

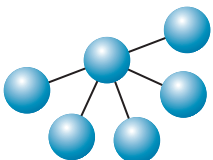
**Evaluation of
Learning Challenge Fund
Final Mini Evaluation Report**

Achieving Closer Integration

University of Wales, Newport and Coleg Gwent



Llywodraeth Cynulliad Cymru
Welsh Assembly Government



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CONTENTS

1.	INTRODUCTION	1
	Achieving Closer Integration - University of Wales Newport and Coleg Gwent.....	1
	LCF evaluation methodology	2
2.	PROJECT ACTIVITIES AND OUTPUTS.....	3
	Project activities	3
	Project progress.....	3
	Project outputs	4
3.	PROJECT OUTCOMES AND IMPACT	6
	Outcomes	6
	Longer term impacts	6
4.	CONTRIBUTION TO LCF OBJECTIVES.....	7
	Aims of the Learning Challenge Fund	7
	Sustainability and mainstreaming	8
5.	CONCLUSIONS AND LEARNING POINTS	10
	Conclusions.....	10
	Learning points	10

1. INTRODUCTION

1.1. Achieving Closer Integration - University of Wales Newport and Coleg Gwent

Background

- 1.1.1. Achieving Closer Integration was a feasibility study into the options for formal integration between University of Wales Newport (UWN) and Coleg Gwent.
- 1.1.2. There had already been an established history of collaboration between the institutions, as a result of their regional proximity and shared history. The feasibility study aimed to look at ways in which the two institutions could be organised to provide seamless progression for learners and to facilitate collaboration at a strategic level.
- 1.1.3. Coleg Gwent is the largest FE college in Wales (and one of the largest in the UK), which at the time had around 6,400 full time and 25,000 part time students. University of Wales Newport sees itself as a 'community university serving south east Wales', and at the time of the project had around 9,000 students.

Project aims

- 1.1.4. The feasibility study was inspired in part by the HE Strategy, *Reaching Higher*, which was published in March 2002. At the launch of the strategy, the Minister for Education and Lifelong Learning, Jane Davidson, stated that "we must remove artificial barriers between FE and HE and ensure that there is a seamless progression between the two sectors".
- 1.1.5. As well as meeting this strategic priority, the project aimed to find ways in which the two institutions could integrate more closely in order to:
 - make both institutions more competitive by achieving economies of scale;
 - facilitate collaboration in curriculum development;
 - reduce administrative spend;
 - expand international activities; and
 - develop and implement new joint HR policies and procedures.
- 1.1.6. For learners, the anticipated benefits of closer integration would be to improve access and provide more routes into higher education. In the same way that some learners do not want to access FE in college, but will attend classes held in community locations, the institutions recognised that there were learners who would feel that university was 'not for them', but would access HE in an FE environment. It was felt that closer integration of the two institutions could help provide more 'seamless' progression for learners from FE to HE, aided by curriculum developments such as bridging courses and accreditation of prior learning. Coleg Gwent also felt that it could offer UWN its vocational expertise to help the university to develop more higher-level vocational options.

- 1.1.7. Phase 1 of the project aimed to identify and appraise business structures that would facilitate collaboration and integration; examine opportunities to develop joint curriculum initiatives; and to look at ways in which infrastructure of the institutions could be organised to achieve efficiency gains. This phase of the project was funded jointly by ELWa and HEFCW, which each contributed £123,000. Funding ran for 12 months from October 2002 to October 2003.
- 1.1.8. It was anticipated by the two institutions that the initial research phase would be followed by a second phase of the project, during which a detailed business plan for the preferred model of integration and appraisal of its legal implications would be developed.

1.2. LCF evaluation methodology

- 1.2.1. Shared Intelligence has been commissioned by ELWa to evaluate the Learning Challenge Fund on an ongoing basis. This comprises a mini evaluation of each of the LCF projects, as well as an assessment of the LCF's progress as a scheme.
- 1.2.2. The LCF evaluation programme began in 2003. The first stage of the evaluation reviewed the development and process of setting up and administering the Learning Challenge Fund. Project mini evaluations began in 2004. Most projects commenced activities in this year, although some were contracted earlier and, as they were short term projects, had been completed by 2004. The Achieving Closer Integration project was one of those that was completed by the time the external project evaluation commenced. This mini evaluation is based on:
 - an extended interview with three members of the project team (including project director, project manager and project administrator, all based at UWN), held in June 2004;
 - telephone interviews with the ELWa contract manager and a senior member of staff at Coleg Gwent, held in April 2005;
 - review of project documentation including bid to ELWa, final report and appendices.

