

# College Post-Merger Evaluation Report

June 2016

# NEW COLLEGE LANARKSHIRE

## **SFC post-merger evaluation of the college mergers that took place during the academic year 2013-14**

In autumn 2015 the Scottish Funding Council (SFC) began a round of post-merger evaluations of the colleges that merged in the academic year 2013-14. In most cases these evaluations are scheduled to take place two years after the merger.

We are making the outcome of the evaluations available on the SFC website. The first two evaluations were completed in January 2016 and the final evaluation within this tranche of mergers will be June 2016. As new reports are completed they are added to the website.

SFC wrote to the colleges concerned in July 2015 to explain how SFC would carry out the evaluations and what was expected from the colleges. We noted that in carrying out the evaluations across the sector SFC would pay particular attention to the Audit Scotland Good Practice Guide: [Learning the lessons of public body mergers](#).

Colleges are responsible for the implementation of their merger and need to be able to demonstrate the delivery of benefits and performance improvements for all stakeholders including students, staff and employers as outlined in their original merger proposals. The purpose of the merger evaluation is to provide evidence of progress in delivering the intended high level benefits of the merger and to identify lessons learned that support further organisational development and wider learning for the sector.

SFC recognises that good governance and leadership and a culture that is supportive of change and innovation within the merged college are also critical elements in delivering a successful merger. The post-merger evaluation will seek to consider the impact of these elements on the implementation and success of the merger.

Key steps in the post-merger evaluation process are:

- Self-evaluation report submitted by the college.
- SFC review of evidence (including performance indicators).
- SFC arranges discussion sessions/meetings with students, staff, senior managers, the Board of Management and other key stakeholders.
- SFC prepares the formal post-merger evaluation report.

### **Self-evaluation report submitted by the college**

SFC requires that each college submits a self-evaluation at the start of the process. The self-evaluation report should include an assessment of merger benefits and

outcomes that have been achieved, developments that have still to be implemented and other relevant information.

### **SFC review of evidence (including PIs)**

SFC reviews and evaluates existing information and data that we have regarding the merger implementation and the colleges' operations through ongoing SFC engagements, including the Outcome Agreement process, and through governance, financial health and quality monitoring. Evidence from Education Scotland external reviews, annual engagement visits and other relevant quality work also provide SFC with a source of information for the evaluation.

### **SFC discussions/meetings with key stakeholders**

As part of this process SFC seeks feedback and views on the success of the merger from a range of stakeholders including teaching and support staff, students, trade union representatives, the students' association and external stakeholders as appropriate through a series of discussion meetings. SFC will then meet with the College's senior management team and with its Board of Management.

### **SFC prepares the formal post-merger evaluation report**

SFC prepares a formal post-merger evaluation report, taking account of all the evidence, feedback and discussions, which is agreed by the Council Board member leading the evaluation. This is then shared with the Scottish Government and copied to the college prior to being published on this website.

