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**FEASIBILITY ANALYSIS FOR THE  
ESTABLISHMENT OF A SIXTH FORM  
COLLEGE IN LIVERPOOL**

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**Melina Gousiou**

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FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM  
COLLEGE IN LIVERPOOL

Παράρτημα Β: Βεβαίωση Εκπόνησης Διπλωματικής Εργασίας



ΠΑΝΕΠΙΣΤΗΜΙΟ ΠΕΙΡΑΙΩΣ  
ΣΧΟΛΗ ΟΙΚΟΝΟΜΙΚΩΝ ΕΠΙΧΕΙΡΗΜΑΤΙΚΩΝ ΚΑΙ ΔΙΕΘΝΩΝ ΣΠΟΥΔΩΝ  
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ΠΡΟΓΡΑΜΜΑ ΜΕΤΑΠΤΥΧΙΑΚΩΝ ΣΠΟΥΔΩΝ  
ΣΤΗ ΔΙΟΙΚΗΣΗ ΕΠΙΧΕΙΡΗΣΕΩΝ ΓΙΑ ΣΤΕΛΕΧΗ

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(περιλαμβάνεται ως ξεχωριστή (δεύτερη) σελίδα στο σώμα της διπλωματικής εργασίας)

«Δηλώνω υπεύθυνα ότι η διπλωματική εργασία για τη λήψη του μεταπτυχιακού τίτλου σπουδών, του Πανεπιστημίου Πειραιώς, στη Διοίκηση Επιχειρήσεων για Στελέχη : E-MBA» με τίτλο

Μελέτη σκοπιμότητας ίδρυσης Ιδιωτικής Σχολής στο Λίβερπουλ.  
Feasibility Analysis for the establishment of a Sixth Form College in Liverpool.  
έχει συγγραφεί από εμένα αποκλειστικά και στο σύνολό της. Δεν έχει υποβληθεί ούτε έχει εγκριθεί στο πλαίσιο κάποιου άλλου μεταπτυχιακού προγράμματος ή προπτυχιακού τίτλου σπουδών, στην Ελλάδα ή στο εξωτερικό, ούτε είναι εργασία ή τμήμα εργασίας ακαδημαϊκού ή επαγγελματικού χαρακτήρα.

Δηλώνω επίσης υπεύθυνα ότι οι πηγές στις οποίες ανέτρεξα για την εκπόνηση της συγκεκριμένης εργασίας, αναφέρονται στο σύνολό τους, κάνοντας πλήρη αναφορά στους συγγραφείς, τον εκδοτικό οίκο ή το περιοδικό, συμπεριλαμβανομένων και των πηγών που ενδεχομένως χρησιμοποιήθηκαν από το διαδίκτυο. Παράβαση της ανωτέρω ακαδημαϊκής μου ευθύνης αποτελεί ουσιώδη λόγο για την ανάκληση του πτυχίου μου».

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BME	Black and Minority Ethnic
IMD	Index of Multiple Deprivation
JSA	Jobseeker's Allowance
LSOA	Lower Super Output Area. A geographical unit containing approximately 1,500 people
RSL	Registered Social Landlord
DBS	Disclosure and Barring Service
QTS	Qualified Teacher Status
EMA	Education Maintenance Allowance
PFI	Private Financing Initiative
ESA/IB	Employment Support Allowance/Incapacity Benefit
JSA	Job Seeker Allowance
LEP	Limited English Proficiency
PFI	Private Funding Initiative
HNS	High Need  Students
A-level League Tables	They are achievement tables where British government every year publishes data on attainment pupils
Key Stage 3	Describes the three years of schooling in maintained schools in England and Wales normally known as Year 7, Year 8, Year 9 for pupils aged 11-14
Key Stage 4	Describes the two years of school education which incorporates GCSEs and other exams in maintained schools in England, Wales and Northern Ireland for pupils aged 14-16
Key Stage 5	Describes the 2 years of education for pupils whose age is 16-18
GCSE	General Certificate of Secondary Education
IB	International Baccalaureate
BTEC	A vocational qualification taken in England and Wales and Northern Ireland by people aged 16 and over. The qualification is organised and awarded by the Edexcel Foundation within the BTEC brand. BTEC ND is equal to three A-Levels.

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SIMS	School Information Management System
GVA	Gross Value Added
PFI	Private Financing Initiative

*Table 1: Acronyms and Definitions of Terms*

## Abstract

The problem in the Fazakerley area in Liverpool is the shortage of standalone Sixth Form Colleges operating under their own rules and in separate premises from the ones high schools are. The purpose of the study was to determine if the Fazakerley Sixth Form College, as designed in other areas of England, would be feasible in the area in assisting the government to meet the demand for this type of college. Moreover, if it would meet the needs of the inhabitants in order to feel secure to send their children to study there. Finally, how it would assist the present government to achieve the goals that has set for education which are higher grades across the board in A-level and BTEC exams. They set a target for this year which is to improve attendance, as they claim is a significant factor affecting the percentage of children who ultimately succeed in meeting their targets. The government believes that standalone Sixth Form colleges tend to have higher attendance rates in comparison to High Schools that incorporate Sixth Form in their premises.

## 1. Introduction

### a. Summary of the Feasibility Study

Feasibility studies define and quantify the benefits and costs of an investment.

This feasibility study is made in order to see whether this idea to invest in Fazakerley in order to establish a new Sixth Form College is viable, how much it would cost and how long it would take to be implemented.

Sixth Form College is used in the UK to describe an educational institution where students aged 16-19 study for their A-level qualifications. Those can be A-levels, BTEC, IB and GCSEs. In England pupils have the option to either stay in school for years 12 and 13 or study to a standalone Sixth Form College. These are pupils aged between 16-19 years old.

In order to decide all that and reach a conclusion as realistic as possible all data should be analysed in great detail and a research needs to be conducted in great depth. No matter how helpful a feasibility study is, unfortunately it costs a great deal of money and takes a long period of time to be carried out. The establishment of the Fazakerley Sixth Form College, which is supposed to be developed in the area of Fazakerley in Liverpool, in former cottage homes of 4,456sqft is the goal of the senior leadership of Fazakerley High School.

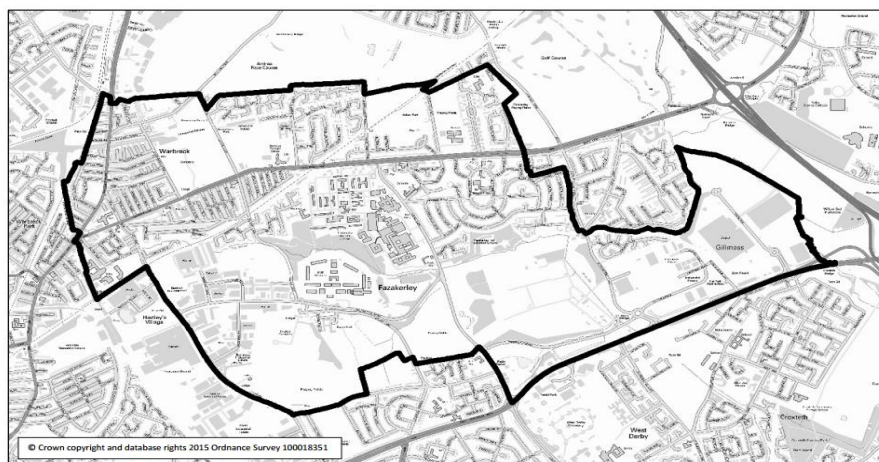


Figure 1: Fazakerley Ward

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The total cost of the first option for a 10-year occupation of the building would be £895.600. Even though premises of this size might seem small for the short run, till the Sixth Form College starts running properly and establishes a name in the market they are considered to be more than enough.

The main idea for the establishment of this college started from today's Headteacher Mr. James Ross. He is a very talented and goal oriented man who has school as his home and the staff teaching for the school as his family. So his concept is well embraced by all the employees which gives him the motive to explore his idea further and try to realize it for the benefit of people of Fazakerley.

A feasibility study is there to show all the possible factors which might affect the smooth running of an organization like this one. All the alternatives are examined to reach the best solution. By alternatives they mean all the possible solutions that can cover this need with different results. Also, other goals are to conduct the best market research and to check the environment around the place where they decide to establish their Sixth Form College and all the possible consequences an idea like this might have on the surrounding area. Apart from the rest, this study can help them find all the necessary equipment which is going to be used, the personnel needed to staff the school, the stationary ordered for each department, the textbooks and notebooks for the pupils.

Mr. Ross along with the senior leadership of the school have already contacted the New Hall Estate agency and together with the Local Authorities are trying to come out with the best outcome, i.e. landscaping, shaping rooms for lecturing, development of special facilities.

The school has as well come into agreement with companies which will take care of things such as supplying school with food and raw materials. There is a specific market which Fazakerley Sixth Form College is targeting and the people in charge of marketing are well aware of that. So they know exactly, which are the right moves to be done, in order their potential clients to be interested in their new venture.

Another major thing is already taken into account; this is the extra staff – teaching and non-teaching- which will be needed. So the senior leadership -playing carefully and strategically- has contacted teaching agencies like Protocol or Hays for



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highly experienced staff. It is believed that they will keep college's profile high from the very first day.

The last part for this venture to be considered a success, is handed into a team of specialists whose role is to conduct a study where all the different aspects of this idea will be shown in great detail helping the leadership to decide whether finally this would be a good or bad idea and whether it is possible for it to come true.

It is the first time that Fazakerley High School wants to conduct a feasibility study and the reason why this hasn't happened in the past is because this idea came from Mr. Ross, who just took over the school after the retirement of his predecessor.

The industry where the college is operating is small as there are not many schools in the area. Also, the market is even smaller as the inhabitants are not very well educated so they see no reason for their children to attend a Sixth Form College with a further goal of going to university. This is why many schools have not considered of establishing a standalone Sixth Form College. In other words, they reckon that there is not sufficient clientele to fill in the placements a standalone Sixth Form College might offer, meaning that they believe that a venture like this might cost much money to develop. What the other schools haven't thought about is that even though the surrounding area might be poor both intellectually and financially it is true that at the same time the children growing up at this area have started thinking of the benefits of moving away from Fazakerley and going to a bigger city, attending University and broadening their horizons. That will not only offer them more chances but most likely higher income which is their final goal. This is not a hypothesis but a fact based on the statements of these specific children already attending Fazakerley High School. The very first day of this school year they were given their books and they were asked to write down which are their expectations for the forthcoming years both in school and in later life. The majority of the year 7 pupils, around 80% of them said that firstly they want to attend a Sixth Form College with ultimate goal attending university.

In order to make this unit run they would need extra funding to buy new technological equipment and also renovate the entire existing one. But as it is well known the education system goes along with all technological innovations. So once something new is on the market usually has to be incorporated in class due to the

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fact that every standalone Sixth Form College wants to be up to date and modern but as well because its rivals will definitely find this as a way to take away from it a good number of pupils if it fails to comply with anything new the market has to offer. Finally, they don't forget to take into account the expenses that have to do with the maintenance of anything which already exists.

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### b. Main Idea for the project and Project's Timeline

- Harmonization of this idea with the existing conditions

The main idea for this project is overall taken from a positive aspect as there are a lot of people backing it up and voting in favour of it as they think Fazakerley Sixth Form College is something missing from the area and is also seen as a breakthrough for Fazakerley area and people. The reason why this is seen positively is because nothing outstanding exists anywhere around a ray of 5 miles at least. By outstanding they mean how their students did on their final A-level exams or BTEC. This is recorded on A-level league tables with the A-level performance of students in Key stage 5.

#### A-Level League Table 2015

RANK	SCHOOL NAME	LOCATION	ENTRIES	SCHOOL TYPE	GENDER	% RECEIVING A*/A/B
1	Queen Elizabeth's	Hertfordshire	490	G	B	98.37
2	Pate's Grammar	Gloucestershire	734	G	M	94.82
3	Henrietta Barnett	London	388	G	G	93.81
4	Reading	Berkshire	577	G	B	93.76
5	Wilson's	Surrey	469	G	B	93.6
6	St Olave's Grammar	Kent	596	G	B	93.46
7	Tiffin Girls'	Surrey	521	G	G	93.28
8	Altrincham Grammar for Girls	Cheshire	508	G	G	91.14
9	Colchester County Girls' High	Essex	372	G	G	90.59
10	Dartford Grammar	Kent	780	G	M	90
11	Colchester Royal Grammar	Essex	680	G	M	89.56
12	King Edward VI Grammar	Essex	636	G	M	89.31
13	St Michael's RC Grammar	London	376	G	G	89.1
14	King Edward VI Camp Hill for Boys	West Midlands	430	G	B	88.6
15	Stratford Girls' Grammar	Warwickshire	292	G	G	87.33

#### Key

Gender: B – Boys, G – Girls, M – Mixed

School Type: C – Comprehensive, G – Grammar, PS – Partially selective, SFC – Sixth Form College

*Table 2: A-Level League Tables Top 15 High Schools and Sixth Form Colleges*

However, for this idea to harmonise and not cause any unpleasant reactions, there is something that needs to be taken into due consideration. This is the cost, because at this moment the school has a shortage of money which constitutes this venture quite hard to finish and may cause disagreements.

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The site that is chosen for Fazakerley Sixth Form College is of great significance making the whole project much more important. It has a great historical background. The choice of Fazakerley Cottage Homes which used to house up to 25 children each prevailed over the other options as it has a history that people of the area can recall. Furthermore, the proximity to the already existing high school played a paramount role as their yards can communicate through a gate if the wall is demolished. Moreover, the proximity has other advantages as well. The Sixth Form College being so close to the High School means that they won't need any extra spaces for storing things and the staff can easily access both the storages and the common big library where both students and teachers can visit in case they need to.

The differentiation of the Fazakerley Sixth Form College has to do with both the variety of subjects offered for a wide range of abilities but also with the fact that there is no Sixth Form College as a separate institution at all, at the surrounding area. Its main competitive advantage will be the fact that all the staff will have a lot of experience not only on their subject but also on the exam board that each student will be examined. All of the staff should have at least once been an examiner so to have the necessary knowledge to demonstrate to the pupils what exactly is needed of them during their exam. This will be a win-win situation as it works for the benefit of both students and the college. The college will satisfy all the Ofsted requirements (Office for Standards of Education). It actually passed the audit with flying colours and the students have the chance to sit their exams full of confidence and at the end of the day get into the University of their choice without difficulty. Ofsted basically judges the quality of the Sixth Form College by lesson observation, by scrutinising the results and by checking the marking of the assessments and the feedback given to the students for their homework and their assessments.

The subjects that are going to be offered in A Level and Vocational Level are some of the ones the AQA exam board is offering and they, as a Sixth Form College believe that will help their students find the ones that suit their capabilities and will help them achieve their goals.

<b>A LEVEL</b>	<b>VOCATIONAL LEVEL</b>
Accounting	Business Marketing*
Adult Learning	Business Management*

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Anthropology	Design Engineering*
Archaeology	Mechatronics Engineering*
Art and Design	Power Engineering*
Biology	IT Programming*
Business Subjects	IT Networking*
Chemistry	IT User Support*
Chinese (Mandarin)	Theatre studies
Citizenship Studies	Graphics
Classical Civilisation	Music Technology
Communication and Culture	Sports
Computer Science	Health& Social Care
Counselling	Fashion and Textiles
Creative Writing	Hairdressing
Critical Thinking	Woodwork
Dance	Child development
Design and Technology	Media Studies
Drama and Performing Arts	
Economics	*The courses which are highlighted will be giving a qualification to those sitting the exams by the AQA exam board. 'Goal is to deliver quality, engaging and relevant qualifications that students will enjoy and employers can trust.'
Electronics	
Engineering	
English	
Enterprise and Employability	
Entry Level Certificates (ELC)	
Environmental Science	
Expressive Arts	
Food Preparation and Nutrition	
French	
General Studies	
Geography	
German	

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Government and Politics	
Health and Social Care	
History	
History of Art	
Home Economics	
Human Biology	
Human Health and Physiology	
Humanities	
ICT and Computer Science	
Italian	
Languages	
Leisure and Tourism	
Mathematics	
Media Studies	
Music	
Performing Arts	
Personal and Social Education	
Philosophy	
Physical Education	
Physics	
Polish	
Projects	
Psychology	
Religious Studies	
Science	
Sociology	
Spanish	
Statistics	
Tech-levels	
Travel and Tourism	
Unit Award Scheme (UAS) This approach can be used:	

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<p><input type="checkbox"/> as a stepping stone towards achieving a full qualification</p> <p><input type="checkbox"/> To accredit the work done by students who have not managed to complete enough units to gain the overall qualification.</p>	
Work and Life Skills	

*Table 3: Courses offered by the Fazakerley Sixth Form College*

The capacity of this Sixth Form College the first year of its establishment will be around 200 students. This to be fully used, means that the majority of the students of year 11 will decide they want to attend a college and that this will be the Fazakerley Sixth Form College. Also, for it to work in full capacity means that they need to have all the necessary equipment and the appropriate funding on time so they can keep it running. Of course, another significant thing is that they will find all this well-trained and highly experienced staff to teach all this variety of subjects mentioned above. The staff won't only have the necessary academic background but they will have to develop the ethos required by the Sixth Form College. This is a sixth form strategy which implies that the college should meet requirements and improve its quality of teaching and offer a high level experience to all the pupils. According to the guiding principles the college has now the possibility of getting at least another 30 students in each year group as government has that set as its minimum goal.

This whole idea exists more than 5 years but it only came to light last year when Mr. Ross from Deputy Head became Headteacher. He states that it doesn't depend on the culture of the government but it mainly depends on the funding of the school which is relying on the number of students and this depends on politics since it's a matter of how much government invests in education. In this case local authorities keep the college in regular checks and try to help the college meet the standards that are put by the government.

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However, for this project to become real a business plan is not enough. There are some circumstances that are indispensable such as the funding, the experience of staff –teaching and non-teaching- and of senior leadership who will work with all their hearts and souls towards this goal. Another very important aspect is that there has to be harmony and honesty among the employees otherwise this will cause confusion and nothing will work as planned. Something more that has to be taken into account is that all the essential moves have been made to contact the clients – parents and pupils-. The last thing that should not be forgotten is to check whether suitable motives are given to Fazakerley families to send their kids to Sixth Form Colleges and if this whole idea is reinforced by the government.

In our case, all the aforementioned have already been taken under due consideration and this is why the time has come to conduct this feasibility study to see whether this vision is viable or not.