2. PROJECT ACTIVITIES AND OUTPUTS

2.1. Project activities

Project management

- 2.1.1. The project was run with a team of four people: a project director from each of the two institutions; a project manager; and a project administrator. A steering group involving corporate management and chairs of governors from both institutions, as well as an independent chair, oversaw the project. The steering group was considered a strength of the project by consultees, who regarded the independent chair in particular as “inspirational”.

Research activities

- 2.1.2. The project involved research into potential models for collaboration, including visits to other UK institutions in the process of merging or in a post-merger phase. The project team researched and considered a range of options for integration, including: contractual joint venture; legal joint venture; consortium; confederation; federation; and merger, including options where a new body would be created and options using one or other of the current institutions.
- 2.1.3. The project also involved a review of current joint curriculum activities and research into possibilities for developing synergy within the curriculum in future.
- 2.1.4. In assessing the possibilities around integration of infrastructure, the team carried out research into 18 areas of business and support activity at the two institutions. Working groups were set up for each of these areas, and were asked to find out how much collaborative activities was already happening, and any benefits and issues to do with this; issues of significance that would need to be considered if further collaboration was encouraged; and potential benefits of further collaboration.

2.2. Project progress

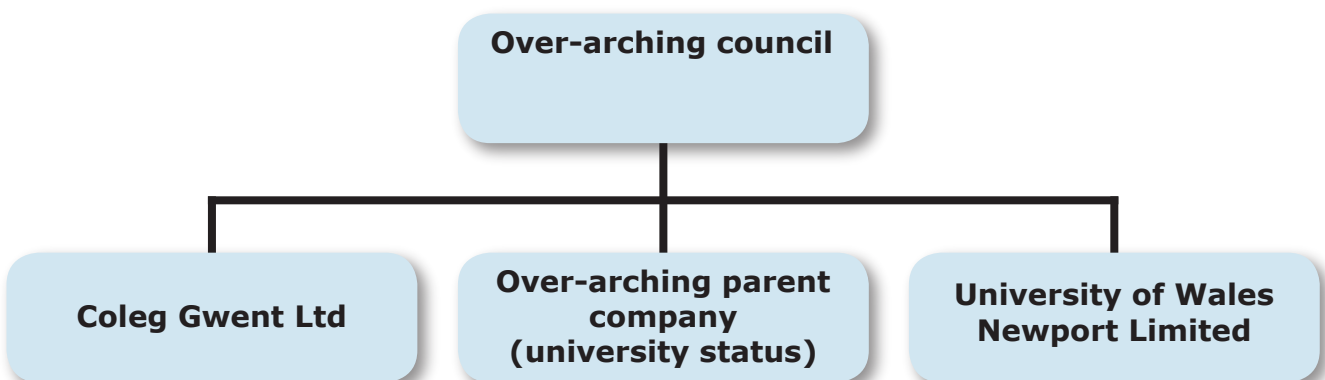
- 2.2.1. The project started in October 2002 but suffered an early setback when the first project manager died suddenly and tragically. However, after a short interim period the project was brought back on track under a new project manager.
- 2.2.2. By March 2003 the project had “gained momentum” and by June 2003, the project team had decided on the model it preferred – merger. The institutions asked the funding councils if they could start to develop a business plan for this model, instead of discussing feasibility of other models.
- 2.2.3. This would essentially have taken the team onto Phase 2 of the project, which was expected to be a business planning phase, and have meant that they would finish Phase 1 early. However, ELWa and HEFCW were not satisfied that the team had fully explored all the options in the 8 months that the project had already been running and the team was advised that they needed to fulfil their contractual requirements and could not speed the project up.
- 2.2.4. The project was completed as contracted in October 2003. The team submitted its final report and appendices to ELWa and HEFCW, as well as a funding bid for

the next Phase of the project. It was proposed that Phase 2 would be a detailed exploration of the legal issues surrounding merger, and the project was costed at £460,000, to be divided equally between HEFCW and ELWa.