## **SFC evaluation report on the merger to form New College Lanarkshire**

### **Background**

1. The New College Lanarkshire merger was unique in the recent set of mergers in that it was a two phase merger process. On 1 November 2013, as a result of the merger of Cumbernauld College and Motherwell College, New College Lanarkshire was formed. The remaining Colleges in the region, South Lanarkshire College and Coatbridge College decided not to merge but continue to be part of the Lanarkshire Federation. Subsequently the Board of Coatbridge College sought to merge with New College Lanarkshire with the merger completed on 1 April 2014. In October 2014 New College Lanarkshire was designated the Regional Strategic Body (RSB) with South Lanarkshire College assigned to the RSB.
2. This merger was particularly challenging partly because it was a two stage merger, and partly because of issues relating to proposed severance arrangements for the senior team to Coatbridge College (which were subsequently changed) and the continuing controversy about the decision making process around and eventual payment to, the Principal of Coatbridge College. These issues led to a report by the Auditor General and an investigation by the Public Audit Committee.
3. The Merger Proposal for New College Lanarkshire identified the significant benefits that the merger would bring for students, staff and stakeholders in Lanarkshire and East Dunbartonshire. The case for the new merged institution was predominantly based on the benefits that a new, larger institution of scale would have on the student experience by maximising opportunities and raising aspirations. In addition the college would also reach out to employers and industry in the region to deliver a relevant curriculum to meet their current and future needs. It outlined a range of wider benefits which the new college aimed to deliver for its learners, staff and other stakeholders including its local communities and employer partners:
  - Enhanced routes to learning opportunities through a diverse curriculum ranging from SCQF level 1 to Level 10.
  - Increased progression and articulation links within the region.
  - Greater access to specialist provision and the ability to support resource intensive areas of provision.
  - Comprehensive connections with the Curriculum for Excellence (CfE) National Qualifications framework to support seamless transitions between school, college, higher education institutions and employment.
  - Provision of inspirational facilities, resources and a curriculum that engages 16 - 19 years and significantly improves the employability of the learners.

- Consistently delivered student services and a new dedicated student association.
  - Promote greater Innovation in learning and teaching through the sharing of best practice and increased professional development opportunities for staff.
  - A financially secure and sustainable college which is well led and governed.
  - Reduce management overheads, compared to costs within formerly three now one college.
4. The underlying objective of the merger was to ensure the existing high quality learning experience identified by Education Scotland prior to merger was enhanced, enabling learners to consistently achieve high standards and personal aspirations.
  5. The early post-merger evaluation (PME) in December 2014 reported that the college had made significant progress in creating the new organisation whilst recognising that it had been a difficult process due to the two-phase nature of the merger, implementation of the Office for National Statistics (ONS) re-classification requirements and the Coatbridge College legacy issues which were not identified during the due diligence process. Despite this we heard positive feedback from staff and the clear message from students was that there had been no detriment to their learning experience at the college. We have been mindful of these key legacy and emerging issues during our post-merger evaluation.
  6. Since the six month evaluation Education Scotland has undertaken an external review (March 2015) of the quality of provision at the merged college. The review examined learning and teaching and other important activities that impact on the quality of the learner experience. Education Scotland gave the college a judgement of Effective. This judgement means in relation to quality assurance and enhancement, the college is well led and has in place effective arrangements to maintain and enhance the quality of its provision and outcomes for learners and other stakeholders. In addition the review highlighted areas of positive practice including the leadership of the college, learner and student feedback to evaluate performance at programme level to support self-evaluation and inform quality improvement activities and the work of the Positive Change Team to provide an effective catalyst for staff to identify, assess and respond to the impact of new and emerging college processes on learners and staff.
  7. Areas identified as excellent practice included Enhancing Learning through Motorsport and Partnership Working through Project Search. The review identified two main points for action relating to withdrawal and attainment rates for FT programmes and the effectiveness of the Student Association.

## Evaluating the success of the merger

### *Efficiencies and benefits of scale*

8. One of the driving forces of the college merger programme was to make sector wide efficiencies that will allow colleges to benefit from greater scale and being (in most cases) the sole college education provider in their region. It was then expected that this would have positive impacts for learners resulting from the reduced duplication of provision and competition between neighbouring colleges, as well as financial savings that could be directed towards learning. By making better use of their combined estates, facilities and staff we would expect that a merged college would be in a better position to focus on front-line delivery coupled with stronger and more effective regional engagement.
  