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- The supporters of this idea

The idea for this project was first heard from the current Headteacher of the school, Mr. James Ross. He was a Deputy Headteacher and then he decided to apply to be a Headteacher because his predecessor retired. The school is situated in a suburb of Liverpool which is called Fazakerley and the school is called Fazakerley High School. Fazakerley ward lies roughly 5.5 miles north east of Liverpool city centre and covers a total of 2.3 square miles.

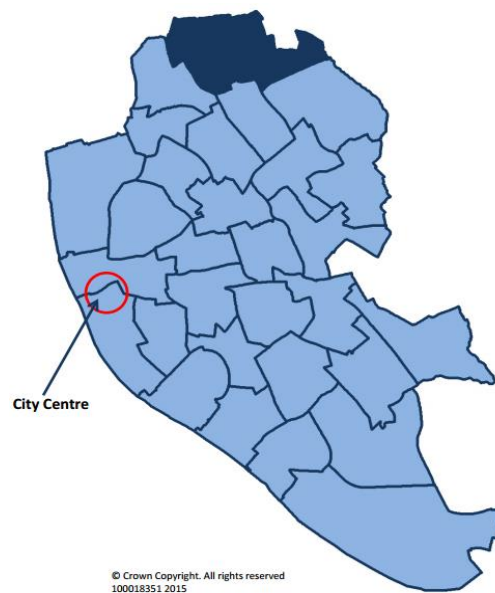


Figure 2: Liverpool map. Fazakerley ward is indicated with dark blue colour

The Fazakerley Sixth Form College is part of his vision to ameliorate the current picture of the High School to circles outside it and help students achieve more inside and outside the school environment. He believes in a traditional education that means that students do well in numeracy and literacy but what he really wants and looks forward to is a well-rounded education which enhances the whole experience of learning. He says that he wants every pupil that leaves school to have developed their potential. So the day of the interview that he was applying for Headteacher, he talked to the governors and let them know about his innovative idea with regards to the rest of the area the school is located. After the interview they appointed him to be the new Headteacher because of his vision which was really intriguing and phenomenal as this was his way of creating a personal/special identity. This identity would be the school's ticket to a new market of students from other schools close or

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

further away from Fazakerley district. Mr Ross's goal is that Fazakerley Sixth Form College's students are not dependent on the catchment area, i.e. the area from which school's/ college's pupils are drawn. His quotation was and still is 'We want to be different'. 'There is no other Sixth Form College in the area, all of them are inside high schools exactly just like ours'. He says that currently the Sixth Form College is integrated, or to be more specific, too integrated and this is the reason why the examination results are poor. Furthermore, he believes that the leadership and the recruitment of the students is poor altogether because they feel let down. Generally, pupils enjoy the fact of being part of a Sixth Form College and not staying in school for another two years after they finish their GCSEs.

His opinion is that the Fazakerley Sixth Form College reflects a lot of the skills of the existing staff and it is more attractive to manage to recruit students from different schools. At the time being, the current Sixth Form College is requiring improvements in results, teaching staff and ethos, i.e. what school stands for and what school is about, meaning high academic standards, good quality of teaching, and attainment for all students as well as respect of their background.

However, in order James to make this idea come true he needs more than himself. And hopefully he has what he needs, as he has a great majority of staff on board to make it happen. This idea is at the core of James' and his team's ideals. However, what he also states is that pupils have to want to come to college and improve themselves. The magic that captivated him all those years ago as a student, afterwards as a teacher and now as the Headteacher, is his passion which he discovered at the age of 12, making life better for pupils. Except for caring for his pupils James says that in Fazakerley High School everybody looks after each other. There is a pastoral team who doesn't teach and is always available to look after children. They call it Family Fazakerley; staff look out for children, children look out for children, staff look out for staff. It's a really caring environment. It is academic and pastoral- it's encouraging each other to get the best out of each other. This is what he dreams about Fazakerley Sixth Form College.

The same applies to the Head of Sixth Form inside Fazakerley High School - Mrs. Susan Johnston. She is one of the main supporters of this project, not only because she finds the idea really clever but also because she is in the senior

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

management and her main role is already to deal with all the issues that have to do with the Sixth Form inside secondary school. Consequently, one of her personal goals is as well to enhance the Sixth Form. The way this can be achieved is according to her by raising the profile of the sixth formers and at the same time the college gives them the chance to be the best school and create their own identity. She comments that 'otherwise Sixth Form is just a name with no real meaning'.

To her way of thinking emphasis should be placed upon staff. The staff that is working on the college should strive to earn this position in order to realise that it is not a job that is inherited and could be taken for granted- it is not an ascribed role but an achieved one. Sixth Form teachers should put themselves on a constant effort to do their best and live up to the expectations of the students who have attended Fazakerley Sixth Form College. Staff should be one of the reasons why students have decided to attend Fazakerley Sixth Form College instead of another. It should be thanks to its experienced and highly qualified staff. Staff should also live up to what is expected from their colleagues and their Headteacher whose mission is to prepare autonomous people who can deal with any kind of hinder that might come up. So school for her is not just studying and getting ready to sit exams to enter university but is also a place where children will shape their personality and character and will learn how to deal with adult issues that most likely they haven't dealt with up to the day they enter the college. For this to happen, teachers should take frequent trainings to aid children achieve higher results. The courses that are offered are based on the abilities of the Year 11 but as well on the staff. So senior management should suggest which from the staff should teach specific subjects and which ones not to teach depending on staff's performance –good or poor – respectively.

On the other hand, she also states that prerequisites should be enforced for students as well. Fazakerley Sixth Form College should not be accessed by students who are not interested and just want to spend the time in a Sixth Form College instead of staying at home. In order to achieve that, some standards need to be placed and students should meet these criteria. As soon as they have the grades needed to be part of Fazakerley Sixth Form College, that will make them realise that they are top students and that there will be co-opetition which will keep the level

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

inside the classroom high and at the same time will make the kids try more and more to keep up with the rest of the class.

For students to outperform another thing that is important except for the teachers is the offered facilities, i.e. bigger classes shaped to suit the needs of older children or of bigger-size classes. Also, more labs and rooms for workshops with all the necessary equipment will make it stand out of other competitive colleges.

What is more, something that plays a significant role are the subjects offered which are now less than the ones which are planning on offering when the new college starts operating. (Table 4) The last thing which should be taken into serious consideration according to Sue are the good results, which hopefully after the well-organised human resources along with the top students will offer a better image of the college.

To sum up, Sue's dream is at the end of the day when she contemplates/reflects upon the effort, she wants to feel that she has added value. To cross-check her perception of things she thinks that one of the more secure ways to see it, is to look thoroughly the numbers which as she says 'Numbers usually tell us the blunt truth whether we like it or not'. When she talks about numbers she means the retention rate, meaning how many students have stayed from year 12 and have moved to year 13. Moreover, another figure that can tell a lot about the Sixth Form College's performance is if there has been an increase in the number of pupils. Furthermore, the outcomes – 'Have they reached their target grades?' 'Are their grades getting higher?'. Lastly, the impact of the Sixth Form College on the cast of the group should be evaluated along with the effort to raise the profile of the college by raising the children's aspirations for a better future, for an independent life.

Their passion for the job and their philosophy ensure that pupils grow as individuals as well as academically. This is enough to deliver a bright future for anybody who walks through the doors. They are both people who want to make a difference. Perhaps the next generation of teachers has already been inspired thanks to their constant effort for the best outcomes.

Both Mr. Ross and Mrs. Johnston will have a really active role in this plan. Mr. Ross will be giving all the guidelines that need to be followed after talking with the Local Authorities for any issues that may be coming up and Mrs. Johnston as she is

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

already organising the Sixth Form inside the High School, she will continue to be doing what she is already doing so well.

Although a Sixth Form College is neither a company nor a family, it works under certain rules that remind us of a bit of both. It has a firm structure and rules as a company has, but at the same time it has all the loving and caring a family has to offer.

<b>A LEVEL</b>	<b>VOC Level 3</b>	<b>VOC Level 2</b>
Maths	Theatre Studies	Hairdressing
English	Graphics	Woodwork
Biology	Music Technology	Moto-Car mechanics
Chemistry	Sports	Child Development
Physics	Games Development	Media Studies
French	Engineering	Maths *
ICT	Health & Social Care	English *
Sociology	ICT	*The last two which are highlighted are put in here as obligatory because they are forced by law since these students have failed them in the past
Art	Fashion & Textiles	
Business Studies		
History		
Media Studies		
Psychology		
Physical Education		
Music		

*Table 4: Subjects offered by Fazakerley High School to current 6th Formers*

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

- Feasibility Study

This study was done by professionals who come from different academic fields in order to cover all aspects so that this college could be true. The team was consisted by an economist, an environmentalist, a lawyer, a marketer and an IT services manager.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

- The cost of any pre-investment studies

This cost is added up to calculate the total cost of the feasibility study. By pre-investment cost we mean the cost of the IT technician, lawyer, marketer, who gave them a rough idea about how much each of these will cost and how long they need to be ready. This cost will be paid by school's deposit after all the funding that it gets each year dependent on the number of students attending it. If there is a sensible money management then the school will have all the necessary deposit to pay for this.

In this case the total cost for this venture was zero because all the needed advice was offered by people already working for the school and they all agreed to work for this dream without asking for any money given the fact that they know that school is very short of money at the time being.

## 2. Market Analysis and Marketing

### a. Market definition/determination and Analysis of its structure

The market where Fazakerley Sixth Form College is going to operate is really small and not at all developed. As we have said there aren't many Sixth Form Colleges in the area. It is mainly High Schools where the Sixth Form is integrated. To determine the market for a Sixth Form College is quite a hard task to do as the 'products' that are offered, are subjects, services, bonding of pupils with the staff. In my opinion they are not things that can be ordered to be in a certain way, manufactured. They are services, tailor made, which need a lot of love, care, ethos and effort from both teachers and students in order to succeed.

The market is constituted by 3 standalone Sixth Form Colleges that can offer the same subjects as Fazakerley Sixth Form College will offer and these are listed below:

1	Liverpool City College
2	Hugh Baird
3	Sefton College

*Table 5: Standalone Sixth Form Colleges in Liverpool*

From these one mentioned in the table the actual competitor is Liverpool City College because it is the one that is closer to Fazakerley the rest are further away in Merseyside.

The 'clients' are young adolescents -year 12 and year 13 students- who are still being moulded, they most likely have no idea what they want to do with their lives, and they can't actually see themselves in 5 years' time so when they are asked 'What do you want to do once you leave school?' the most common answer to come up is 'I have no clue, could you guide me please?'. This is when Fazakerley Sixth Form College should take the occasion to talk to these students, explain them their



## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

options, and give them a helping hand to find out what is their dream. What should be taken into account and dealt straight away are emerging groups that at the moment are being ignored, such as students who want to have a full education up to university, i.e. A-level courses.

The competitors are other schools which have in their premises a Sixth Form College which is run under the same rules and regulations of a High School. They might have both advantages and disadvantages in comparison to a separate Sixth Form College. The advantage is that they offer to the students a familiar environment where they have already spent the last 5 years of their lives, with people they know, with classmates they have played and shared their secrets with, which to my way of thinking might be something that you cannot find easily so you don't want to give up on that.

On the other hand though, there is a disadvantage to that, as it is common knowledge, when children enter the first years of adolescence they want to be treated differently, to have different regulations that they should comply with, they want to be seen as adults. This is something that can be offered in a college that operates in a separate building with a common yard at the same time. This is where the pupils can now see their friends who might be one year younger and go to the high school they once used to attend, have the same teachers that were used to having the last 5 years and most of all not being obliged to a uniform but just a proper way of dressing. The competitors of Fazakerley Sixth Form College are also considered to be the rest of the standalone Sixth Form Colleges that are in the area of Liverpool.

The suppliers can be publishing houses, IT suppliers. i.e. sellers of computers, printers, photocopiers, etc., stationery sellers, sellers of furnishing equipment, pharmacy chains which provide the Sixth Form College with all the necessary first aid kits and sporting retailers who provide this college with both sports equipment and sports outfit.

Marketing for an organization as this, is not an easy thing because it's not just a product that is sold and marketised as we mentioned above; but a service and a special one since they have to do with children.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

The purpose of Fazakerley Sixth Form College is to get the maximum number of students and help them gather all the necessary knowledge in order to get to university and lead fulfilling lives. This will be accomplished by positioning the Fazakerley Sixth Form College as being valuable to year 11 pupils and to their parents. They are guaranteed that Fazakerley Sixth Form College is worth a lot for the pupils and their parents as it will offer both high standard education and pastoral guidance. By accomplishing this, it will establish itself as a renowned college with targets for the whole family. In order this to be attained many marketing strategies are used such as talking to students, by arranging open evenings for pupils and their parents, along with the issue of educational magazines that can raise the awareness of the upcoming benefits and opportunities once they decide to attend the Fazakerley Sixth Form College. Their goal is fixed and high as there is capacity to increase the numbers of students in their organization due to the increasing number of pupils wanting to attend higher education. This comes in contrast to the decline of birth rates at least for the next 3 years. The Fazakerley ward has a higher proportion of children (19.6%) compared to the Liverpool average (16.7%) and a lower proportion of both working age residents and older people than that of the relevant City averages. The final strategy which may be of little significance but really efficient and effective, is the New Logo that the college is going to have which will make it stand out from the rest standalone colleges.



Figure 3: New Logo of Fazakerley Sixth Form College

# FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

Source: ONS

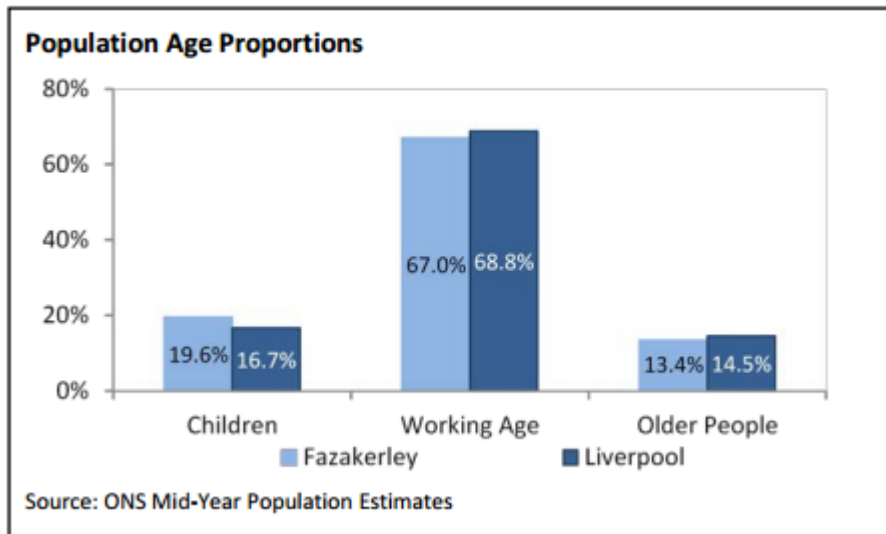


Figure 4: Population Summary 2013

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

The target market of the College will be pupils who can engage both in studying the courses of the curriculum but also those who can engage themselves in more every day activities so as to get a rounded education.

Marketing tools to be utilized will be a combination of classified advertising in magazines and newspapers, direct mail, and publicity in newspapers and on the radio. Their identity will be one of expertise, specialised knowledge and quick response to the needs of both parents and pupils. From the funding Fazakerley Sixth Form College will receive, approximately 2% will be allocated for marketing purposes after the third year of the college's operation when the college's finances will start thriving.

Dealing with an adult and dealing with a child are two totally different things. Adults are supposed to know what is wrong and what is right for them and can judge whether what is offered to them is good or bad or if it lives up to their expectations. On the other hand, it is my firm belief that children should be treated in a different way as they are young people not having yet shaped their personality and their critical thinking so they might be more easily manipulated and should be treated in a specific manner so they don't get traumatised. For this difficult and pretentious/demanding role Mr. Chris Bell is selected, as he is one of the Assistant Head Teachers, member of the Senior Leadership and responsible for the safeguarding of the children, behaviour management and pastoral care. So he is one of the most eligible people to take care of the way this college can be promoted to the rest of the area.

The first thing that is done as part of the marketing strategy is the segmentation of the market. From the existing segments on their market they want to identify the groups that will be their potential clients and attract them by understanding their behaviour and consequently satisfying if possible their preferences.

The segmentation in their circumstance will be based on the client's (pupil, parent) personal characteristics, i.e. geographic, demographic, socio-economic and psychographic ones. By subdividing the whole market geographically their target will be the year 11 children from the north area of Liverpool.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

In terms of demographic features they have to bear in mind how many people of the population is at the age that interests the Sixth Form College. Along with that their main concern should be the occupation, the income, the socio-economic status and the education of the parents as all of them are considered factors which might affect the child's final decision whether or not he will want to continue in further education. It is common ground that people who haven't had the chance or the will to go to higher education, usually don't think high of their child attending university.

Given the economic condition of this area it is apparent that 1623 Fazakerley residents are managers/ professionals, with these two being the highest ranked occupation groups (21.1%). This is lower than the Liverpool average (25.1%). By contrast the two lowest ranked occupation groups compared with a Liverpool average of 20.9% are employed as plant/ machine operatives or in elementary occupations and are consisted of 1,653 residents (16.3%).