- 2.2.5. No formal responses were received from the funding councils until March 2004 (HEFCW) and May 2004 (ELWa). During the interim period, UWN and Coleg Gwent continued to fund the project for a further 8 months, during which time the team developed research papers and baseline statistics, and planned a public consultation on the proposed integration, including putting together a large contacts database. However, the planned consultation did not go ahead in the end.
- 2.2.6. By May 2004 ELWa and HEFCW had decided not to fund the next Phase and the project team was disbanded. A planned dissemination event was not held as the institutions believed the ELWa and HEFCW had advised them against disseminating the information at this stage.

2.3. Project outputs

- 2.3.1. The main output from the study was a report with appendices. The project team produced an interim report in April 2003 and a full report of the collaboration study in October 2003, with appendices and an executive summary. The report was entitled 'A Collaboration Study between University of Wales College, Newport and Coleg Gwent'.
- 2.3.2. The report recommended a merger, but not a 'traditional' merger. This was primarily because, under HEFCW rules, an HEI had to carry out not less than 55% higher education to be eligible for funding. A traditional merger would have made the new institution dominated by FE provision (since Coleg Gwent is a larger institution with more learners). The preferred model got around this difficulty by proposing a tripartite structure – an over-arching parent body with two wholly owned subsidiaries. This would be overseen by an over-arching council with governance over all three companies. The basic structure was as follows:



- 2.3.3. The parent company would have an executive management board including UWN's Vice-Chancellor and Deputy Vice-Chancellor; Coleg Gwent's Principal and Deputy Principal; and a Senior Finance Manager from both institutions. Coleg Gwent Ltd and UWN Ltd would each have a management board composed in accordance with the Educational Reform Act 1988 and including members of the executive management board.

- 2.3.4. The report was supported by a document prepared by the two legal teams (Morgan Cole for HEFCW and Eversheds for the project), stating that the preferred model had the potential to work, and that the next stage would be to work out the detail of this model.
- 2.3.5. In terms of infrastructure, the report found that a high level of collaborative activity was already taking place (in 16 of the 18 areas) and that this was perceived to be beneficial. Under the new proposed model, a number of corporate functions (unidentified) would be integrated.

3. PROJECT OUTCOMES AND IMPACT

3.1. Project outcomes

3.1.1. As noted in the project progress section, above, the project did not continue to a second Phase. Because of this, many of the anticipated outcomes of the project, as summarised in the introduction above, were not achieved. Nevertheless, some benefits did accrue to both institutions through the project. These included:

- greater awareness across the two institutions of each other's working practices and opportunities for collaboration.
- closer working between course staff enabling collaboration in curriculum development and access to wider resources for staff from both institutions;
- closer working relationships between senior management at the two institutions;
- some cost savings through development of joint commissioning of some services, e.g. legal services.

3.2. Longer term impacts

3.2.1. Unfortunately, there appear to have been few direct long-term impacts of the project so far. Consultees at the two institutions felt that, since the end of the project in 2003 and especially after the bid for further funding was declined, the momentum that had built up around the project was lost.

3.2.2. Nevertheless, the two institutions are still working closely together on other initiatives, including the Learning Campus and the Learning Network. One consultee reported that relationships between course staff are still close, although relationships at senior level are now less close than they were during the project.

3.2.3. Both institutions have also begun to pursue other collaborative initiatives with different HE/FE institutions. For example, UWN is looking to develop closer links with University of Glamorgan and UWIC.

3.2.4. Collaboration on curriculum development is still taking place, although this was also happening prior to the project.

3.2.5. Consultees from the two institutions have felt that, even if the two funding councils were not willing to proceed with developing plans for merger, the findings of the report could have been useful to other FE and HE institutions, and should have been disseminated. There are conflicting views on why this did not happen, with the institutions saying they were advised not to do this by the funding councils. ELWa meanwhile has said that the reports could have been disseminated if the institutions had decided to do so.

3.2.6. There have also been some negative impacts of the project in the longer term as staff involved have felt disillusioned and angry that their work "went to waste". This was exacerbated by the fact that consultees felt they did not receive adequate explanation at the time as to why the project had not been funded for a second phase and that they had not had enough feedback throughout the project to guide them as to whether they were doing what the funding councils wanted.