9. Two years on from the point of merger New College Lanarkshire has achieved integration of all curriculum, service and support areas of the legacy colleges without any detriment to the standard of service provided to students. In their self-evaluation report, the college confirmed the following efficiencies and benefits of scale:
  - Providing a one-stop link with schools and universities for improved transition and articulation arrangements.
  - The creation of a new curriculum evaluation, analysis and planning framework which enables the college to identify local and national economic needs and demand in conjunction with key partners including SDS, CPP's and employer groups to facilitate portfolio review.
  - The development of improved new courses based on the wider skills base available and increased range of staff development opportunities.
  - The development of the Learner Engagement Strategy which sets out its approach to devising and implementing ways of involving learners in decision making processes at individual, programme and college levels. The strategy also highlights partnership working with the Students' Association to help promote its mission statement and achieve its stated aims and objectives.
  - Enhanced employer engagement and the development of a stronger external brand as New College Lanarkshire.
  - Improved business process and systems that support learners.
  - Estate rationalisation and development: the college has completed a review and undertaken work to rationalise and improve the facilities for students across all campus. This has involved the relocation of specific provision to the estate / campus that would provide the most appropriate learning environment and resources required for delivery.
  - Harmonisation of terms and conditions across support and teaching staff.

10. During our evaluation visits we heard evidence to confirm the points noted by the college. In particular teaching staff were extremely positive about the investment in equipment and software and the re location of resources and programmes including Dental Technology and Automotive. Students across different curriculum areas highlighted the opportunity to undertake work experience in Europe and the USA as a valued part of their course and were enthusiastic about how this had enhanced their learning experience in the college. This was corroborated by staff.

**Financial efficiencies and savings**

11. Prior to merger the financial position of the three legacy colleges was considered to be secure. The merger business case forecast cost savings arising mainly from a reduction in staff numbers with a small amount of other savings.
12. The merger has enabled the departure of 94 staff, realising recurrent annual staff cost savings of £4.2 million. The college has invested in additional staff in some areas to support additional activity. The restructure resulted in a reduction of management headcount with additional staff deployed in direct line delivery; this generated savings through reductions in individual salary costs. A number of temporary staff were made permanent as part of the restructure.
13. Further recurrent savings of £180,000 have also been achieved through migration to centralised support systems, improved procurement, site rationalisation and wider use of shared resources. The college also expects further savings of around £150,000 per annum to be generated from site rationalisation.
14. The following table provides a more detailed breakdown of the recurrent savings delivered to date.

<b>New College Lanarkshire merger savings</b>		
<b>Staff savings</b>		
FTE Pre-merger (excluding temporary staff)	785	
VS departures (FTE)	-88	
Investment in additional staff / temporary staff made permanent	109	
FTE at July 2015	806	
<b>Total staff cost savings</b>		<b>£4,200,000</b>

Other savings to date		
Utility costs	£36,000	
Site rationalisation	£34,000	
Marketing & other costs	£40,000	
ICT	£70,000	
Total		£180,000
<b>Total savings to July 2015</b>		<b>£4,380,000</b>

***Improved outcomes for students***

15. In their merger self-evaluation the college clearly illustrate how they have focused on putting the learner at the centre of developments undertaken in the college since Vesting Day and provide evidence of how these initiatives are now delivering improved outcomes for students. We subsequently held discussions with staff and students during our visit to the college which has allowed us to come to some conclusions about the current and future impact on outcomes for students.
  
16. Student feedback was overwhelmingly positive, particularly about the courses they are studying and the support they get from teaching and support staff. The majority of students had chosen to study at the college because of its location within their community however several students chose their course due to the positive reputation of the course or as a result of personal recommendation. They considered that all staff show genuine concern and care for students and that the learning and teaching experience was on the whole excellent. They valued the additional learning and progression opportunities that were on offer as a result of being a larger college which built upon the reputation of the legacy colleges.
  
17. Staff reported that the new larger college offered clarity of curriculum offer and clearer progression routes which has had a positive effect on student recruitment. The merging of staff expertise in curriculum areas and sharing of good practice was felt to have improved the quality of delivery for students.
  
18. Staff pointed to the work of the Learner Engagement team as a particular example of success post-merger

***Single point of access for learners to high quality learning environments***

19. The college has successfully brought together three legacy colleges across five key campuses and is viewed as a college of scale with roots in the local communities. Those students that we spoke to who had studied at the legacy colleges highlighted the range of excellent lecturing and support staff that

they had access to at the different campuses and they noted particularly the potential for progression in some subject areas that would not have been available previously.