### Economic Activity 2011 (16-74 year olds)

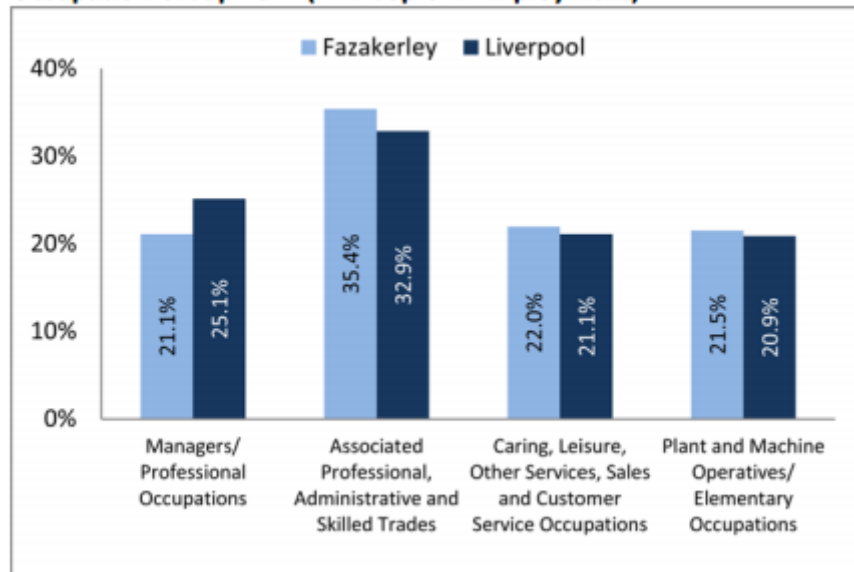
	Fazakerley		Liverpool	
	No	%	No	%
<b>Economically Active (of which):</b>	8,514	68.0%	6,340	63.4%
Part Time Employed	1,803	14.4%	1,260	12.6%
Full Time Employed	4,866	38.9%	3,270	32.7%
Self-Employed	744	5.9%	580	5.8%
Unemployed	749	6.0%	670	6.7%
Full Time Student	352	2.8%	320	5.6%
<b>Economically Inactive (of which):</b>	4,008	32.0%	4,660	36.6%
Retired	1,393	11.1%	1,560	11.5%
Student	524	4.2%	530	10.3%
Looking after Home or Family	441	3.5%	350	3.8%
Long-term Sick/ Disabled	904	7.2%	800	8.0%
Other Economically Inactive	746	6.0%	620	3.0%
<b>Total 16-74s</b>	<b>12,522</b>			

Source: ONS, 2011 Census

*Table 6: Economic Activity 2011*

# FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

**Occupation Group 2011 (All People in Employment)**

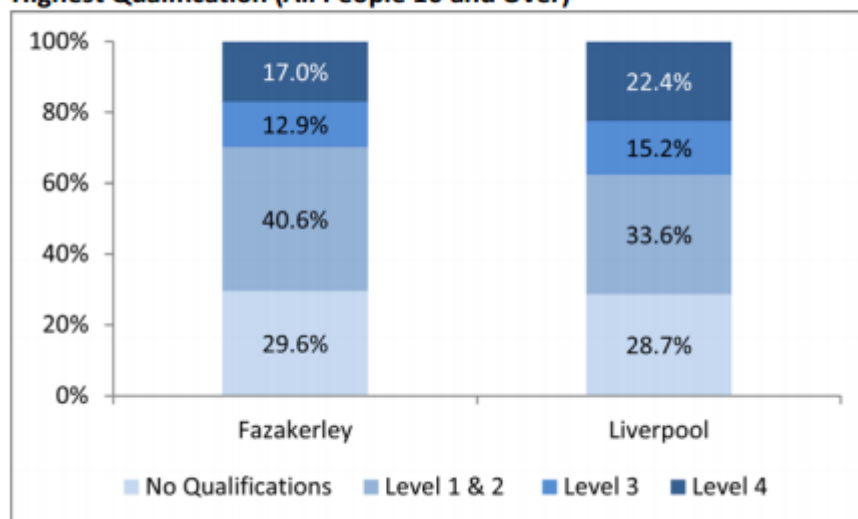


Source: ONS 2011 Census

Figure 5: Occupation Group 2011

Nearly a fifth of the ward’s population are educated to degree level or above (17.0%), which is below the Liverpool average (22.4%). Slightly more residents than the Liverpool average have no qualifications (29.6% versus 28.7% city-wide). Employment rates in Fazakerley ward are above the city-wide average, while unemployment rates and levels of economic activity due to long-term sickness are below the Liverpool average.

**Highest Qualification (All People 16 and Over)**



Source: ONS 2011 Census

Figure 6: Highest Qualification

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

In terms of education level, Fazakerley area can be considered as one of the average of Liverpool as according to statistics in 2014, 51.8% of pupils resident in Fazakerley achieved 5+ GCSE A\*-C grades including English and Maths, which are the core subjects where students should get a high grade regardless of what they want to do later in college, i.e. follow an A-Level path or a Vocational path. This is higher than the Liverpool average of 49.7%. At the same time, 58.2% of pupils resident in Fazakerley achieved 5+ GCSEs A\*-C in all subjects, this is slightly lower than the Liverpool average of 59.2%.

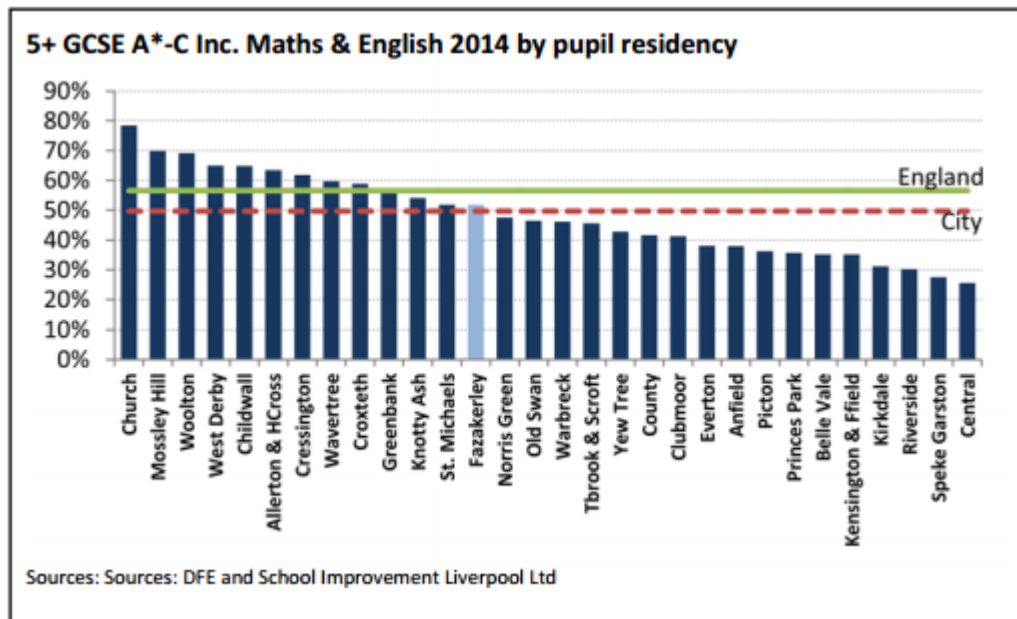


Figure 7: 5+ GCSE A\*-C Inc. Maths & English 2014 by pupil residency

Unfortunately statistics depict that Fazakerley falls behind in school attendance when compared to that of the City rates.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

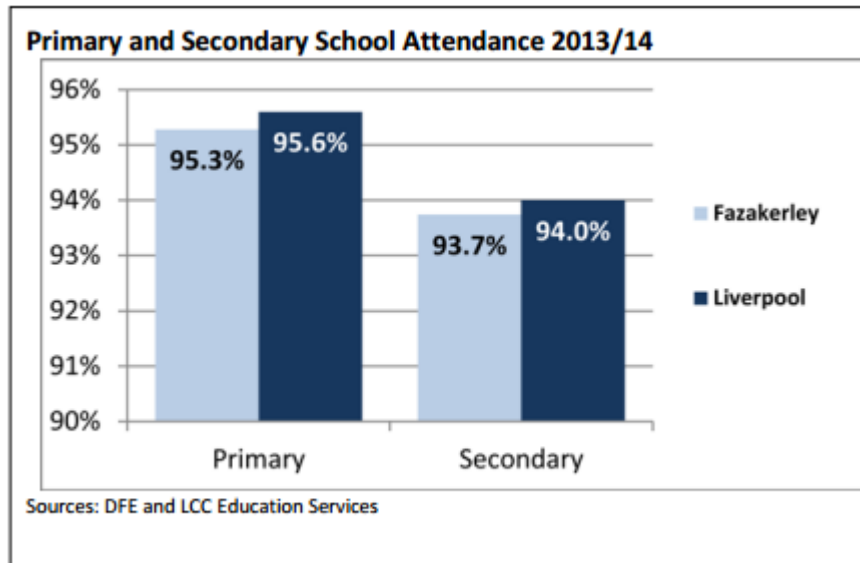


Figure 8: Primary & Secondary School Attendance 2013/14

While this might be a bit discouraging, Fazakerley High School's teachers claim that it should not be forgotten that Fazakerley Key Stage 2 results are all above the Liverpool average attainment rates for all subjects which is something that should give hope to everybody to keep on trying and doing the best to make this area lead by example.

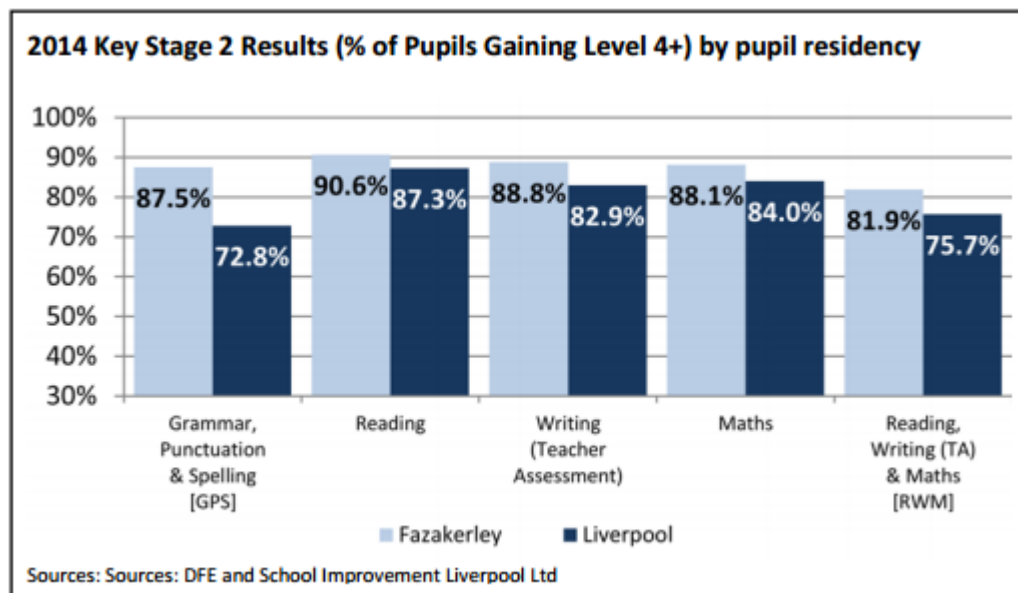


Figure 9: 2014 Key Stage 2 Results



## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

The last way which they will use to segment the market in order to understand the target market is the psychographic, i.e. lifestyle, personality, values. Housing can be considered as part of the lifestyle somebody wants. There are people who prefer to own their houses as a symbol of their status in society. Also, the place they own or rent is a sign of their affluence. Fazakerley ward contains 6,894 residential properties, accounting for 3.2% of the city's total housing stock. The vast majority (84.8%) of these properties are either privately owned or rented and this is significantly higher than the Liverpool rate (73.5%).

The ward contains 1,049 Registered Social rented properties, which is 15.2% of the total and significantly below the city average of 26.0%.

**Housing Tenure April 2014**

	Private	%	RSL	%	Unknown	%
<b>Fazakerley</b>	5,843	84.8	1,049	15.2	2	0.0
<b>Liverpool</b>	159,975	73.5	56,567	26.0	1,026	0.5

Source: PAMS, Liverpool City Council

*Table 7: Housing Tenure April 2014*

In April 2014 there were 150 long term vacant properties, accounting for 2.2% of the total stock. This is below the city-wide rate of 2.9%.

**Long Term Void Properties April 2014**

	Dwelling Count	LTV Count	LTV Rate
<b>Fazakerley</b>	6,894	150	2.2%
<b>Liverpool</b>	217,568	6,382	2.9%

Source: PAMS, Liverpool City Council

*Table 8: Long Term Vacant Properties April 2014*

Around a fifth (18.7%) of properties in Fazakerley falls into Council Tax Band "C+", which is similar to the city average (22.1%). Two thirds (67.1%) of properties are in Band "A", compared with 60.4% across Liverpool.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

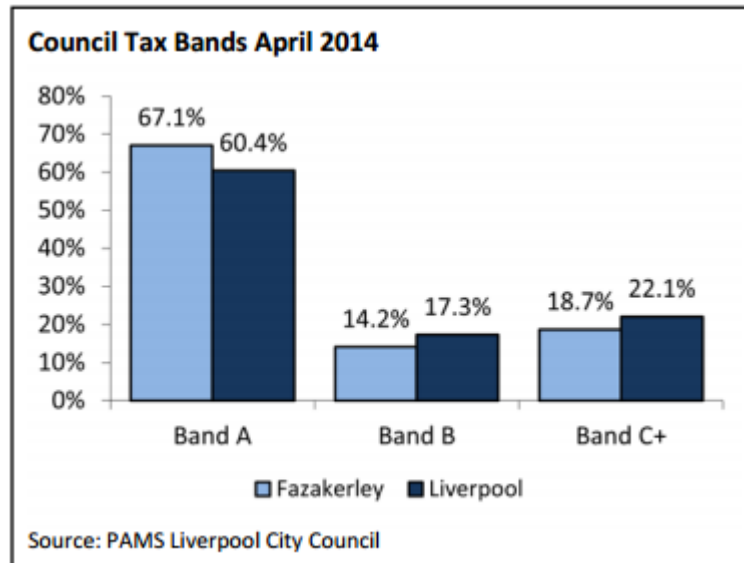


Figure 10: Council Tax Bands April 2014

Average house prices are significantly lower in Fazakerley than the city average in all categories. This is most evident in flat prices where the Fazakerley average (£51,500) is less than half that of Liverpool (£111,941).

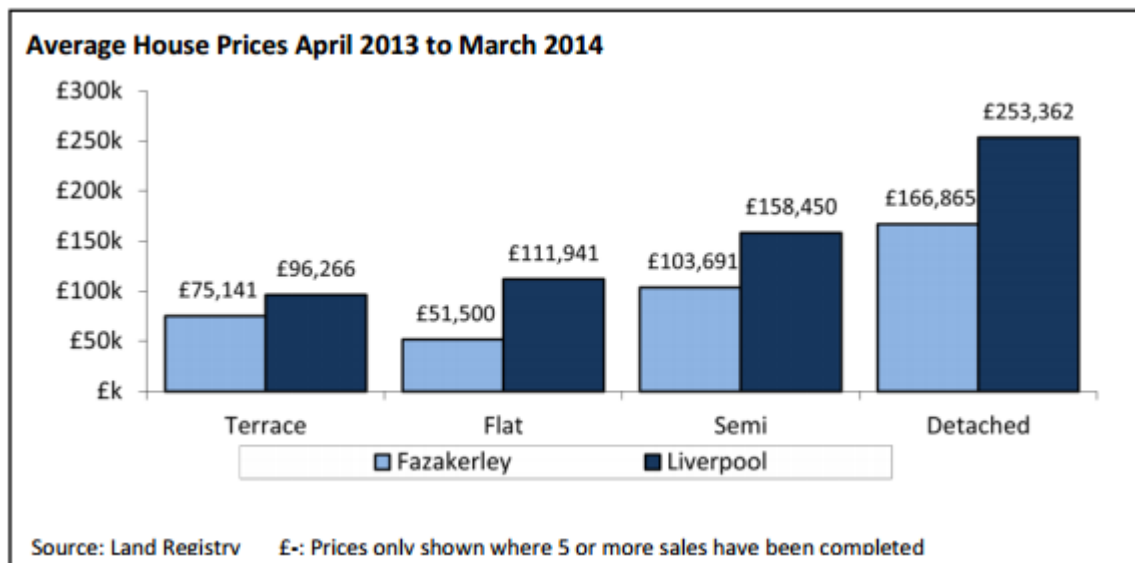
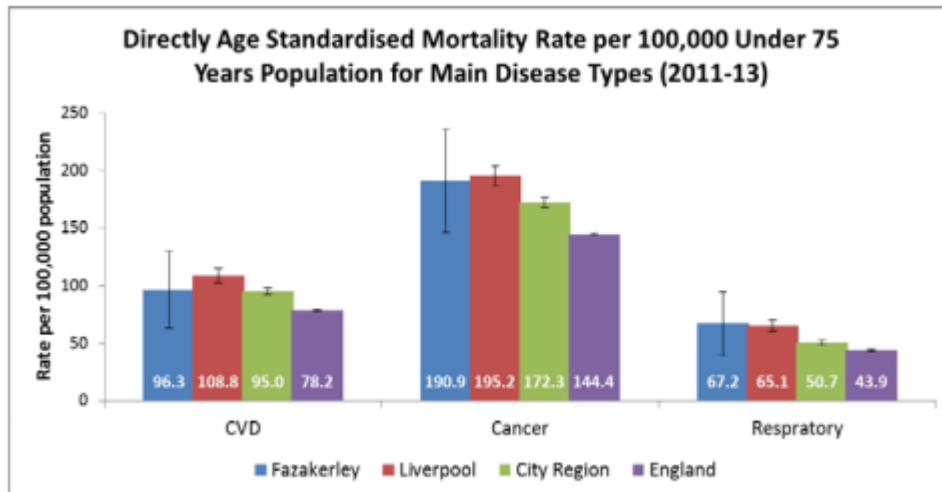


Figure 11: Average House Prices April 2013 to March 2014

What is more, health is an indicator of a people's lifestyle. The healthier the children the better their progress in school as they have through their necessary diet all the vitamins and proteins they need for a healthy mind, body and soul. Unfortunately that isn't the case with Fazakerley because 12% of children aged 4-5 years and 20% aged 10-11 years living in Fazakerley are obese. Happily, both rates

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

were lower than the Liverpool average of 13% and 23% respectively but that doesn't mean it isn't alarming, so it should be examined in depth. Age and Sex Standardised Mortality Rates for under 75 year olds is a measure of the extent of premature deaths within an area. The mortality rate in Fazakerley (473 per 100,000) is the 11th lowest of all Liverpool wards.