4. CONTRIBUTION TO LCF OBJECTIVES

4.1. Aims of the Learning Challenge Fund

4.1.1. This section looks at the extent to which the Achieving Closer Integration project contributed to the aims and objectives of the Learning Challenge Fund. In summary, the key objectives and success criteria for the LCF, are as follows:

- innovation and new approaches in learning provision;
- a strategic approach at national, regional and local levels;
- collaboration between learning providers leading to improved learning networks;
- improving access and widening participation;
- delivering more and high-quality learning outcomes from existing resources; and
- effective mainstreaming of successful projects.

4.1.2. The contribution of each project towards the aims of the LCF is being assessed, partly to see whether the projects that were funded 'fitted' with the LCF's aims, and partly to see whether the LCF as a whole achieved its aims. Therefore, this section summarises both the intentions of the project and the achievements of the project in terms of the LCF aims.

4.1.3. In general, the Achieving Closer Integration project fitted well with the LCF aims in intention. However, as most of the anticipated outcomes of the project were not achieved – because the project was not taken onto subsequent phases through which these could be realised – the project has not really helped the LCF to achieve its overall aims.

Innovation

4.1.4. While the project team drew strongly on experience of other HEIs and FEIs when researching its report, the proposed model for merger was innovative. This was in fact problematic in some ways, because since the model was so new, neither HEFCW nor ELWa were sure if it would even be legal or whether they would be able to fund it. Nevertheless, the project did fit with the LCF objective of delivering innovation and new approaches in learning provision.

Strategic approach

4.1.5. The institutions felt that through the project they were squarely addressing ELWa and HEFCW strategies for removing barriers between FE and HE and widening access and participation.

4.1.6. Nevertheless, the proposed merger also posed strategic difficulties for the funding councils. Merger between Coleg Gwent and UWN would have formed the largest UK institution involving HE and FE, but would have also meant a loss of independence in Wales' largest FEI. ELWa felt the merger would have jeopardised the college's vocational offer and might not have been in the best interests of the community in Gwent. Both funding councils were concerned that making drastic changes to the learning infrastructure in Gwent could be detrimental to learners.

- 4.1.7. Finally, and related to the above, ELWa felt that the project report did not address clearly enough the benefits of the merger for learners. The report addressed 'how' the merger might take place, but not 'why' it should take place. Because of this, the funding councils were not convinced that the project addressed their strategic priorities fully.

Collaboration between learning providers

- 4.1.8. As the overriding goal of the project was to achieve integration between the two institutions, clearly this LCF aim was met through the intentions of the project. In reality, collaboration between the institutions did improve over the course of the project and although relationships have cooled somewhat since then, there are still close working relationships between UWN and Coleg Gwent.

Improving access and widening participation

- 4.1.9. As mentioned above, the institutions felt that closer integration would provide more routes into FE and HE and enable 'seamless' progression between the two. This was intended to widen participation by encouraging learners who otherwise may have been intimidated by HE to progress to higher-level courses. However, ELWa did not feel that these potential benefits were evidenced strongly enough in the project report.
- 4.1.10. Again, because the project was not taken forward, this aim was not actually achieved. However, both institutions are continuing to look at other ways through which to build links between FE and HE and widen access and participation.

Delivering more and high-quality learning outcomes

- 4.1.11. Again, by improving access and enabling collaboration in curriculum developments, the project intended to contribute to this aim of the LCF. Joint curriculum developments are currently underway, but this is not likely to be a direct result of the project as these were also happening before the project started.

4.2. Sustainability and mainstreaming

- 4.2.1. As this report states throughout, the project was not taken forward as planned. Differing views on the reasons for this have been given by the institutions and by ELWa.
- 4.2.2. The project team recognised that there was no formal commitment to take the project forward, but felt that a 'moral commitment' had been made and that there was a clear understanding at the beginning that the project had received funding for Phase 1 but that a second phase would follow. As such, the project did not have, or see the need for, a separate exit strategy.
- 4.2.3. It was also acknowledged that there was always a possibility that the feasibility study would not result in recommendations that the funding councils would want to implement – this is, after all, the nature of a feasibility study. Nevertheless, the project team felt that, by disseminating the report, the project would still have been of value as other institutions could have learnt from it. In the event, this did not happen, as described above.