### ***Excellence in learning and teaching***

20. As 2014-15 was the first full operational year for the college there is no historical data to provide a trend analysis. Both the college and the Education Scotland in their self-evaluation and recent review used historic data from the legacy colleges to provide a baseline. At the point of the Education Scotland External Review in March 2015 the data showed that the college was under performing against the sector in some of its retention and attainment measures. In particular the report indicated that improvement of withdrawal and attainment rates, particularly on full-time programmes, was required. Education Scotland acknowledged the work of the college to develop and implement the new self-evaluation and operational planning process. Education Scotland also noted that there is a strong culture of quality within the college with a shared commitment and responsibility to ensure students have a positive and successful learning experience.
21. Students at the college have achieved significant success in skills competitions at local regional, national and international levels. The successes make a significant contribution to raising the aspiration, confidence and motivation of students and reinforce high standards and the value of skills for employment. The SMT and Board are understandably proud of the achievements of the students and staff involved in these successes.
22. SFC is confident that New College Lanarkshire is committed to improving student retention, attainment and achievement as evidenced through the development of the self-evaluation and planning process. The new framework enables the college to quickly identify areas of low performance; put in place effective plans and strategies to improve performance and effectively monitor progress and performance against targets.

### ***Effective leadership and governance***

23. As part of the evaluation of effective leadership and governance SFC had a full discussion with both Board members and the SMT during the college visit. In the discussions with the SMT it was reported that the PME had provided the opportunity to reflect on the merger and progress to date. At this stage in the process the college feel they have successfully implemented structural change and are now able to move forward as the new college.

24. Since Vesting Day there is clear evidence that the Board, the Principal and the SMT have worked together to establish an effective corporate governance framework and drive forward a range of policies, procedures and processes to allow the new college to establish itself and develop a new entity and culture. There is a positive culture of self-evaluation and ongoing review of progress and effectiveness.
25. The Board and the SMT were clearly united on the priorities and key challenges for the college. The financial difficulties that the inclusion of Coatbridge College in the second phase of the merger presented have not been fully resolved however it was acknowledged by Board members that the culture at Coatbridge campus had greatly improved. This was corroborated in SFC's discussions with staff based at Coatbridge Campus who reported that the new college had returned the focus on education and the college was now a positive environment to work. It was stated that the new college was a more inclusive and transparent place to work.
26. During the discussion with the Board we also heard statements to support their confidence in, and excellent working relationship with, the senior management team. The Board members present at the visit displayed a clear understanding of the role of the Board in both challenging and supporting the senior management to deliver an enhanced learning experience for its students.
27. The Education Scotland review noted that the Principal and senior managers provide open, supportive and inclusive leadership, provide clear strategic direction and leadership for the curriculum and enhancement of learning and teaching and are highly visible to staff.
28. Overall SFC has confidence that the Board and SMT have a full awareness of the current challenges for the college. SFC is satisfied that the college has effective corporate governance arrangements which have been subject to both internal audit and external evaluation.

### **Communications and staff engagement**

29. During the six months PME teaching and support staff reported that they perceived that communication prior to vesting day was more consistent than post-merger with pre-merger work streams seen as a valuable method of disseminating information regarding the merger. At the more recent evaluation in April / May 2016 both support and teaching staff felt that communication was still a key issue and felt improvements could be made. It was perceived that more communication was required from the Principal and

SMT on progress to date with the merger implementation – what is working successfully and where more work is required.