Source: ONS

Figure 12: Age & Sex Standardised Mortality Rate per 100,000 Under 75 Years Population for Main Disease Types (2011-2013)

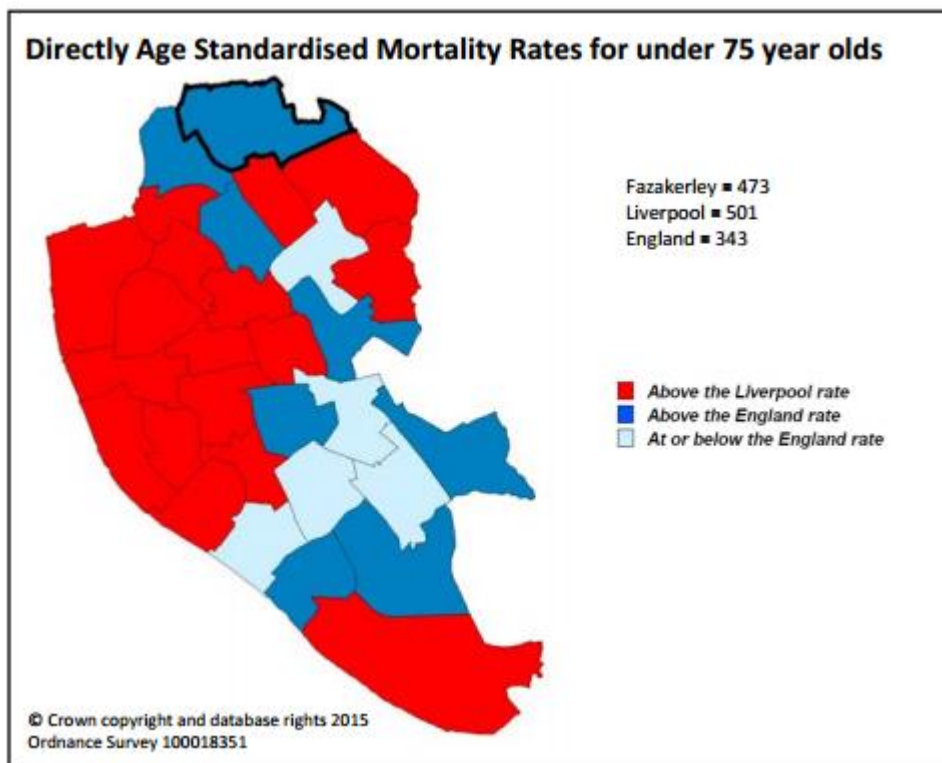


Figure 13: Directly Age Standardised Mortality Rates for Under 75 year olds

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

In addition to the previous factors, conception in girls under age can be one of the reasons why girls might drop school earlier than planned. Fazakerley fortunately, has a relatively low rate in the city with 36.5 conceptions per 1,000 15-17 year old females with Liverpool having 40 per 1,000.

Personality traits play a critical role whether pupils will choose higher education or not. There are people who consider themselves to be innovators while there are others who think that surviving is as good enough. The target of Fazakerley Sixth Form College is to be part of 'the innovators' mainly because they want their students to feel sure about themselves and not be afraid to innovate, make their own path and show to themselves and the others around them that it doesn't matter what your background is, how much is your parents' income, etc. This Sixth Form College shares the idea that if you are a believer then you are a maker.

Once the segmentation is done, the targeting comes next. The Fazakerley Sixth Form College should target the market segment. 'It is sensible to do that according to the organization's mission, objectives, skills and resources.' The case here is market specialisation since we have one market but many different subjects to offer.

The last thing that a marketer has to think about is the positioning of the service offered which is creating an 'image' in the parents' and students' minds. This is important because both of them and generally every client usually buy the 'image' rather than the actual service. So what a marketer should do is to use advertising as a tool to build up a name. A positioning strategy that is used here is the customer benefits, as the client is given what he asks for, the best place for his child to get a rounded, top education for an academic career at the beginning but for a successful life altogether since this Sixth Form College will be there to instil all the necessary values and beliefs.

The Fazakerley Sixth Form College can use an asset-push strategy since it has a good asset which is their staff that differentiates it from other Sixth Form Colleges that might be in the further area. We will talk in detail later on about the human resources that will staff Fazakerley Sixth Form College.

Fazakerley Sixth Form College the first years of its establishment won't have any marketing costs as it has already a tank of students that will use for the first years of its operation. Generally it will have no significant marketing costs; it will be less than

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

£ 16,000 a year because its reputation is mainly spread from the word of mouth or by visits that parents pay to school. The amount of pupils that come from other schools at the moment is quite low since the impact of Educate Magazine is minimum but from year 3 onwards that the marketing managers are going to make a high profile campaign using the radio, advertisements on buses and billboards this number is said to rise notably. This amount of money will be used after the 3<sup>rd</sup> year of its operation when the cash flows will have a surplus and part of this can be used for marketing purposes.

What is given due consideration long before any of the things mentioned above happens is the word 'value'. The Fazakerley Sixth Form College has one main goal which is to add value to its pupils. In order to achieve this, their staff teaching and non-teaching realized that since they are all part of the chain they equally contribute to everything that is offered to the pupils. By bearing in mind the budget they have aside, they plan all the necessary movements to result to the best possible solution. Their budget allocation is always on things that the customer values as important. Their target is to spend extra on things that can be seen as investments that will bring them long-term returns. These activities can be staff training –to be up to date-, customer service – always having parents and pupils happy, i.e. let them know that whenever the parents or kids need Fazakerley Sixth Form College will be there to offer advice or help-. They argue that their pupils and staff deserve first class facilities and they are determined to achieve this goal.

Their competitive position is the fact that they already as a High School have a good market share; their sixth formers are already succeeding on their exams and their apprenticeships. They have spare staff which is normally used for supplying, but usually they underperform not because of incompetence but because the majority of the proper teachers is almost every day at their position. At the same time the school has already bought the rights to use great resources in which Fazakerley Sixth Form College will have access as well. Consequently, many of the things that need to be sorted out for the opening of Fazakerley Sixth Form College are already done.

For all the aforementioned to succeed, there has to be the right marketing mix, by which we mean the 7Ps. (product-service, price, promotion, place, people,

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process, physical evidence). Since teaching is a service and it has the drawback that it is one hundred per cent intangible -meaning that it cannot be seen, felt or heard before being purchased- Fazakerley Sixth Form College should put extra effort to help parents make up their minds that this is the suitable choice for their offspring. It is also really hard to evaluate because all services that have to do with education are highly based in the degree of credence the client has in them. Tasting and trying is not enough when it comes to a service. However, it has the positive characteristic that it is inseparable by its provider so once the kid gets to know and feel at ease with the college and the staff it is quite hard for him to change his mind.

Their service is not affected by the price since it will be a public standalone Sixth Form College which will offer its services for free to all students who attend. The funding comes straight from the government and it is a fixed amount of money for each student depending on the number of subjects which he will undertake.

The way that Fazakerley Sixth Form College will be promoted is a very sensitive issue and it needs extra care once it has to do with children, who should not be deceived. Also, it has to do with a very crucial matter, their life, so one wrong choice will cost them at least one to two years which is a shame.

The position is important as well, as Fazakerley Sixth Form College should be handy for pupils to reach by public transportation because otherwise a lot of potential students from further away wouldn't be bothered to commute and that would affect the number of pupils attending. It would significantly drop. Also, the fact that it is not situated in the city centre is again a benefit because parents wouldn't need to pass through the city centre during peak times to drop their children off in the morning hours or to pick up their children after school or attend a parent's evening. Carers really enjoy the fact that they won't need to suffer from traffic congestion.

The next important issue that is carefully considered is the people and by saying that we refer not only to the staff who is there to offer its knowledge, experience, expertise but to the client as well, i.e. the student who is there to absorb everything that is offered to him, think, talk, argue and build a healthy relationship based on dialogue and free will. College's employees are recruited based on their previous experience and expertise but college also takes great care into training them so then they are ready to motivate and encourage students to chase their dreams and make

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them true at the end of the day. This whole procedure is rewarding for both the teacher and the student because it is really nice realising as a teacher that you have actually helped a young boy or girl to live their dream and even better for the pupil to finally do what he or she was dreaming of all these years till the graduation day. On the other hand, kids who are there have the chance to educate and prepare themselves for what is coming outside the walls of this college. The quality of the services is dependent on who provides them, but we should always bear in mind that the time, the place and the way they teach also play a significant role.

Process is the sixth P out of the 7Ps. By referring to process we mean all the operations and activities this organization will be doing. In this case they can be both standardised and customised to fit the needs of each kid. Standardised because the subjects offered are the same for every child but customised at the same time in case of a disability or a difficulty. Also let's not forget that the Sixth Form College will offer a pastoral role which cannot be the same for everybody. Each kid has its mentor with whom they talk anything that might worry them and try to find the best solution no matter how hard this might be.

Lastly, the physical evidence refers to tangible things that might be a way to prove their high quality of services offered. This might be apparent by things like the dress code used inside the college's premises, the design of the facilities, the cleanliness, the Ofsted reports, the college's statements.

Mr. Chris Bell is in charge of the marketing at the moment in Fazakerley High and he will be the marketing manager once the college starts running as he knows all the right procedures that should be followed to achieve the desirable results as well as the figures that tell us what is needed and in which area. To be more specific and make this image more unequivocal in 2014 there were 4446 placements and demand in 2024 will be 5597. The problem is that in 2015 there were only another 10 spare places in Fazakerley. The rest of the schools in Liverpool barely managed to deal with this rising number of year 7 pupils wanting to enter secondary education. So the figures depict that even if we have an increase in placements of 10 each year the number needed will not be reached. (Figure 14)



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Mr. Bell's predictions according to statistics is that in about 4 years the number of pupils who are either attending 6<sup>th</sup> form in their secondary school or going to a stand-alone Sixth Form College will be constantly increasing.

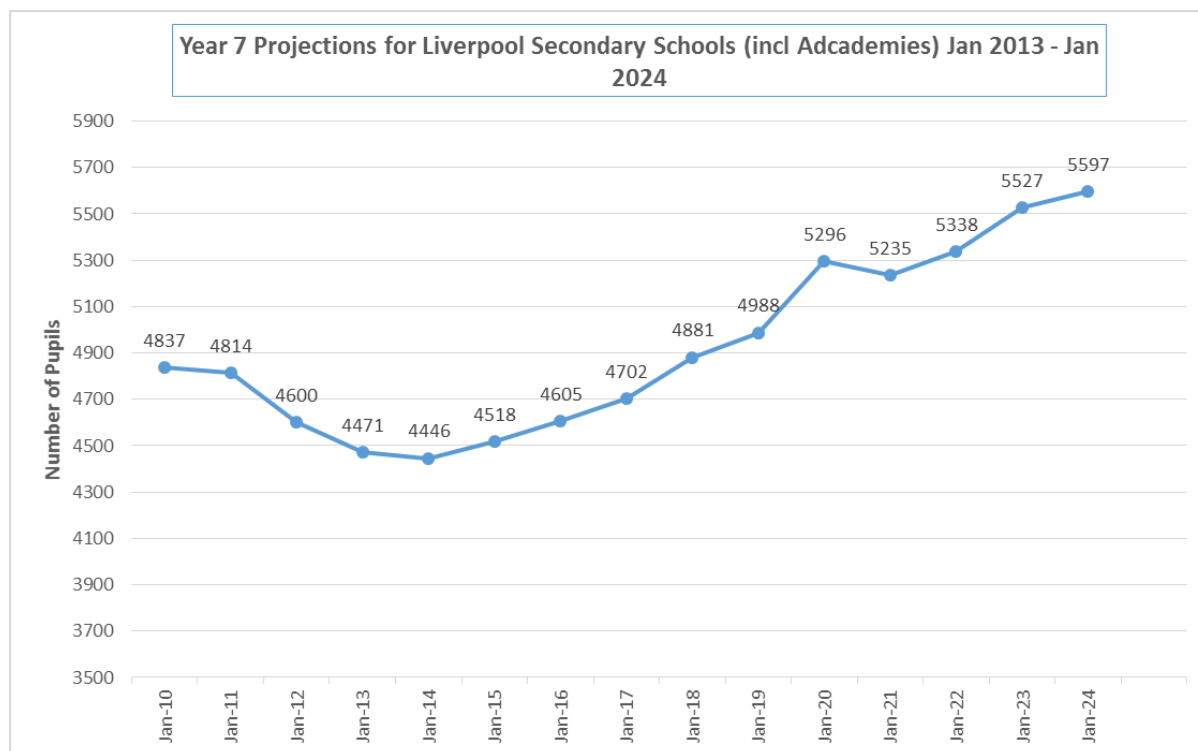


Figure 14: Year 7 Projections for Liverpool Secondary Schools (incl Academies) Jan 2013-Jan 2024

The competition is gradually increasing because new competitors have showed up making their goals harder to achieve. By mentioning new competitors we mean that nowadays new colleges start working, which proselytize children from the age of 14 till 16, i.e. year 10 and year 11. Examples of this type of college are Hugh Baird College and Liverpool Community College. These colleges try to get children to leave High School at the age of year 9.

Another thing that has changed and has made competition rise is the fact that in the past there used to be collaborative colleges like Bosco, De la Salle, and Archbishop Beck. That was an attempt to offer to pupils more and save people's money.

The college is supplied with its students by the key stage 3&4 pupils from the High School they come from which normally and most likely is their school, Fazakerley High School as Mr. Bell argues. They don't usually get students from



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other schools as it's easier to get their students move ahead with the staff they already know, the classmates that they have been together through adolescence. They can't deny of course that is their pleasure when they get to see that students have chosen their college instead of moving on to their old one. It's a pleasure and at the same time pride that their school is doing a great job and that is known around the area. I quote Mr. Bell when he told me the day I interviewed him that he got an email from the support staff saying that two of the new students that attended this year the school said it was the best decision they ever made as they have been made to feel welcome and they now enjoy thoroughly attending school. So as you can imagine according to his opinion this is one of the best ways to marketise your school -through the word of mouth.

Unfortunately, according to the marketing manager there are many things that Fazakerley Sixth Form College would like to do but can't be done as there is an issue of lack of money. Schools are not funded with so many resources as they used to because the government can't cope with all these expenses and cannot support at the moment the everyday bigger need in equipment, technology, space, fields, facilities that would make the Sixth Form College even more appealing to new and already existing pupils.

In order the school to be in the position of identifying the future demand is checking how many year 7 children there are in primary schools which are maximum three to four miles away so they will be willing to transport every day to and from school.

Primary transition work is done by getting children from other schools to come to their school when they are still in year 5 and year 6 around October when it is the beginning of the year and they have the chance to see how is the schedule organised, what pupils are supposed to deliver by the end of the year etc. They have the opportunity to do that as they have close links with eight to ten schools in Northern Liverpool. In return these schools get to have their support by sending to them teachers of their school in primary afternoon or morning classes so that their staff can show to the pupils Fazakerley High School's timetable and help the pupils feel at ease with their future teachers and definitely give a helping hand so that children confide in them.

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Once these children join their high school then at around year 10 and 11 the 'work' starts being done. By saying 'work' they mean that the students get talks by members of staff of what is a Sixth Form College, how it is running, which subjects are offered, who is teaching, what advantages and benefits people get out of that once they finish it and manage to get into university. There are certain members of staff who do this job. They make sure to put them in the right path so that they can achieve their goal.

They claim to know which children are capable of certain things. So they tend to give them goals that are possible for them to achieve without making them feel disappointed. Let's say, there are top 4 schools, the selective ones, in Liverpool which they set a test, similar to eleven plus test in order to rank students according to their capabilities and after that either welcome them in their school or reject them. These schools are Blue Coat, St Edwards, Liverpool College, Bellerive. Even though they are selective, i.e. schools that admit students on the basis of some sort of selection criteria, usually academic, and they tend to ask a lot from students who are not used into putting extra effort, they are greatly oversubscribed because students realise they have a lot to gain once they get into one of these institutions. This is why they try to do the best they can, get the best results, hire the best staff, and so they can one day establish Fazakerley Sixth Form College to be part of these top schools. This is why they raise the bar; they no longer let students in, who do not have at least B in Maths and English.

b. General characteristics of the industry

The industry where the college is trying to prosper is quite attractive as the market is not so big now but it is growing with a stable rate, the competition is weak, there are barriers to entry –so even the potential competitors are kept out at least for now- and finally the market is not prone to severe cyclical downturns.

Education and skills are the most important part of the UK’s long-term growth strategy. Higher standards and better levels of attainment are essential in building the prosperous society we all want to see.

Their future depends on getting every young person to reach a good standard of core knowledge and skills, a standard that will give them the capacities to cope with the fast changing world of the future.

The industry where the Fazakerley High is going to start operating is the industry of High Schools, standalone Sixth Form Colleges and Academies in the area of Liverpool. Already today there are around this area another twenty colleges which are listed below.

1	The Academy of St Francis of Assisi
2	Alsop High School
3	Archbishop Beck Catholic Sports College
4	Archbishop Blanch School
5	Auckland College
6	Bellerive FCJ Catholic College
7	The Belvedere Academy
8	Broadgreen International School
9	Broughton Hall High School
10	Calderstones School
11	Cardinal Heenan Catholic High School
12	Childwall Academy
13	De La Salle Academy
14	Enterprise South Liverpool Academy
15	Fazakerley High School

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16	Gateacre School
17	Holly Lodge Girls' College
18	King David High School
19	Liverpool Blue Coat School
20	Liverpool Life Sciences UTC
21	Liverpool College
22	North Liverpool Academy
23	Notre Dame Catholic College
24	St Edward's College
25	St Francis Xavier's College
26	St Hilda's Church of England High School
27	St John Bosco Arts College
28	St Julie's Catholic High School
29	St Margaret's Church of England Academy
30	University Academy Liverpool
31	West Derby School
2	KGV College
3	The Interactive College
4	The City of Liverpool College
6	Rotunda College
8	Shorefields Technology College
9	Greenbank College
11	Oakmere Community College
15	Childwall School Specialist Sports College
18	St. Marys College
19	Hugh Baird College
20	Knowsley Community College
21	Sefton College

*Table 9: High Schools, Sixth Form Colleges and Academies in Liverpool*

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From the colleges mentioned above the actual competitors who they will try to compete in the first place is the one which is closer to the Fazakerley Sixth Form College, namely The City of Liverpool College.

c. External Environment: PEST analysis

Before undertaking such a venture except for defining and studying the characteristics of your own industry –other schools- you also have to analyse the external environment where your organization will endeavour by checking and taking under consideration the political, economic, social, technological, legal and ethical environment.

