaborative arrangements between schools and FE colleges in Wales were viewed to be working well; however few have formalised arrangements, well-developed strategic plans and effective co-ordination and very few have procedures for assuring the quality of the arrangements (Estyn, 2006). Whilst there may be inferences associated with value for money to be drawn from the Nuffield 14–19 Review (Hayward et al, 2006), it does not feature as a discrete element of the analysis.

**Examples of Good Practice**

A review of the literature provides an indication of good practice and the critical success factors that underpin successful partnerships, which often form a substantial part of evaluations of such arrangements (Hutchinson and Campbell, 1998; Hardman, 2006; LSDA, 2006; LSC,
Several of these reports contain context-specific recommendations and examples of good practice. Whilst holding to the view that ‘one size does not fit all’, some common themes emerge that are highlighted below as critical success factors that are applicable more widely. These factors include:

- an agreed strategy with clear objectives with a clear vision, shared commitment, transparency of process, a non-instrumental approach, community support and clear targets
- recognition of the importance of people in collaboration and partnerships and the provision of leadership, planning, clear roles and responsibilities along with an efficient and effective secretariat and joint protocols for inter-agency working
- positive attitudes associated with honesty and fairness, open-mindedness, willingness to learn and change, valuing diversity and constructive approaches
- appropriate resourcing, particularly time to participate in partnership activities and skills development to support this
- development of procedures for how to bring systems together and share funding
- a focus on results, focusing on resolving issues rather than policy discussion
- the collection of evidence of effectiveness and demonstrating achievement and added value
- a history of collaboration locally.

Clearly, partnerships and collaborations are rarely straightforward. Threats to the collaboration emerge from both within the partnership in terms of, for example, different priorities or commitment to the partnership as well as the external environment in terms of imposed
changes to structures and ways of working. The national Improvement Strategy (QIA, 2007) suggests that:

*the roles of the many different national agencies in the further education system are not clear to colleges and providers and stakeholders, and they all have their own strategies and organisational agendas.*

(QIA, 2007:7)

36 The literature suggests a number of critical success factors that should be taken to strengthen and embed partnership and collaborative activity.

- It is important to spread the partnership’s values, mission and objectives throughout partner organisations at both the strategic and operational levels. Champions at senior management level are crucial to successful collaboration.

- Capacity-building is required to equip people with the necessary skills to enable them to make a meaningful contribution to the partnership and to develop a team to enable the partnership to work effectively.

- Partnerships need flexible and open structures which can enhance credibility and aid decision-making.

**Learning from local practice**

37 Area-wide inspections of all 16–19 education and training provision and strategic area reviews provide an insight into what is working well and not so well at the local level (for example, Cambridge Education, 2006; Cramb and Hudek, 2006). Recommendations emerging from these reports include:

- improving the strategic management of 14–19 learning, providing clarity of purpose and reducing complexity and duplication
• further developing collaboration and learning between providers to increase the range of opportunities available to young people

• developing a strategic framework for engaging employers that will result in improved experiences within work-based and work-related learning

• forming appropriate links between colleges and WBL providers, CoVEs and specialist schools and developing their role in supporting teaching and learning across the city and better meeting employer needs

• further developing working relationships with other agencies such as Connexions, the Youth Service, Police Service and regeneration partnerships.

38 The research suggests that the partnerships and collaborations need to continue to develop to better meet the needs of the individual learner rather than the individual organisation or institution.

Summary and Implications

39 This review has been produced to inform LSC discussions surrounding strategic options available through merger, collaboration and partnership in response to the need for innovation and new models of delivery demanded by the current agenda for change. The review is designed to provide an overview of the literature as opposed to a comprehensive review. As such, it sets out key issues and provides an access route to a much deeper and richer literature, highlighting some key issues for discussion and gaps which need to be considered further. The following provides a summary of the key findings.

• Mergers, collaboration and partnerships are concepts open to multiple interpretation and the subtleties of variation are set aside for the purposes of this review. However it is important to note
that there is no ‘one-size-fits-all’ approach to merger, collaboration or partnership forms or activity that can be applied.

• The policy environment is a key driver of activity; however there are policy tensions as the drivers for institutional collaboration are not as strong as the drivers for institutional competition. This is a key finding from the Nuffield 14–19 Review (Hayward et al, 2006). However, the review does suggest that policy implementation is moving in the right direction with examples such as diploma gateways, 14–19 pathfinders, learning visits and local prospectuses encouraging stronger collaboration at the local level.

• There are clear benefits to be realised from mergers, partnerships and collaborations – in theory and in practice — however the extent to which they materialise is highly variable. It would appear that attention to process and practice are critical to successful merger, partnership and collaboration.

• The evidence-base associated with the outcomes of collaboration, partnership and merger activity on key aspects of the reform agenda – attainment, progression and learner experience – is emergent and in need of further development.

• This review includes reference to good practice in the sector and identifies some critical success factors that underpin successful collaboration and partnership delivery. This represents ‘the tip of the iceberg’ in terms of the wider literature on partnerships and collaboration. There is also a wide range of ‘how to’ guides associated with partnership and collaborative working.

• This review focused on collaborations and partnerships involving FE colleges, HE institutions and private sector providers. The evidence informing the review associated with FE–private sector collaboration is particularly weak and further efforts should be
taken to identify relevant literature if it exists. The review also
draws on some research associated with school–FE college
collaboration, although this was not part of the original scope of
the review but appeared to add usefully to the evidence-base
underpinning this review.

• In the light of current policy developments, research opportunities
exist to develop the evidence-base to cover partners in the
system such as employers (who are notoriously difficult to engage
(Hackley, 2006) and the voluntary and community sector.
Annex A: Method

1 The Policy Research Institute was asked by the LSC to conduct a rapid review of the literature associated with mergers, collaboration and partnerships between FE colleges and other providers focusing on HE, private sector providers and other FE colleges. The project consists of a review of the literature with a view to informing the following issues (or identifying gaps in the literature):

- the nature of mergers, partnerships and collaborations
- drivers of merger and collaborative activity
- the outcomes for learners, staff, the FE institution and value for money
- identification of good practice.

2 The methodology involves a rapid review of the literature which includes:

- review of 40 documents forwarded by the LSC, consisting of a wide range of published and unpublished reports and information
- a search and review of specific research produced by key government departments and agencies including the LSC, DfES, QIA, Association of Colleges and Department for Work and Pensions. Each website was visited and searched using key words, and relevant reports (not originally included in the documents forwarded by LSC) have been included in the review
- a targeted scanning of academic and practitioner literature. This was based on a search of consolidated information databases using the search terms ‘merger collaboration, partnership, further education’. A list of cross-references was produced and a senior researcher reviewed this list and identified key sources.
Annex B: References

Association of Colleges (2007) Funding and education, Briefing 02/07.


DFES (2006) Further Education: Raising skills, improving life chances, CM 6768, Norwich: HMSO.


LSC (2007) *Delivering World-class Skills in a Demand-led System*, Coventry: LSC.