30. Staff felt there was a need to continue to improve communications within teams where team members may be located at different campuses and where line managers were not always in the same building. They highlighted that where teams, both teaching and support, were able to meet on a regular basis this has had a beneficial impact on the area with improved team morale, improved standardisation of processes and procedures and greater sharing of good practice. Staff did however acknowledge the logistical challenges of travelling across the region and the time constraints involved.
31. During discussions with the SMT it was acknowledged that not all methods of communication introduced initially had worked as effectively as hoped due to unexpected blockages in the communication chains. However where blockages were identified short life working groups were set up to look at the specific issues which have resulted in improvements. Communication across the college is considered a process of continuous improvement and not treated as a one size fits all approach. The college has introduced a variety of different approaches including the positive change team, staff e-mails, newsletters (NCLAN and the Natter), campus forums, meetings with the Principal, and also developed a system where the SMT are represented in each main campus every day of the week.
32. Comments from students suggest that the college uses a variety of methods to communicate current information with students including text messages, e-mails, Moodle, Mahara and Facebook.

### **Organisational development and culture change**

33. The majority of staff we met during our visits to the college had been with the college (and legacy colleges) for a number of years. The meetings varied across the campuses with staff from Cumbernauld and Coatbridge more positive about the benefits of the merger and progress to date than staff at Motherwell campus.
34. There was a general view expressed by the majority of staff that there is still work to be completed to create a 'one college' culture at all campuses however this was not viewed negatively. It was reported that where staff move around campuses as part of their role they identified with NCL than an individual campus.
35. Staff from Coatbridge campus welcomed the return to the focus on education and learning and teaching and highlighted the management style of the SMT,

the improved cultural change and positive environment that operates in the new college.

36. The self-evaluation report demonstrates that the college positions learning and teaching and the student experience at the core of everything the college does. Staff agreed with the evaluation and highlighted the enhanced opportunities for continuous professional development through the new college and in particular the Innovation Posts as evidence of the opportunities available to enhance the student and staff experience.

### **Systems development integration**

37. At the six month post-merger stage SFC heard concerns regarding the integration of IT systems. At the most recent meetings the feedback we heard from staff that the college has made positive progress on the integration of systems across all campuses. Staff stated that the new systems which had been introduced, despite difficulties in the implementation stage, would provide a better service for staff and students in the long run.
38. Where there had been difficulties in the implementation stage the majority of staff felt that their concerns and suggestions had been listened to and changes made. Staff suggested that greater piloting of systems prior to implementation would have enabled staff training to be undertaken prior to full implementation.
39. In discussion with the students there was little mention of problems with ICT systems on the contrary they praised the software and computing facilities across the college. A few students mentioned that they had problems obtaining bursaries due to the online system. Where problems occurred staff were very supportive but delays would appear to have occurred due to backlog.
40. SFC recognises that it takes time to integrate systems and that in this merger there was an additional complexity with the two stage merger process.

### **Student / learner engagement**

41. The college is committed to learner engagement and ensuring that learners have scope to personalise and exercise choice in their own learning. The Learner Engagement Strategy was developed in collaboration with the legacy Student Association and sets out its approach to devising and implementing ways of involving learners in decision making processes at individual, programme and college levels. Education Scotland highlighted the strong

quality culture that exists within the college with staff engaging learners to provide formal and informal feedback to shape college services and provision.

42. Staff pointed to the work of the Learner Engagement team as a particular example of success post-merger. The college Learner Engagement Team is responsible for the recruitment, training and ongoing support for the class representation system. SFC met with a number of class reps during our visits to the college. The reps expressed the view the class reps system was not working as well as it could and felt that more frequent meetings may help them understand their role and be a more effective conduit for students. In addition they felt that the majority of students did not understand their role and as a result they could not articulate student need and concerns effectively. SFC was reassured that there is an effective system in place for training class reps in their role and that the ongoing evaluation of the system demonstrates an awareness of the issues raised by the students.