<b>Political</b>	<ul style="list-style-type: none"> <li>• Some colleges being privatised</li> <li>• A government initiative creates the risk that the college may fail to deliver the policy or be diverted away from local priorities etc.</li> <li>• Changes to the skills required to be a teacher/ tutor</li> <li>• Changes to curriculum with short lead times</li> <li>• Requirement to be self-managing</li> <li>• Requirement to be self-financing</li> <li>• Drive to improve skills and work based training remains but is subdued due to cuts in the public sector</li> <li>• New Government is more conservative and cuts education budget</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>• Major economic downturn and much slower growth until probably 2017/18 than previously anticipated</li> <li>• Slower growth of global knowledge economy creating reduced demand for knowledge workers</li> <li>• Central or local government funding decisions may affect college's finances</li> <li>• Ability of parents to raise funds for optional activities</li> <li>• The need to run after college clubs</li> <li>• Cost of providing resources</li> <li>• Staff – teaching &amp; support</li> <li>• Basics – books/ paper</li> </ul>

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	<ul style="list-style-type: none"> <li>• Technology solutions, laptops etc.</li> <li>• Shortages of materials on national markets</li> <li>• Over provision of college places in the area resulting in competition from neighbouring High Schools sixth forms</li> <li>• The risk of highly valued, key staff moving on to more 'up and coming' colleges/ academies</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• Incline in birth rate, reflecting national trends</li> <li>• Increase in percentage of older people in the population</li> <li>• Local population changes</li> <li>• Demographic changes may affect likely pupil rolls or the nature of pupils needs e.g. pupils with English as a second language etc.</li> <li>• Closure of local firms providing employment</li> <li>• Inability to attract staff</li> <li>• Social networking – blogs, Facebook, twitter</li> <li>• Changes to qualifications from summer 2015</li> <li>• Integration with local community</li> <li>• Integration of students with special needs</li> <li>• Parental preference – an increase in 'parent power' has allowed parents more freedom of choice over their child's college</li> <li>• The risk of highly valued, key staff moving on to more up-and-coming establishments</li> <li>• Information is accessible to staff anywhere in the world via the Internet</li> <li>• Staff were not given enough training or access to effectively change their habits</li> </ul>
<b>Technological</b>	<ul style="list-style-type: none"> <li>• Changes to standards/ equipment required</li> <li>• Web-based communications and social networking defining current and future students</li> <li>• E-connectivity 24/7 and growing use of internet for retail, financial and personal services ('SMART'</li> </ul>

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	<p>processes)</p> <ul style="list-style-type: none"> <li>• Risk of selecting the wrong technology at times of change (i.e. windows -vs- open source)</li> <li>• New computer viruses may affect college operations</li> <li>• Disturbing/ illegal images on the internet may affect ICT security measures etc.</li> <li>• Move from paper based books to e-book readers</li> <li>• Computer hardware being out of date</li> <li>• Computer software being out of date</li> <li>• Time to manage IT systems</li> </ul>
<b>Legal</b>	<ul style="list-style-type: none"> <li>• New legislation may create risks of non-compliance with the law, create new administrative burdens etc.</li> <li>• Changes to child protection legislation</li> <li>• Raise the age of school leaving age</li> <li>• Raise/ lower the age of starting school. Nursery/ kindergarten</li> <li>• Changes to college opening hours</li> <li>• Changes to funding of charity based organisations</li> <li>• Health &amp; safety legislation</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• A new highway layout near the college may create new dangers for pupils etc.</li> <li>• Waste disposal</li> <li>• Reduction of green space available for activities</li> <li>• Changes to local bus routes</li> <li>• Using significant amounts of paper and photocopier toner to produce printed information.</li> <li>• Energy costs rising</li> </ul>

*Table 10: PESTLE Analysis*

Nowadays, we have a conservative government which is really in favour of academies. Academies are state funded schools in England which are directly funded by the Department for Education and independent of local authority control. Most academies are secondary schools, but some primary schools also have academy status. Academies are self-governing non-profit charitable trusts and may



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receive additional support from personal or corporate sponsors, either financially or in kind. They must meet the same National Curriculum core subject requirements as other state schools and are subject to inspection by Ofsted. So this means that placements are quite likely to be reduced. Also, as we mentioned before at this particular moment the government does not have the necessary funding in order to proceed to major changes and innovations which will help schools be more modern and up to date so as they could compare themselves with the top schools. This college is going to be a Local Authority College. By this we mean that local authority's (LA) role is to ensure sufficient school places are available by building or extending schools, to get rid of surplus places by closing or reorganising schools, to assess and provide home to college transport, to provide support services for schools, to assist the government in implementing initiatives and legislation relating to schools, children and families and to allocate finance to schools. As it will be a public Sixth Form College, government has to finance it. This has nothing to do with the financial state of the country, how much money is going to be allocated and where. Fazakerley Sixth Form College's funding is done via college's budget.

Moreover, another important issue that is raised is the social background of the students that attend their school. Most of the children who come to their school have uneducated parents who do not see the need for their children attending a Sixth Form College. They believe that is not necessarily important for their offspring to go to University and study but they hold the opinion that the most important thing is to get their children out in the market and show them how to earn their living. They don't see job as a status symbol. They argue that the important thing is to be independent and make your own money so you don't need to rely on your parents and your parents don't have to financially support you once you are an adult. This is in a way justified as we are in a predominately high unemployed ward at the moment and every penny that can be added to the total house income is significant. The current Out-of-Work Benefits rate in Fazakerley ward is 16.6% which is marginally lower than the city average of 18.6% but significantly above the national average of 10.6%. There are 1,210 claimants of Employment Support Allowance/Incapacity Benefit (ESA/IB) within the ward. The ESA/IB claimant rate is 9.9%, slightly lower than the city-wide average of 11.0% but higher than the national average (6.2%). In November 2014 the JSA claimant rate in Fazakerley was 1.4%. This is slightly lower

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than the national average of 2.0% but well below the rate at city level of 3.5%. The JSA claimant rate has decreased from 4.1% 12 months previously, which is a similar decrease as seen nationally and in Liverpool as a whole.

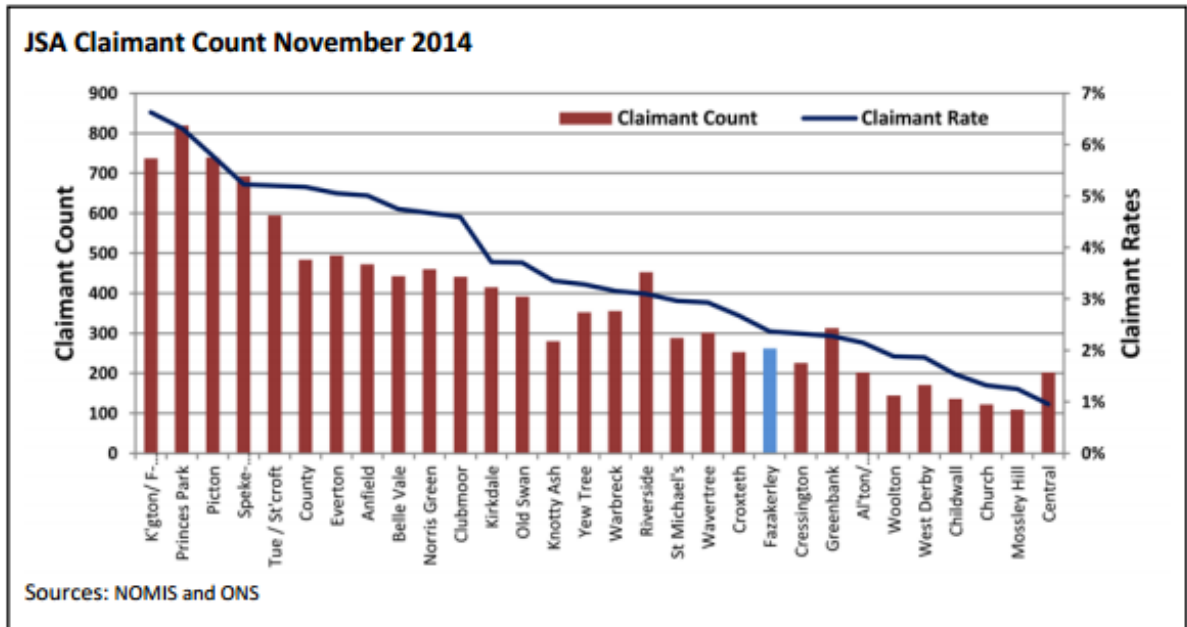


Figure 15: JSA Claimant Count November 2014

### Out of Work Benefits - May 2014

	Fazakerley		Liverpool		GB
	Count	Rate	Count	Rate	Rate
Jobseeker's Allowances	530	4.3	16,660	5.1	2.9
ESA/IB	1,210	9.9	35,570	11.0	6.2
Lone Parents	230	1.9	6,450	2.0	1.2
Other	50	0.4	1,520	0.5	0.4
<b>Out of Work Benefits</b>	<b>2,020</b>	<b>16.6</b>	<b>60,210</b>	<b>18.6</b>	<b>10.6</b>

Sources: NOMIS and DWP

Figure 16: Out of Work Benefits- May 2014

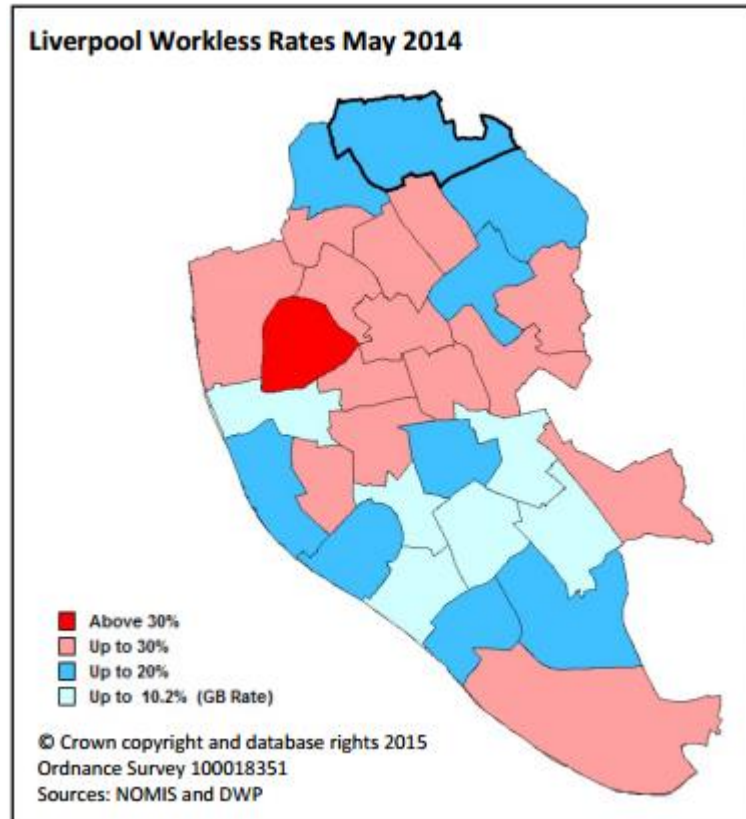


Figure 17: Liverpool's Workless Rates May 2014

The unemployment rate is clearly depicted if somebody takes a look at the number of free school meals offered inside school and also at the so called pupil premiums. Pupil premium is additional funding for publicly funded schools in England to raise the attainment of disadvantaged pupils and close the gap between them and their peers. This is money given by the government to parents who are unemployed the last six years. The money which comes to school is spent in consultation with the parents. That can either be clothes – school's uniform-, transportation to get to school, provision of food etc.

In the 2013 to 2014 financial year, Fazakerley High School received £900 for each eligible student. Their allocation for the 2013-14 financial year was £306,000.00. They used this funding to strategically 'raise the bar' for the whole school whilst targeting the acceleration of progress and attainment of their most disadvantaged students.

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In the 2014 to 2015 financial year, pupil premium funding increased to £935 for each eligible secondary-aged student. Funding to support looked-after children increased to £1,900 for each eligible student. Eligibility for funding was extended to all children who have been looked after for 1 day or more; were adopted from care on or after 30 December 2005 left care under a Special Guardianship Order on or after 30 December 2005, a Residence Order on or after 14 October 1991. Their allocation for the 2014-15 financial year was £317,900. The funding is carefully ring-fenced so that it is spent on the specific pupils intended, regardless of their attainment levels. They also operate on an inclusive basis which means that all pupils, irrespective of whether they receive additional funding, have access to initiatives and provisions in order to maximise attainment across the whole school population.

Technically speaking the Fazakerley Sixth Form has realised that there is a growing need for changes due to the always changing technological environment and due to the curriculum demands. Furthermore, there is a need for new skills which should be properly and safely taught to students. This is why Fazakerley Sixth Form College uses the term E-safety; 'E- safety highlights the need to educate children and young people about the benefits, risks and responsibilities of using information technology, concerns safeguarding children and young people in the digital world, emphasises learning to understand and use new technologies in a positive way, is less about restrictions and more about education about the risks as well as the benefits so pupils can feel confident on line and is concerned with supporting children and young people to develop safer online behaviours both in and out of college.' Lastly, they believe in keeping up with complexity of any required changes.

Legal issues that might arise with the opening of Fazakerley Sixth Form College is whether it will be accredited for its quality. So they need to be sure that Fazakerley Sixth Form College will have all the accreditation and additional qualifications needed. It should definitely offer the safeguarding of the children and follow all the health and safety legislations and finally make sure that hires well-suited staff, i.e. having DBS, QTS etc.

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Before moving forward into developing a new college there is one more thing that needs to be checked. The leadership should make sure that the new premises are not affecting in any way the environment. So what needs to be checked thoroughly is the condition and the suitability of the college estate in the area. There is a challenge that should be met, this is not to even slightly raise emits of carbon dioxide to the air as around the site where Fazakerley Sixth Form College will operate there are houses which are inhabited. Consequently, that could be a great cause for conflicts between the Sixth Form College and the residents and amongst the residents as well. There will be some families who have sent their children in this Sixth Form College because they care for their education and for their further career and the ones who don't have children or who don't care about education generally. They might start filling complaints to the local authorities and subsequently that can even lead to the shutdown of Fazakerley Sixth Form College from its very early days of operation.

#### d. SWOT analysis

So far we have seen how the external environment might affect the way this college is established, either positively or negatively.

Unfortunately the way something is developed is not entirely the result of the surrounding where it decides to start operating.

SWOT analysis is the tool used to evaluate organizational strengths, weaknesses, opportunities, and threats. The strengths and weaknesses represent internal factors. The strengths refer to competitive advantages or core competencies that give Fazakerley Sixth Form College a better position in meeting the needs of students and the community. Weaknesses refer to any limitations Fazakerley Sixth Form College might face in developing or implementing a strategy. Opportunities and threats are external factors that can negatively impact Fazakerley Sixth Form College operation. Opportunities refer to external favourable conditions that could produce positive outcomes for Fazakerley Sixth Form College, whereas threats refer to external negative conditions or barriers that may prevent the Fazakerley Sixth Form College from reaching its objectives. Knowing each SWOT element will help develop suitable strategies to more effectively meet the needs of the students and the community.

The overall top five Fazakerley Sixth Form College's strengths and weaknesses as well as the overall top five opportunities and threats to the Fazakerley Sixth Form Colleges appear in the following chart:

**SWOT Analysis Overall Results (Top 5)**

<p style="text-align: center;"><u><b>Top 5 Strengths</b></u></p> <ul style="list-style-type: none"> <li>• Value</li> <li>• Instruction quality</li> <li>• Programmes offerings</li> <li>• Economic and workforce development</li> <li>• Pastoral relationship</li> </ul>	<p style="text-align: center;"><u><b>Top 5 Weaknesses</b></u></p> <ul style="list-style-type: none"> <li>• Communication (internal; external)</li> <li>• Collaboration between local authorities and Sixth Form College</li> <li>• Leadership</li> <li>• Graduation/completion</li> <li>• Employee support (benefits, development)</li> </ul>
<p style="text-align: center;"><u><b>Top 5 Opportunities</b></u></p> <ul style="list-style-type: none"> <li>• Agreements with companies which offer apprenticeships</li> <li>• Needs for staff with degrees in higher education in many different areas</li> <li>• Technology (demand for new technologies; distance education; etc)</li> <li>• Increased birth rate leading to increased enrolment and revenue</li> <li>• Establish/strengthen partnerships</li> </ul>	<p style="text-align: center;"><u><b>Top 5 Threats</b></u></p> <ul style="list-style-type: none"> <li>• Funding reductions</li> <li>• Competition from other higher education institutions</li> <li>• Student/citizen issues (poor preparation, illiteracy, LEP)</li> <li>• High school misalignment with college</li> <li>• Accreditation requirements</li> </ul>

Table 11: SWOT Analysis

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- *Fazakerley Sixth Form College Priorities*

The following three tables include the Fazakerley Sixth Form College priorities and frequency distributors regarding what the institution should address, preserve, and avoid according to answers they gathered after asking all the staff who works now at Fazakerley High School and later on many of whom will start working solely at Fazakerley Sixth Form College or will split their timetable to serve both the High School and the College.

### 1. What should Fazakerley Sixth Form College address immediately?

	<b>Number of Responses</b>	<b>Percentage</b>
Leadership Issues (inclusiveness, top-down decision making, trust)	30	25%
Personnel Issues (capacity, capability, resources, morale, engagement, hiring)	19	15.8%
Communication	14	11.7%
Compensation	11	9.2%
Collaboration/Coordination	7	5.8%
Completion/Graduation	7	5.8%
Budgeting/Funding	6	5.0%
New-Initiative Issues	6	5.0%
Process Improvement/Student Support Services	6	5.0%
Variety of subjects	4	3.3%
Retention	2	1.7%
Recruitment/Enrolment	2	1.7%
Technology Issues	2	1.7%
Employee Development	1	0.8%
SEN Teaching	1	0.8%
Innovation	1	0.8%



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Link to Employers	1	0.8%
<b>TOTAL</b>	<b>120</b>	<b>100%</b>

*Table 12: Issues to be addressed by Fazakerley Sixth Form College*

Budgeting needs to be linked to Fazakerley Sixth Form College strategic planning and driven by the college's needs and planning.

It seems Fazakerley Sixth Form College needs more funding for iPads in the App area. Some of the models need desperately replacement.

Technology issues are pervasive from inventory management, to lack of desktop management for the correct software to support enterprise applications, to lack of consistency in the design of classrooms.

Fazakerley Sixth Form College needs to be allowed to exercise its autonomy more readily.

Building a respectable rapport and constructive lines of communication would help boost morale and help resolve many personnel and student concerns.

Communication is a key in any setting and this is why they have a weekly bulletin. It is important to communicate and some of the student needs in those such as class cancellations, safety issues, and information of events. This is how they will allow students to socialize with others outside of their classrooms, to provide a sense of community.

Communication experts ought to be part of the discussion before decisions are made and misinformation gets out, Fazakerley Sixth Form College ought to be proactive rather than reactive - the confusion over the degrees and the entry requirements of different universities is a perfect example of communications being left out. The problem is that then they are required to put things back in place and explain any misunderstandings. This though, takes twice as much work, and only after damage has been done.