- 4.2.4. ELWa, meanwhile, felt that the project progressed too quickly to recommending merger (it had come up with this conclusion only 8 months into the research) and that merger had never been the solution that the funding councils envisaged. The original bid did not mention merger as a possibility, instead talking about collaboration in curriculum development, streamlining administration, and so on, although neither did it specifically rule merger out as an option.
- 4.2.5. ELWa also felt that the project report had not set down a convincing argument as to why the merger should take place, and had not demonstrated the benefits for learners that would come through this. ELWa had made recommendations to the project team after the interim report had been submitted in May 2004 as to how the research could be improved, but did not feel that these areas had been addressed when the final report was submitted. ELWa did not come back with any further suggestions for improving the proposals, or any alternative options, after the final report had been submitted. ELWa argue that this was because this feedback had been given when the interim report was submitted, but not acted upon.
- 4.2.6. ELWa also felt that the scale of the second phase bid was too large (£460,000) and objected to the fact that much of this would be spent on legal fees. Finally, it was not clear how the institutions would in fact fund a merger, even if the second phase research was carried out.
- 4.2.7. It seems that problems with sustainability lie in a lack of communication between the funding councils and the project. Neither seemed aware of the other's aims or parameters at the beginning of the project. It is possible that the institutions had not considered merger as an option until the project research began, but if they had, this should have been flagged up at the start.
- 4.2.8. Meanwhile, ELWa could have given more strategic direction to the project and a stronger steer throughout. Closer monitoring by ELWa of the research findings would have shown earlier that merger was what the institutions were proposing, and ELWa should have responded more positively to say at that stage that this solution would not be acceptable. It is unlikely that the contract manager could have given this feedback immediately because this would be a strategic issue that ELWa may not have previously considered and would have to consult on. Nevertheless, ELWa's response time in this case was too long. The project was allowed to come to completion before the institutions were finally told that merger would not be supported, several months after the project finished.
- 4.2.9. If a stronger steer had been given by the funding councils, then the project could have directed its time to researching options that they would want to support in future – particularly as both ELWa and HEFCW are committed to increasing collaboration between learning providers. It seems a missed opportunity that the research time was spent on an option that was not going to be considered viable.
- 4.2.10. The two institutions considered applying for other funding but felt that they were unlikely to find enough to cover the costs of the second phase from other sources. They also felt that applying for other sources of funding without support from ELWa and HEFCW would be inadvisable and would make their chances of success slim.

5. CONCLUSIONS AND LEARNING POINTS

5.1. Conclusions

- 5.1.1. In principle, the Achieving Closer Integration project suggested a good fit with LCF aims, as well as ELWa and HEFCW priorities.
- 5.1.2. However, as the report shows, the project hit a major stumbling block as the institutions proposed a solution that ELWa and HEFCW could not support. As a result, there were few lasting positive outcomes from the project for the two institutions, and some negative outcomes in that the people working on the project felt very disillusioned that their work had not paid off.
- 5.1.3. Further, although a lot was learnt through the project about possibilities for merger, these lessons were not disseminated to other learning providers.

5.2. Learning points

- 5.2.1. Key learning points from the project are as follows:
 - The funding councils and institutions should have thought through the likely outcomes at the outset of the project and carried out a risk assessment. This could have highlighted at the start some of the issues that later arose through the project. As a feasibility study, there was always the possibility that proposals would not be 'feasible' – both the funders and the project needed to think through what they would do in this case so as to still gain value from the project. Disseminating the results would have been one way of doing this.
 - A stronger steer from ELWa as to which proposals would be acceptable, and what they would and would not be willing to fund in future, was needed throughout the project.
 - Closer involvement and monitoring by ELWa throughout the project would have helped alert the funding councils earlier to divergence between their aims for the project and the institutions' aims. ELWa's involvement seems to have been relatively informal and a more hands-on approach could have been beneficial.
 - ELWa should consider new opportunities to disseminate the findings of the feasibility study, and/or learning from the project. This could include disseminating the project report to ELWa staff working on Pathfinders and Common Investment Fund projects, where merger or other options for collaboration or integration are being considered. The findings of the evaluation would also provide useful lessons on the way the project was managed and the issues that arose.