### **Student Association**

43. The Students' Association (SA) has been active in the two years post-merger across the college and it represents the student body at both regional level, through the Lanarkshire Board, at college Senior Management Team meetings and in various college committee meetings. In addition they are members of the college Learner Engagement team which focuses on making college life better for students.
44. At the 6 month PME it was reported that there was an inconsistency of engagement with the SA across the campuses and that students were unaware of the role of the SA. At this PME the discussions with students highlighted that they did not understand the function of the SA and the majority of students we met had not participated in the recent student president elections.
45. SFC met with the SA in May 2016. At that meeting the SA stated that they feel well supported by the SMT and that they have greatly improved the awareness of the role of the SA with the student body in the past year. This was evidenced by the number of students engaged in the election process which has increased from 310 at the 6 month post-merger point to 851 in March 2016. Although progress had been made the SA felt that there were several areas where improvement could be made including:
  - Oversight / control of their own budget.
  - Control of their external communications.
  - The ability to manage the class rep system through SA rather than the Learner Engagement Team.

- Increased staff resource made available to the SA to provide support for greater engagement with the student body.
46. The SMT expressed the opinion that the SA had progressed significantly since the 6 month PME with greater engagement and coverage of the student body. They felt that the SA had matured and that the improvements requested in SFCs meeting demonstrated a positive growth in their aspirations. However in their recent review of NCL Education Scotland raised concerns that *“the SA is not sufficiently effective and has a low profile with college learners. Learners do not have a clear understanding of its role in the college and the part it plays in college governance.”* They recommended that the college should work with the SA to improve its effectiveness. SFC is confident that the college have initiated this work through the Learner Engagement Team and the development of an action plan which includes greater partnership with the SA.

### **Employer Engagement**

47. The college is committed to working closely with its partners including Skills Development Scotland (SDS), Jobcentre Plus, local authorities and industry to maximise the benefits of working collaboratively. Engagement with local businesses ensures that the curriculum offer meets the needs of industry and provides a qualified and skilled workforce for the region and beyond.
48. The college has reviewed the legacy employer engagement strategies and developed a number of new and enhanced strategies that will drive a partnership approach to meet economic need. It also developed a new centralised structure to work differently with employers post-merger and now has a dedicated specialist team which provides guidance and support to employers with a clear initial point initial of contact and expert points of contact for individual activities – this has been welcomed by local employers.
49. We heard positive feedback about the new Lanarkshire Business Hub which is led by the college and has a membership of circa 250 employers. The Hub has a dual purpose – to offer networking and sharing of good practice opportunities for local businesses and also act as a means of engaging with businesses who may not have engaged with the college in the past. The establishment of the Lanarkshire Employers Development Alliance and development of the Employer Engagement Framework are also evidence of the commitment to work with employers to ensure that students are prepared well for the workplace.

## Ongoing challenges

50. We identified some areas for improvement based on issues raised during our evaluation. We are reassured that the college is already aware of these and is continuing to focus on:
- Improving communications across/between all campuses.
  - Developing feedback mechanisms from staff to management.
  - Building on the strengths of the college and fully utilising all available expertise.
  - Developing the students' association in collaboration with its officers and confirming its place within the daily life of the college to benefit all students.

## Conclusion

51. SFC considers that this merger has been implemented well given the challenging context pre and post-merger full merger. It can be regarded as a success in terms of the college's achievements for students, stakeholders and staff. There was a consensus view that the college has been successful in taking the best parts of the legacy colleges in developing the new institution but it has also raised the bar in what it expected in terms of the student experience and outcomes for learners.
52. Despite the challenging context referred to, SFC considers that the success in implementing the merger is a result of the ongoing efforts of the Principal and a strong senior management team, the highly committed teaching and support staff across the college who continued to prioritise the learner experience during the challenging early post-merger period and beyond, and the Board of Management who have been resolute in their vision and strategic leadership of the college.
53. SFC believes that there is no requirement to pursue a further post-merger evaluation and will continue to review future progress on all developments across the college through the normal Outcome Agreement process. In addition we will continue to work with the Lanarkshire Board to support the Regional Strategic Body in gaining fully operational fundable body status.