Communication is of great importance for students as well, as they argue that sometimes the voices of students are not heard by senior management and that resulted with students being sent to multiple places for just one answer to a question

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that they needed answered. Also, they claim that in some cases, decisions are being made without thoroughly considering the thoughts and concerns of students. Once the decision is made they fail to properly explain themselves or to provide information promptly. The Fazakerley Sixth Form College should not fail to make this right.

When Fazakerley Sixth Form College thinks of communication and its significance it's not only what it is mentioned above but they put great effort into communications that have to do with employers in the job market. They try to find vacancies into firms, organizations public or private, so that their students be straight away employed and start gaining money and working towards the building of a good pension scheme from a young age. This is how Fazakerley Sixth Form College contributes to the decline of unemployment rate.

There is another recommendation of how communication can be enhanced and more efficient, i.e. IT solutions such as Banners. Also, it would be a good idea looking at how changes are communicated to employees (considering change management principles). Fazakerley Sixth Form College must find a way to improve the culture and shift their paradigm that district employees are adversarial to college employees and vice versa.

Regular 50-60-70 hour workweeks without compensation or even a thank you is reflective of poor leadership. It shows an inability to prioritize tasks and a total disrespect for employees and their families. There are employees who will do so much for the College and this is what Fazakerley Sixth Form College will appreciate and consequently compensate well. Regardless of the education, leadership, there are few opportunities for growth. There is a low salary for everybody nowadays due to being short of money but their goal is to enlarge and give everybody what they deserve.

Fazakerley Sixth Form College needs to be totally committed to helping students exit with some sort of meaningful return on their investment - a certificate or a degree or a successful transfer. Completion/graduation rates help our community. A more educated community is one of the fuels that our economic engine needs in order to prosper.

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How about also providing technology that is a complete package instead of only part of what we really need to do our jobs? Decisions appear to be made at the top with little regard for how it impacts the end user and ultimately our students.

There are decisions made by students as well as faculty and staff which are not discussed with the affected group ahead of time. Top-down, hasty decision making with minimal or no input from those who actually deal with students causes problems. People will buy into change if they are a part of it from the beginning and their ideas are part of the process.

They believe that by creating more full-time advancement opportunities for loyal, long-time qualified faculty, they are increasing the quality of education for students and building the morale of faculty, allowing for more positive role models. They are also convinced that rather than removing vital foundation art courses from the core curriculum, they should maintain those courses in order to continue to build upon the strong critical thinking and basic skills required in various career fields. They want to listen to what the students are saying about their foundation art courses like Drawing and Design, and recognize that the academic mission should not just be STEM (Science, Technology, Engineering and Maths) but should be STEAM (all the previous ones but this time with Art). This is why they already think of having volunteers visiting High Schools around the area providing hot seats sessions to pupils giving them the chance to learn more about the benefits of its subject. These volunteers can be STEM ambassadors who are experts on their field and can answer any question the pupils might have and at the same time motivate them accordingly to their goals.

Having the best qualified employees who are given opportunities for continuing growth/ development will lead to a stronger college environment overall. Equality and transparency on self-development (position advancement).

If they care for their employees; their employees will care for their students. It has a ripple effect. Medical insurance and gasoline prices are consuming the employees' income, leaving little for family welfare. Once they realise that and provide more for their staff, their staff will respond to that by providing better quality of work.

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### 2. What should the Fazakerley Sixth Form College preserve at all costs?

	<b>Number of Responses</b>	<b>Percentage %</b>
Quality Education	31	25.6%
SEN teaching	21	17.4%
Student-Centred Focus	21	17.4%
Accessibility	8	6.6%
College Collaboration/Communication	6	5.0%
Faculty (autonomy, diversity, support)	6	5.0%
Image/Integrity	6	5.0%
College Cultures/Autonomy	5	4.1%
Community Commitment/Outreach	4	3.3%
Employee Development/Benefits	4	3.3%
Leadership Opportunities	3	2.5%
Small Class Sizes	3	2.5%
Program/Course Offerings	1	0.8%
Services	1	0.8%
Vision/Mission/Values/ Fazakerley 6 <sup>th</sup> Form College Way	1	0.8%
<b>TOTAL</b>	<b>121</b>	<b>100%</b>

*Table 13: Qualities Fazakerley Sixth Form College to preserve*

They have to welcome all. Higher education is about democracy and access for all people, it needs to figure out how to break down barriers of all kinds so more people will seek training and education. When they say all they mean all, children with learning difficulties, FSM pupils, are more than welcome and treated as equals. This is a behaviour that runs the whole school from the teachers to the students. Pupils have a unique way of making all their classmates feel desirable and they also do as much as possible to help them feel at ease from the very first minute they will attend Fazakerley Sixth Form College.

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Fazakerley is a poor area so they must ensure that as many people as possible have opportunity through education.

What is Fazakerley Sixth Form College's belief is that local authorities should let everybody do their jobs, i.e. teachers to teach with no barriers or limits on their way of teaching and LA take care of all the things that have to do with the funding and operation of the college. How many times has the administration and local authorities made decisions and visited one of their classrooms or made any contact with the student in the classroom? The teacher is the one to pick the text book or books; they need to do the job they are hired to do.

Valuing the education of the student means providing the student with the faculty they need to prepare them for the future, providing the student with facilities that will enrich their learning experiences, and ensuring that the student has all the support services they need to succeed.

The most effective and efficient businesses involve communications at all decision making points - to maintain/boost image and for damage control.

First and foremost, before any considerations on a campus level, they are here to provide the best possible and highest quality education to their students; regardless of initiatives, they feel this is something that should never lose their primary focus. They are preparing students for careers and universities, so quality is essential. If high school students come to them unprepared for college, it's their job to show them that Fazakerley Sixth Form College is not the place to dumb down learning - community colleges should not be "easy" but rather strong, quality institutions emphasizing critical thinking and basic skills.

They feel that in an economy where more than 50% of students that completes their degree are unemployed or under employed post-graduation, it is essential that they help their students be part of the less than 50% that are employed with a liveable wage. What is essential in this endeavour is that employees have an accurate understanding of what skills/ knowledge their students are lacking and their students perceived needs.

The student centred environment has to be a conscious effort in all parts of the organization. Be able to provide personal one-to-one teaching is very valuable for

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the students that are on the borderline between quitting and succeeding. Their first value is "Students First". How powerful! Focusing on their students, their goals, and the obstacles they face keeps Fazakerley Sixth Form College culture thriving. What they are trying to present to the outside is their concern about how pupils will manage to achieve their goals. This is done by using one great tool. They call it 'intervention', by this they mean to intervene in the learning process any time needed so as to help the student in the best way possible. This can include a chat after lessons, for issues that affect them inside or outside Fazakerley Sixth Form College's premises, a one-to-one teaching, extra work provided to expand their knowledge on a specific subject.

There are various conflicts with people with disabilities having equal access to the buildings and classrooms.

Things should really always be about the students. Helping the students can easily become secondary, both in and out of the classroom. They fear, under the blinding light of "innovation" they might lose sight of the student and their interactions with them. Too much focus on process, new initiatives, and flavour-of-the-month approach to employee development is taking focus away from the students. The main focus should be on increasing student engagement in learning.

Mission/Vision/Values would be the sensible choice, as all things flow from this. However, quality instruction seems more focused and most essential with the caveat that education is helpful not simply because the instruction is excellent, but because the topic of instruction has value.

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### 3. What future direction or decision should Fazakerley Sixth Form College avoid at all costs?

	<b>Number of responses</b>	<b>Percentage %</b>
Excessive Initiatives	30	25.2%
Weakening Curriculum/Course Content Value/Standards	11	9.2%
Limiting Innovation/Focus	10	8.4%
Local Authorities Centeredness	9	7.6%
Cause Psychological Distress to Pupils	9	7.6%
Imposing Leadership/Management Concepts	8	6.7%
Ignoring Safeguarding Issues	7	5.9%
Over-standardization/-consolidation	7	5.9%
Faculty Issues (reduction, replacement, marginalization)	5	4.2%
Limiting SEN Teaching	5	4.2%
Neglect of Developmental Education	4	3.4%
Not Serving All Populations	4	3.4%
Staffing/Resource Inefficiencies	4	3.4%
Funding Issues	2	1.7%
Technology Issues	1	0.8%
Large Class Sizes	1	0.8%
Resisting Change	1	0.8%
Failure to Implement SEN teaching	1	0.8%
<b>TOTAL</b>	<b>119</b>	<b>100.0</b>

*Table 14: Issues Fazakerley Sixth Form College to avoid*

They should not prohibit themselves from expanding to a larger audience and utilizing what they have in place to broaden support, services, and technology to students. Employees are feeling overwhelmed. Everything is centred on "flavour of the month" initiatives. Employees talk about what to drop in order to pick up the

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latest initiatives. They need to focus on doing fewer things well, rather than doing too many things ineffectively. They should stop with all the "new stuff". Initially they have to get some things in place and figure out and function properly before putting out any more new directions/initiatives. There tends to be a rush to take on the next 'latest and greatest' initiative. Staff have so many initiatives to contend which they can't get anything else done. If staff is so involved with more initiatives when will they have time to truly put students first?

Creativity and focus should always remain a constant in the vision and direction of Fazakerley Sixth Form College. Students need to have the skills that make them competitive in the job market.

Simply put, all populations are not the same; some need more guidance than others. It is important to serve all populations and individuals uniquely and individually to ensure quality service and education to every student. But they don't only take into account the pupils inside the classroom regarding the official curriculum but they keep in mind the hidden one as well. By hidden curriculum they mean all the ideas and beliefs that are instilled to students through the college, their goal is that Fazakerley Sixth Form College won't be ethnocentric, i.e. promoting only the British culture and customs but respecting other cultures' manners and customs as well.

Some standardization is good, but the extremes that LA wants to adopt are not much appreciated. They show disrespect and a lack of appreciation for the expertise of Fazakerley Sixth Form College faculty, staff and administrators. It also models for students that what matters is conformity and not creativity or a willingness to step outside the box.



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- *Overall Evaluation of Pros and Cons of Fazakerley Sixth Form College*

Initially, if we talk about the students who attend Fazakerley High School, the new College will have to offer to more than 170 students every year the chance to move on in higher education in familiar surroundings. This captivates an audience who looks for stability, continuity, familiarity and a pastoral relationship with individuals. Children feel safe and comfortable in staying in the same environment for another two years instead of moving and starting from scratch.

Every single day teachers and non-teaching staff strive to show to children the benefits that they will have once they go to university and the different life that is offered to them.

On the other hand, there are students who are really looking forward to leaving school and joining a new college away from their teachers and classmates. They want a breakaway, something completely new that doesn't remind them anything from the past. They are looking for a new start where they will make new friends; they will interact in a different setting. Another drawback is that they can't offer at the moment every course the exam boards are suggesting. So this means that a number of students will be forced to drop this college and attend another.

Even though there are disadvantages that are holding Fazakerley Sixth Form College back there is a vast amount of opportunities that they should not leave behind. They should grasp the increasing number across the city and ensure they will have a productive way of gathering these potential pupils under their roof.

Nevertheless along with these set of positive circumstances there are also some threats that can withhold this progress. The major threat is the rising number of colleges for children of 14 to 16 years old. This can be seen as a menace due to the fact that now there is a shorter period of time -3years- they have to convince the students to stay with them while in the past there has been a 6-year period to show to the pupils which are the perks of staying with them.

Another crucial hazard might be the cut of the funding which might have a great impact upon Fazakerley Sixth Form College. (e.g. EMA- Educational Maintenance Allowance).

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There is one more peril nowadays due to the different economic factors. The kids lack motivation and aspiration in anything that has to do with higher education. The current economic environment is of paramount significance cause this lack of desire to further education is because children are spurred to work to help financially and support their family.

e. Analysis of the Characteristics of the Competitors

- *Competitive Factor Analysis*

The analysis of responses on competitive factors revealed that Fazakerley Sixth Form College is stronger than other in the area schools of higher education in offering student centeredness, accessibility, and high quality of instruction, whereas competing colleges in their area have more effective marketing, internal processes (recruitment/enrolment/registration, completion/graduation, record-keeping, transcript processing, etc.), respect for employees and faculty, and completion/ graduation rates.

**Overall Competitive Factor Analysis Results**

1. What Fazakerley High Sixth Form College Does Better Than Competitors?

	<b>Number of Responses</b>	<b>Percentage %</b>
Student centeredness	34	28.3%
Accessibility	13	10.8%
Quality education	11	9.2%
Student support/services	9	7.5%
Community support	7	5.8%
Small class sizes	5	4.2%
Workforce training	5	4.2%
Marketing	4	3.3%
Partnerships with business and industry	3	2.5%
Continuous improvement	3	2.5%
Innovation	2	1.7%
Program offerings	2	1.7%
Value	2	1.7%

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A sense of community	2	1.7%
Academic preparedness	1	0.8%
Accessibility	1	0.8%
Build bridges and open doors	1	0.8%
Collaboration	1	0.8%
Communication	1	0.8%
Course availability	1	0.8%
IT Resources	1	0.8%
Diversity	1	0.8%
Employee Compensation/Benefits	1	0.8%
Engaged board of trustees	1	0.8%
Hiring the best academically	1	0.8%
African-Caribbean population support	1	0.8%
Leadership opportunities	1	0.8%
Operational effectiveness	1	0.8%
Staff and faculty support	1	0.8%
Technology	1	0.8%
Uphold high educational standards with at-risk students	1	0.8%
Vision	1	0.8%
<b>TOTAL</b>	<b>120</b>	<b>100.00%</b>

Table 15: Fazakerley Sixth Form College Competitive Advantage

2. What Competitors Do Better Than Fazakerley Sixth Form College?

	<b>Number of Responses</b>	<b>Percentage %</b>
Marketing	13	13.5%
Processes	11	11.5%
Respect for employees/faculty	10	10.4%
Completion/graduation	9	9.4%

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Image/prestige	8	8.3%
Student support services	7	7.3%
Diversity of programs/course offerings	5	5.2%
Student centeredness	5	5.2%
Communication	3	3.1%
Decision making and implementation	3	3.1%
Collaboration	2	2.1%
Customer service	2	2.1%
Facilities	2	2.1%
Fundraising	2	2.1%
Quality instruction	2	2.1%
School spirit and activities	2	2.1%
Student retention	2	2.1%
Better food choices	1	1.0%
Community outreach	1	1.0%
Higher Teacher to student ratios	1	1.0%
Innovation	1	1.0%
Leadership/administration	1	1.0%
Retirement options	1	1.0%
Study Abroad Opportunities	1	1.0%
Technology	1	1.0%
<b>TOTAL</b>	<b>96</b>	<b>100.0%</b>

*Table 16: Competitors' Advantages*

Fazakerley Sixth Form College has a lot of things to deal with once it starts operating. Obviously its first days of working it will have a lot of issues that will need extra care and attention. As we mentioned above Fazakerley Sixth Form College will only spend 2% of its funding into advertisements. The reason why this will happen is not only the fact that they know they offer good quality of education and so word of mouth will do the job, but also because they have financial deficit. Even later when their finances get better still they don't think there will be enough money to spend on marketing.

The prestige of the other Sixth Form Colleges is better since they are located in more affluent areas of Liverpool and they attract richer students, so much money is

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also collected through donations of the parents who want the best environment for their offspring to live in.

What is more, the fact that the other Sixth Form Colleges are in well off areas of Liverpool play a significant role for the retention rate as usually the parents of these pupils realise the benefits their kids will have if they attend university and the different prospects that are offered to them. For instance, the possibility to study abroad thanks to the Sixth Form College's contacts with foreign educational institutions.

### 3. Operations

#### a. Raw Materials & Other Supplies

In this occasion, because this study is about a Sixth Form College no real raw materials are used. The only thing that is done in order to keep track of the things that are delivered to the college is the development of a procurement basis where all the subjects that are offered along with their needs are recorded, what supplies can be in hand of each member of staff, how much space and money is needed for storage, in order to keep an inventory and finally all the loses during storage or use.

To decide and use the best procurement, procedure should be based on the supplier, the timeline of ordering and delivery and on the storage capacities.

For Fazakerley Sixth Form College to have the optimum inventory level is not a hard thing to do as they know in advance how many pupils will be attending each year so give or take the necessary number of stationery, hardware, textbooks etc. is bought and they neither tie up the available cash nor worry whether their equipment becomes obsolete or damaged.

The supplies that are needed for Fazakerley Sixth Form College in greater detail can be divided into categories, i.e. basic stationery, organizational helpers, study aids, unit's supplies which are seen in the following table.

	<b>QUANTITY</b>	<b>PRICE (per unit) £</b>	<b>PRICE (overall) £</b>
<b>BASICS</b>			
• No.2 pencil	600	0.03	18.00
• Eraser	500	0.07	35.00
• Pencil Sharpener	200	0.06	12.00
• Ballpoint Pen in a variety of colours	4000	0.06	240.00

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• Notebook	2000	0.30	600.00
• Exercise paper	5000	0.01	50.00
• Ruler with Imperial and metric measurements	200	0.10	20.00
• Sticky note	100	1.50	150.00
• Correction fluid	35*pack10	0.20	70.00
• Glue	10*pack50	0.35	175.00
• Marker	2*pack96	0.23	44.16
• Printer paper	100*case5	2.47	1,235.00
• Toner	5*pack4	28.50	570.00
<b>ORGANISATIONAL HELPERS</b>			
• Hole punch	20	0.83	16.60
• Scotch tape	20*pack8	0.24	38.40
• Stapler	20	1.70	34.00
• Staple	2*pack5000	0.31	0.62
• Staple Remover	20	0.30	6.00
• Scissors small pair-craft size	20*pack12	4.60	92.00
• Scissors large pair	70	1.75	122.50
• Document Wallet	20*pack50	3.30	66.00
• Leaver-arch Folder	14*pack10	7.60	106.40
• Binder	14*pack10	4.99	69.86
• Rubber band	30	2.53	75.90
• Envelope	100*pack100	8.15	815.00
• Paper clip	35*pack200	0.35	12.25
<b>STUDY AIDS</b>			
• Film indexes	70	0.70	49.00
• Highlighter in a variety of colours	70*pack6	0.84	58.80



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• Calculator	200	1.59	318.00
• Schedule/ Planner	200	3.97	794.00
• Sewing Machine	2	69.00	138.00
<b>UNIT'S SUPPLIES</b>			
• Desk chair	200	13.75	2,750.00
• Desk	100	56.60	5,660
• Silver Letter Tray	80	8.00	640.00
• Teacher's Table	20	136.00	2,720.00
• Teacher's Chair	20	137.00	2,740.00
• Office furniture		500.00	500.00
<b>TOTAL</b>			<b>21,042.49</b>

*Table 17: Fazakerley Sixth Form College's Supplies*

## b. Engineering & Technology

Those who are responsible for the engineering have as their task to organize where the unit will be and determine how much can be spent for this investment, the cost which will arise when the college is running and all the cost that has to do with the establishment of it.

Since their competition is not really big then they can keep their expenses at the same levels and enhance the facilities year by year in order to attract more and more pupils. This will also offer the chance not to do extra things which might not be needed so by doing that they can save money. This money can be absorbed by other activities inside or outside the college.

The technology used in the college has a lot to do with the human resources that will staff the college. Things are not running properly if they don't have the appropriate technology or if they don't have staff which is highly trained and qualified to use this hardware and software. The learning curve depends from the social and societal background and the adaptation to the respective environment. Before they decide which technology will be the suitable one, they should take a close look to all the alternatives so as to reach the most fitting strategy based on the socio-economic and ecological conditions.

Which technology is going to be adopted each time is an issue that needs extra care. The reason why this happens is because technological innovation can be the driver for an organization to succeed or fail. You can't expect to be number one in the market when you don't have the latest equipment and you don't help your students be familiar with the most up to date technological innovations. As we have said most people make up their minds whether a service fills their needs based on how they perceive the value that is offered to them and based on how much they are looking forward to getting. So Fazakerley Sixth Form College's competitive advantage is taken by the expected value not necessarily the actual one.

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	<b>QUANTITY</b>	<b>PRICE</b>
Laptop	200	54,240
Laptop Charger	80	800
Laptop Stand/ Tray	20	15,760
Printer	5	695
Photocopier	2	3,200
Fax machine	1	57.59
Telephone	11	330
Extension Cords	10	80
Projector	20	7,600
Speaker	20	1,100
Wireless Presenter	20	560
Smartboard	20	22,040
Desktop	25	5,000
Screen	25	750
Mouse	25	125
Keyboard	25	250
DVD Player	5	172.5
DVI cable	25	25
Microsoft Office	30	300
Printer Ink	30	223.5
TV	3	1,200
TV stands	3	135
Surge protectors	40	110
<b>TOTAL</b>		<b>114,754</b>

*Table 18: IT supplies for Fazakerley Sixth Form College*

Generally, technologies that are not yet tested should not be preferred since there is high chance for this technology not to live up to their expectations and instead of bringing more clients push many of the existing away.

The college is acquiring its technology mainly by licensing i.e. the college is given the chance to use this specific technology, train its staff according to the latest

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version, access to the any improvements that are done to the software or hardware, warranty and technical support.

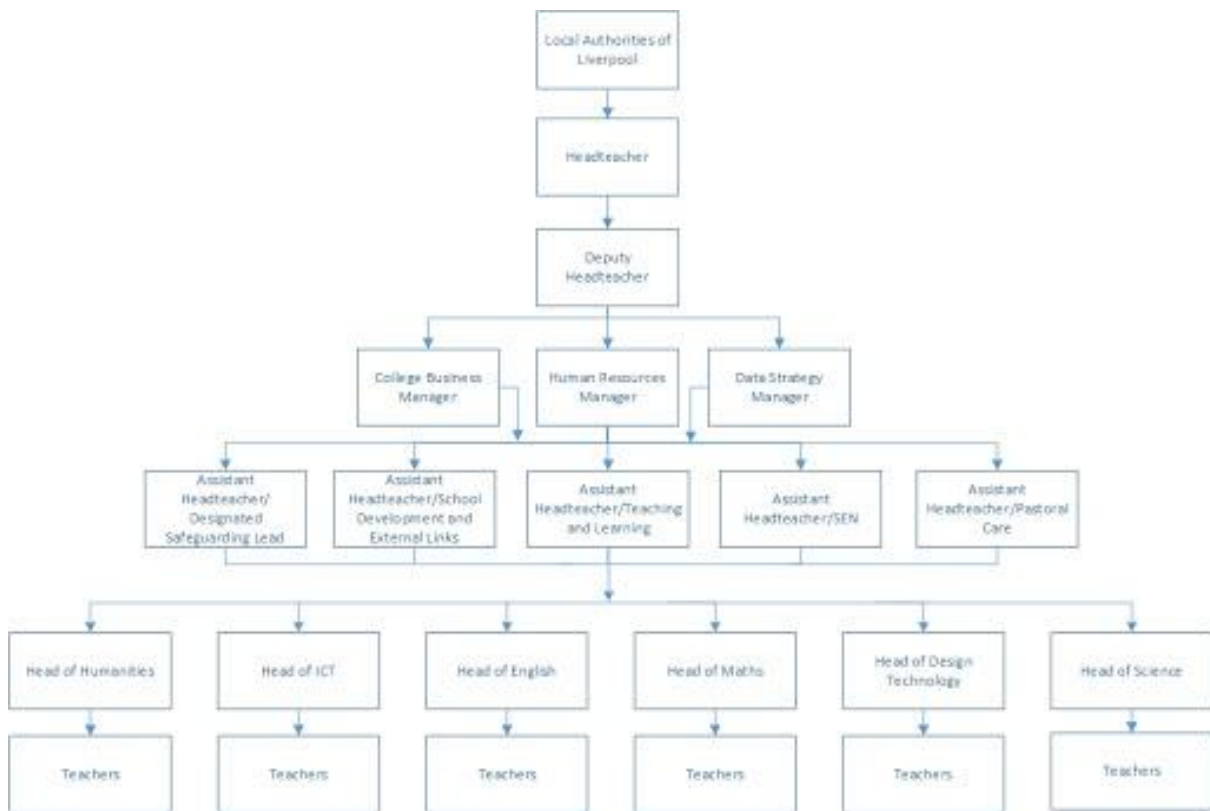
In order to have the licensing to use a certain technology Fazakerley Sixth Form College signs a contract where the terms and conditions are mentioned concerning the cost of it and the duration of the licensing.

In Fazakerley Sixth Form College the licenses that are required and already purchased are the following: ICT licences, internet subscription, copyright license, and television license.

Except for licences, contracts are also signed in with the aim of using the windows servers whenever they need them and by signing level agreements with local authorities they agree on the music tuitions and the attendance procedures, i.e. how students are marked in. Fazakerley Sixth Form College uses SIMS to keep track of attendance, pupil premiums, behaviour management, and medical condition of pupils. It is a student information system, i.e. a school management information system, currently developed by Capita. It is the most widely used management information system in UK schools. This is paid by the LA so Fazakerley Sixth Form College doesn't need to spend any of its budget on it.

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## c. Organization of Units & Overheads



Fazakerley Sixth Form College will start its operation based on its objective to do the best it can concerning Teaching, Learning and raising pupils in a way which will be an example to the rest of the colleges. This effort is reflected in their strategic objectives to provide an outstanding value-based education through the consistent pursuit of their educational objectives. Their goal is to maximise the use of Fazakerley Sixth Form College’s site ensuring the creation of a safe, healthy & sustainable environment providing excellent learning for the maximum number of young people and to effectively manage college’s finances in order to preserve the health of the college and prioritise investment in Teaching & Learning.

Fazakerley Sixth Form College has no overheads because as we mentioned above, this college is a LA college and all the expenses that have to do with the cleanliness and maintenance of the building, the site and everything that has to do with the meals for both pupils and staff are run by companies whose role is only this. This company in our occasion is SPIE which brings together all the essential

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elements of facilities management and support services to deliver the most effective solution every time.

#### d. Human Resources

Prospects for economic growth in regions are closely tied to their ability to attract and retain skilled people. For employers a highly skilled workforce remains the best route to achieving higher productivity. This is why Fazakerley Sixth Form College has decided to provide the skills needed for the future of our region in a planned and strategic way, prioritising on skills that will increase employment opportunities and improve Gross Value Added (GVA).

Given the changing economic landscape they must future-proof businesses by delivering skills solutions in partnership with the LA, other learning providers and other Sixth Form Colleges. As the needs of employers change, the skills of the population must be able to adapt, Fazakerley Sixth Form College has as a goal to deliver the skills that meet real employer needs. It wants to help to reduce unemployment by improving the number of learners that progress into sustainable employment via pre-employment programmes that include employability skills and the acquisition of basic skills. This is why they offer apprenticeships, i.e. a system of training a new generation of practitioners of a trade or profession with on-the-job training and often some accompanying study (classroom work and reading).

Number one priority for Fazakerley Sixth Form College is to hire employees who are responsive to the needs of the customer and ensure that are flexible enough to make their wishes true and not disappoint them. Also, they want through the curriculum both the official and the hidden one to support children's development. As it is known, the labour market doesn't always look for academic knowledge, skills and understandings it is also interested in the values, the attitudes and the beliefs of the employees.

The employers need to ensure that their employees are using the appropriate delivery mechanisms and that these are fully developed and also that the excellent staff has the necessary expertise in the fields which are taught in the college.

Fazakerley Sixth Form College wants to contribute as much as it can in creating wealth for the area and increase the area's productivity.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

Yet, with regards to the human resources not many things would change. As for the teaching staff in the short run most likely the already existing staff would be used to cover the new placements and in the long run new vacancies will be announced to be filled in by people who match the shortlisting criteria. The non-teaching staff will be constituted by separate student support workers, people who will do the pastoral care, others who will address the parents and make all the necessary links with them.

Nonetheless, there is one more category which is used to staff Fazakerley Sixth Form College and this is the Office, where all the personnel is occupied by administrative staff. At the beginning the Head wishes that the staff from the current High School will organise Fazakerley Sixth Form College and the new staff that will be hired will be trained next to the experienced ones for the best possible result.

They mentioned that initially they will hire another 13 teachers, they will have 6 heads of department, 5 assistant Head teachers, one Deputy Head and one Head Teacher. For the non-teaching staff the college will hire one financial manager and an IT manager. The human resources manager will be the same as Fazakerley High School's since the college can't afford to spend more money on another HR manager.

Fazakerley Sixth Form College has also an environmental policy to raise its employees' awareness concerning the planet and the ecosystem. So they want to provide support for businesses in low carbon technologies. With the opening of Fazakerley Sixth Form College the area will develop, as new jobs will be created thus there will be a reduction in unemployment, increasing chances for social mobility – obviously from lower to higher classes-.

Fazakerley Sixth Form College will be a PFI college, i.e. Private Financing Initiative, which means that all the staff for cleaning, take-caring, catering is not employed by the college but another organization manages it. In this case this organization is called SPIE Company as stated previously. It is a facilities management company which specialises in lifetime support, from design through construction to maintenance, repair and operation. With the emphasis on green



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technology, they are forward-thinking, innovative and committed to adding value to every project they undertake.

#### e. Location

Before deciding on the site where the college would start working conversations were held in order the best choice to be made. Most of the senior leadership was of the same idea that the best course of action would be to utilise space which is already existent. This idea was backed up by many arguments.

Firstly, it saves money as it is cheaper to renovate something rather than build it from scratch. Secondly, using existing space allows it to be repurposed. Furthermore, it reduces capital expenditures and maintenance costs associated with construction of something new and lastly, it reduces the environmental footprint incurred. All in all, all members of the leadership were reluctant to build a new space once there was existing ones which were underutilized or in this case non-utilized and already renovated for them.

They all came to the decision that the best choice would be the former cottage houses which are next to the yard of Fazakerley High School. This was the main choice as it had many advantages: very close from the existing premises of the school, same but separate yard if wanted, and exploitation of a historic site, which is of great importance to people of Fazakerley area.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL



*Figure 18: New Hall Cottages*

These cottage homes in Liverpool were built in 1888 and opened on 27th March 1889 by the West Derby Union. They continued to function as children's homes until, according to archive records, 1964. Fazakerley is an area near to University Hospital Aintree, to the north of Liverpool. There were 24 buildings known as cottages in the complex each of which could house up to 25 children - a grand total of 600 children plus a house mother and a house father. At the top of the drive was a large clock tower. At some point, perhaps in the 1950s, the cottages were no longer known by their numbers but were given names after flowers or plants - perhaps suggested by what was growing in their gardens. I should think there are many still living in Liverpool now who resided there.



*Figure 19: The Clock (Historical Site in Fazakerley area)*



FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL



*Figure 20: A back view of the tower*



*Figure 21: One of the cottages*



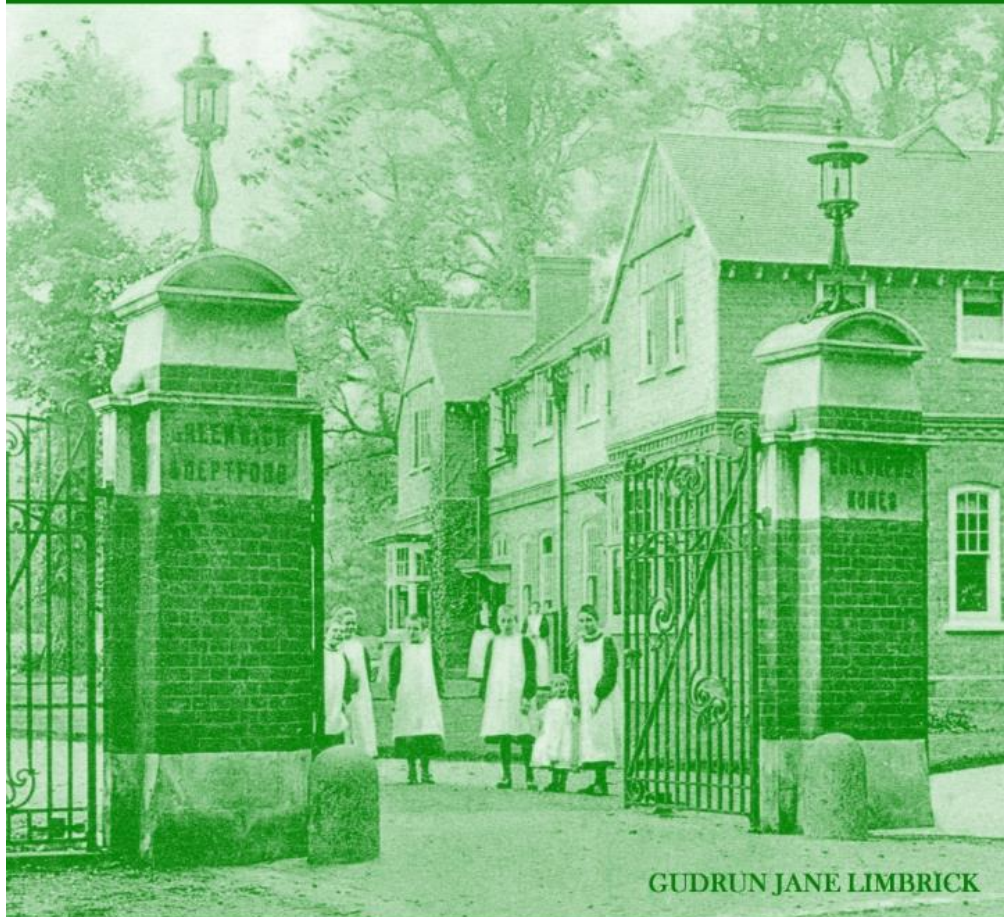


*Figure 22: The Avenue with the cottages on both sides and the clock tower at the top of the drive*

The reason why Mr. Ross and the senior leadership are of the opinion that these cottages would be the best choice is due to their great historic significance. For somebody who is not from the area and has no connection to the British history and culture this site makes no difference, but in this case these houses are really important to people of Fazakerley. This is why, I believe, the example of a very well-known orphan will be of great help to understand what a cottage house is, which its use was and why is it of such significance to the area.

In the past, around 1834 and onwards, after the Poor Law Amendment Act, workhouse was the means by which poor or destitute people were looked after.

# Inside the gates of children's cottage homes



*Figure 23: The cover of 'Children's Homes' histories by Gudrun Jane Limbrick*

Charles Dickens got it right in *Oliver Twist* when he talked about 'overcrowded, harsh conditions in the workhouse'. In 1839 the number of children in workhouses was more than 50% of the total residents. Children in there where either orphans, or



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abandoned by their families, children of parents who couldn't support them so they used to send them there to have shelter and food or children with their parents.

In the late 19<sup>th</sup> century the scene changes as it is seen that workhouses may not be appropriate environment for children to be raised in, as many of the adults who lived with them could be seen as bad influence.



*Figure 24: The front view of the Cottages*



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Instead, cottage homes were built. Each of these buildings (known as cottages



Figure 25: The rear view of the cottages and the wall that separates Fazakerley High School from the Cottages

but generally large houses) housed perhaps 20 or 30 children.

The majority of these houses had their own facilities; farmland, school, infirmary, and chapel. It was like a small town that could serve children and staff who worked in them.

In the picture below (Figure 26) which is taken during the renovations of the cottage houses, it can be clearly seen that it is a series of houses the one next to the other each one with a distinct name to stand out of the rest.

Generally each unit of cottage homes would be overseen by a superintendent and each individual cottage would be run by a couple or a woman who lived on the premises with their charges.

The fact that they realised that workhouse is not a proper place to raise a child meant that they didn't treat children as children; they kept on treating them as adults

who had to follow a strict routine with the difference that it only included schooling and mealtimes. The rest was like being an adult and working at a factory, i.e. they had to wear uniforms, they were taught a trade or if they were girls they were used in domestic service. Initially, everything was provided there as we have said before. Schools, churches, recreation facilities, training workshops were all offered on site so children had no reason to leave the premises. West Derby Homes off Longmoor Lane in Fazakerley included a baths and quarantine home where the 'inmates' were scrubbed clean. In the late 1800s, industrial trainers and teachers taught the children the art of fruit, vegetable and flower growing as well as tailoring, baking and shoemaking. Also to the right of the clock, but out of picture, were the baths and a yard for the workshops and utilities. To the left of the clock was a short side road where the school was. That at one time also had a swimming pool in the basement. The Hall in the centre was the Chapel amongst other things.

Cottage homes were a Victorian invention. However, residential childcare was needed for a long time after the Poor Law Unions who built and ran the cottage homes were gone. A poor law union was a geographical territory, and early local government unit, in the United Kingdom and Ireland. Poor law unions existed in England and Wales from 1834 to 1930 for the administration of poor relief. Poor law unions were later used as a basis for the delivery of registration from 1837, and sanitation outside urban areas from 1875. Historian Mark Blaug has argued the Poor Law system provided "a welfare state in miniature, relieving the elderly, widows, children, the sick, the disabled, and the unemployed and underemployed".

After them, the cottage homes were run by the local authorities and the new city councils which used the premises to accommodate children in care. They are still owned by the council including the social services division and it is like a little village within a city.

Over the years this Victorian discipline was overcome so these cottage homes became streets of modern children homes. Children from then on had also a life outside these premises. They went to local schools and they started using the local amenities.

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Figure 26: The map of the cottages

In the latter half of the 20<sup>th</sup> century, the cottage homes started taking care children that had behavioural issues, disabilities, children who were neglected and had experienced abuse or children who came from families that had a breakdown. So it became at the end very common to take care of children for shorter periods of time.

Later on, things changed more, children were usually given to foster families as it was argued that cottage homes were not any more appropriate places for children to grow up. Evidently, by the 1960s cottage homes started losing their childcare functions. Some of them didn't close till the 1970s and late 1980s.

A team met biweekly over a 12-month period to define the space optimization modelling for the new courses offered by Fazakerley Sixth Form College to be scheduled. The team implemented data gathering strategies.

To make the new schedule work effectively based on the new premises, data regarding class schedules, room requirements and course conflicts were required. Also semester instruction plans were developed to determine the course conflicts. Meeting patterns were taken into account because they need to be assigned to a specific room. At the end all data were reviewed for completeness and consistent definition for collection and use in scheduling.

An optimization model was developed to assign space to meet a specific objective given a fixed set of rooms and a set of scheduling constraints. According to (Gustafson & Luedtke 2014), optimization is a modelling paradigm where a mathematical model is applied to decision problems. Solutions to the decision problem are evaluated according objectives and optimization algorithms seek solutions that perform well with respect to these objectives while additionally obeying a set of given restrictions.

This model was developed based on the assumption that the time and room are chosen centrally. The decision variables indicate whether or not a given meeting pattern should be scheduled at a specific time and a certain room and the constraints ensure that the schedule is not overlapping and that rooms have the necessary capacity.



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*Figure 27: The most likely cottages to be rented and Fazakerley High School's wall at the back*

f. Environment

Though many of the factors mentioned above are universally acknowledged as being the backbone of many colleges nationwide, institutions of higher education differ greatly when it comes to their size; the type of institution (for example, a public college—unlike a small, private college—may have budgetary concerns that dictate number and skill level of incoming students); curriculum choices such as a science emphasis, a more liberal arts based education, or a technical school; and, lastly, funding sources available. Each of these factors helps in determining the college's characteristics, which, in turn, play an integral role in terms of the impact on the student with, and within, the surrounding environment.

In defining the characteristics Fazakerley Sixth Form College and how these traits affect enrolled students, two broad yet complementary features must be investigated. The first involves the physical aspects of the college (buildings, college grounds, and the community feeling it evokes), its organizational setting, and the demographics of the students who are enrolled in the college. Questions in this setting include: 'What is the size of the college?' This question can be answered in relation to the college's physical surroundings as well as the student body.

How much environmental friendly an organization is, is a matter of background, awareness and it is not readily apparent to everybody. The role of Fazakerley Sixth Form College is to develop this awareness to both its staff and its pupils. By determining the values, attitudes and beliefs of the individuals who are part of this institution it manages to build a strong relationship between humans and nature.

An environmentally friendly attitude is not only making everybody a better person but it depicts their mentality and the fact that they respect not only nature but the ones who live in it, the people of Fazakerley.

Their goal is to develop a college which will be a symbol of Fazakerley and will make the whole area proud to have it. In this case with a bit of luck nothing will change dramatically as these buildings already exist and are almost fully renovated. In other words any minor change will not cause any radical consequences on the surrounding environment. Even the heating of the buildings is 'green', i.e. using gas,



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which is likely to be the cheapest and least polluting conventional fuel to be chosen, and electricity instead of coal that tended to be used in the past.



*Figure 28: Fazakerley being 'Green'*

Fazakerley Sixth Form College's mission is to be 'The Shinning College in Liverpool', by the word shining they don't only mean to help pupils graduate and shine from happiness and satisfaction but also to be the college that shines thanks to its cleanliness and green attitude. They love the area and the nature that so many years has welcomed them. They want to treat it equally. They have faith in using these red brick homes as it's their opinion that in this way they won't pollute the environment conversely they will improve it. Their vision and ambition is Fazakerley Sixth Form College to be Fazakerley's landmark.

## 4. Financial Analysis and Evaluation of the Investment

This chapter of this feasibility analysis aims to seek a financial analysis based on hypothetical data in unit setting. The financial analysis will follow a reliable assessment according to which they will judge the viability of the investment while identifying all possible weaknesses and proposing interventions towards improvements.

Minimizing risk is the goal, controlling all the parameters that they have under our direct supervision. Inputs and outputs shall be calculated to find the size of the net cash flows that will support our investment plan.

Another assessment that must be done is to check whether this investment is in line with the overall environment in the area and whether it will work with market participants seeking survival and longevity.

After putting down all the details which are needed in order to understand the value of Fazakerley Sixth Form College, the leadership has to look carefully at its financial position. With the financial analysis and evaluation of this investment the viability of the planned investment can be checked in depth. This is accomplished by estimating inflows and outflows related to the investment and evaluation of the outcome, which will determine the feasibility of the project for this investor who wishes to attempt the allocation of funds and the risk-taking. To define Fazakerley Sixth Form College's financial position they have to see the funding that is gathered depending on the number of students that are enrolled and how many courses each student attends.

Fazakerley Sixth Form College will be a state college run by the local authorities who take care of the standards of education, the pastoral care and the child protection, and it will be funded by the government. The number of governors that each college has is 12 and they meet once per term to talk about issues that are rising and have to do with the school's management. They meet in the conference room and they talk about their diverse responsibilities, i.e. finances, personnel,

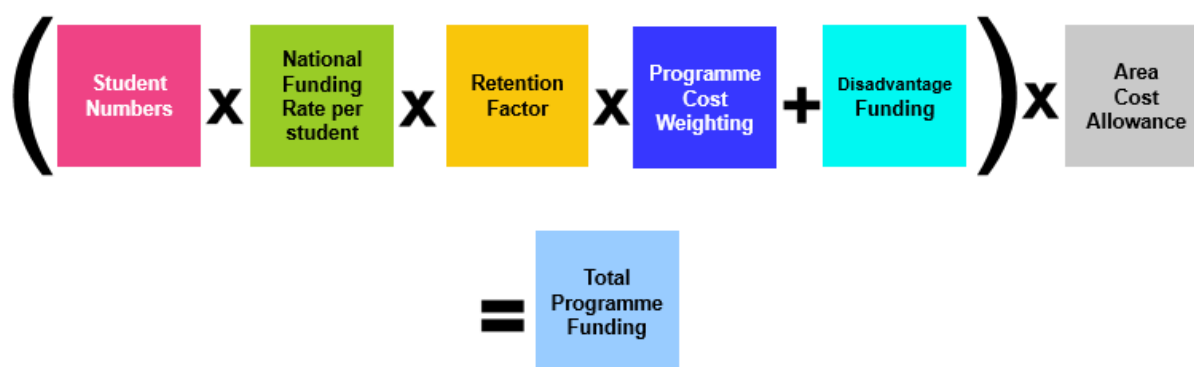


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curriculum, pupil & parent community. All these people are doing that for free, they don't get paid, and they are volunteering in order to make the area thrive.

The British Government is offering for each sixth form student the amount of £4000 annually for the two years A-level course if they are full time students, i.e. they do at least 4 courses a year.

### The new 16-19 funding formula



Source: Education Funding Agency

Figure 29: The new 16-19 Funding Formula

- Student Numbers

Students must meet funding start qualifying period of 2 weeks or 6 weeks to be counted. Study programmes of less than 2 weeks are not funded.

- National Funding

The national funding rate is approximately the same for all 16-19 year olds in sixth forms, colleges and independent providers. The size of it merely depends on how much learning is taking place across the country and the budget.

Pupils who are on Youth Contract, i.e. unemployed 18 to 24 year-old people who are being helped by government to find a job, young offenders, 16-18 Apprenticeships and young people who are part of European Social Fund (ESF) are not eligible to this funding and are considered out of scope. ESF is a community that

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supports individuals in the hardest to reach communities to make progress towards the labour market.

Student Number status	Hours funded at...	Rate (2013/14 allocations)
Band 5	600	£4,000
Band 4	600	£4,000
Band 3	405	£2700
Band 2	320	£2133
Band 1	% of 600	% of £4,000

Source: Education Funding Agency

*Table 19: Funding Rates*

A national rate is based on circa 600 hours. There are three rates for bands 2, 3 and 4, where each one is funded at mid-point of the band. For band 4 (450-539 hours) for 2013/14 and 2014/15 they were funded at £4,000. Yet, band 1 which is below 280 hours is funded as a proportion of 600 hours; that is, 150 hours gets 25% of the 600 hour funding rate.

The pupils' programme should include:

- ✓ a core aim which can be: a) a substantial Vocational Qualification, b) an academic programme of study, c) substantial work preparation and experience (Traineeships or Level 1 Study programmes usually, i.e. programmes with the goal of maximising the potential of young people to progress onto higher education and/or skilled employment by ensuring that vocational routes to higher education and employment are seen as high quality and a genuine alternative to academic routes.)
- ✓ English and Maths planned over the period of the study programme
- ✓ Work Experience/ Internship/ Practise - only if it is required as part of a coherent programme. It is with an employer, school realistic work environments are regarded as practise

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- ✓ Non-qualification activity, Enrichment and Pastoral Studies. For instance tutorials, organised enrichment activities, including sports, study blocks, visits.

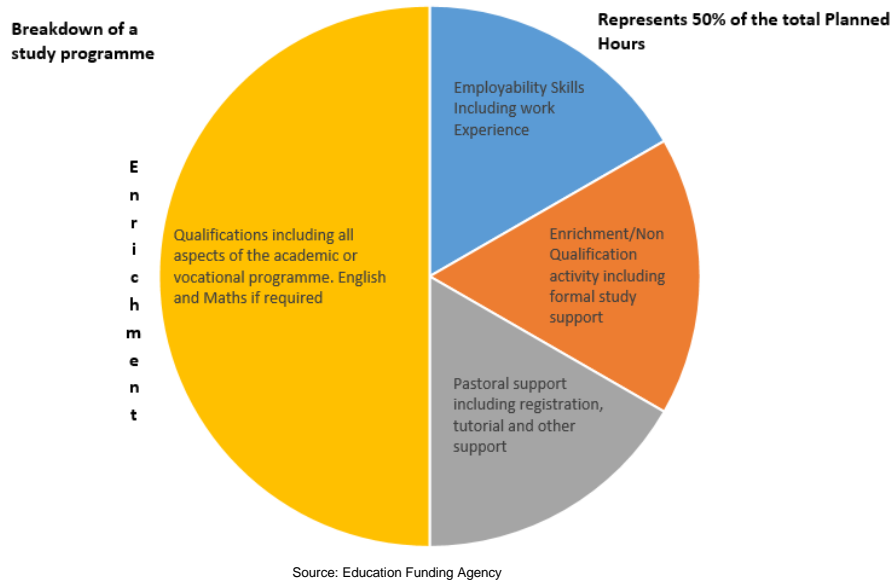


Figure 30: Breakdown of a study programme

Fazakerley Sixth Form College needs to record the planned hours for funding purposes. These hours are divided into primarily qualification hours, i.e. hours that are delivered towards qualifications that are approved for teaching to 16-19 year olds under section 96 of the Learning and Skills Act 2000. Section 96 is a section of the Learning and Skills Act 2000. It gives the Secretary of State the power to approve qualifications for delivery to young people aged less than 19 years old. Public funding is considered for qualifications which have been section 96 approved. Secondly are the non-qualification hours, i.e. those that do not count towards a qualification on section 96, informal certificates, non-qualification activities, tutorial activities, work related activities, community activities and enrichment activities.

The funding follows the student and it is per student's individual Study Programme not per qualification.

There are some hours that are eligible for funding and some which aren't. The eligible ones are those directly relevant to the study programme, explicit in the learning plan or timetable, hours that are supervised and/or organised by the institution, hours that are quality assured by the institution, hours that are within a

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normal working pattern and a study leave where it is time limited and the weekly hours do not exceed the student's planned weekly hours for the overall study programme. This amount of hours that do not count for funding is anything that has to do with voluntary extra-curricular activities and clubs delivered during breaks or outside normal working pattern. Also, study that is homework or independent study that is not timetabled. Furthermore, employment or work experience organised by anyone other than by or on behalf of the provider. Finally, volunteering or community activities that are not organised by or on behalf of the provider.

- Retention Factor

The Retention Factor equals to half way point between the Retention Rate and 100% and it is used to replace previous success factors. It is also applied at student level and not in qualification level from 2013/14. It applies only to core learning aim, i.e. academic, vocational, work experience.

<b>Number of students completed</b>	
<b>Number of students started</b>	
<b>Student retention and funding</b>	<b>Funding</b>
Leaves before qualifying period	0
Leaves before planned end and not recorded as completed	50%
Retained to planned end date and recorded as completed	100%
Leaves before planned end date and recorded as completed	100%

Source: Education Funding Agency

*Table 20: Retention Rate*

The term retention rate is used to describe the number of full-time students who return to school or college the following year. It is used as a very indicative marker of how happy students are and how well-supported they feel in their academic pursuits.

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Retention rates are calculated based on aggregate enrolment data and provide an indicative measurement of student engagement in secondary education.

By the word retained they mean that students are still studying a core aim on planned end date or leave early and it is then recorded as completed the core aim. This varies depending whether the student follows an academic programme or a vocational programme.

Standalone Sixth Form Colleges have to pay VAT which costs an average institution £335,000 a year – money that schools and academies with sixth forms do not have to pay because they have their VAT costs refunded by the government.

This means that Fazakerley Sixth Form College which is not an academy has nowhere else to turn for cash, while facing the same increased national insurance and pension contributions as schools.

- Programme Cost Weighting

There is a variation in the cost of the subjects. In other words, some vocational subjects are more expensive to teach than others. This is applied to the student's whole programme. The cost weighting is determined by the student's core aim, that is, either A Levels or substantial vocational qualification.

What is new is that all academic programmes have uplifted by one weight from 2013/14, which has been determined by merging the two current academic weightings and low cost vocational programmes and rebasing these as one.

Cost Weighting Category	Agreed for 2013/14
<b>Base</b>	1.0
<b>Medium</b>	1.2
<b>High</b>	1.3
<b>Specialist</b>	1.6

Source: Education Funding Agency

*Table 21: Program Cost Weighting*

The vocational programme weighting categories are reduced in number from 2013/14 and are re-set with the intention of making it simpler by applying it at sector subject areas.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

Key for the categories mentioned above:

Base: all A-levels and non-identified core learning aim programmes

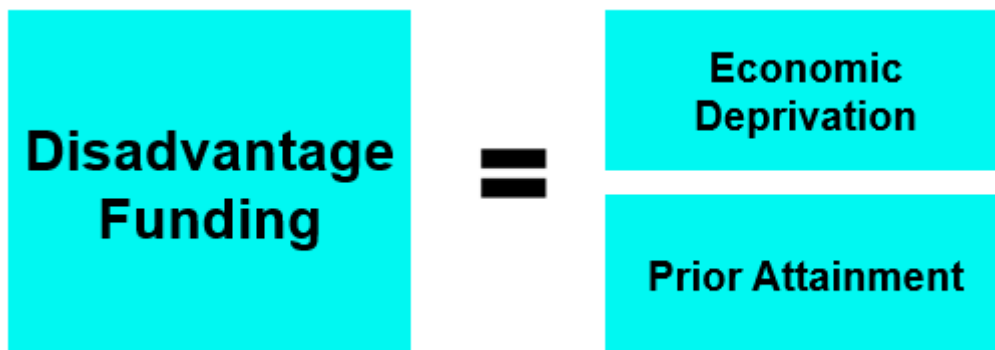
Medium: Catering, Hairdressing, Retail and Commercial, Construction, Performing Arts

High: Animal Care, Engineering

Specialist: Not usually in Schools and Academies

- Disadvantage funding

Unfortunately it is common knowledge nowadays that some students require additional support to participate in school activities and to achieve full participation in everything that the school might run from educational trips to activity trips either residential or others held abroad. Sometimes even the in school activities might not be fully attended as they again require money from parents. Unluckily, even if school is conducting these activities for free there are other expenses that are necessary as for instance the transportation costs. These extra costs might make it hard for these students whose parents strive due to expenses to improve their attainment.



Source: Education Funding Agency

Figure 31: Disadvantage Funding

There is a single budget that institutions use as they see fit.

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Whether a child is economically deprived it is a matter of student's home postcode. It is calculated using Index of Multiple Deprivation 2010. This examines the student's home area based on: income, employment, health and disability, education, skills and training, housing and services, living environment, and crime.

Those children who leave their carers and decide to live on their own attract a standard uplift rate of £480.

The cost as we have mentioned above is influenced by two factors. The second one is the child's prior attainment. The additional cost of students who need extra learning support is acknowledged. Their attainment is specified by checking their achievement at GCSE English and maths at the end of Year 11. The funding rate for 2013/14 was £480. The flat rate for bands 2 and 3 was £292. For band 1 it is pro rata per programme.

Funding used to be granted based on student's grades. Below it is shown how grades affected the sum of money each student was entitled to get.

Example	Maths below grade C	English below grade C	Funding attracted per student (£)
Student 1	yes		£480 x1
Student 2		yes	£480 x1
Student 3	yes	yes	£480 x2

Source: Education Funding Agency

Table 22: Examples of the funding given to each student based on their attainment in Maths and English

- Area Cost Allowance

This rate reflects the cost of delivery in high cost local areas which are associated with London and South East providers. It remains the same as the previous years and it is applied to the whole population.

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Area	Uplift	Area	Uplift
Inner London	20%	Oxfordshire	7%
Outer London	12%	Essex (London fringe)	6%
Berkshire	12%	Kent (London fringe)	6%
Crawley	12%	Bedfordshire	3%
Surrey	12%	Hertfordshire (non-London fringe)	3%
Buckingham (London fringe)	10%	Cambridgeshire	2%
Hertfordshire (London fringe)	10%	Hampshire and Isle of Wight	2%
Buckinghamshire (non fringe)	7%	West Sussex non-fringe	1%

Source: Education Funding Agency

Table 23: Area Cost Allowance

The funding though, isn't the same for all pupils. High needs students (HNS) which are students with learning difficulties and/or disabilities and/or special educational needs with support cost above £6,000.

There are three elements to High Needs Funding:

### The place – EFA funded

The first element, the core education funding is the standard 16-19 funding formula which is based on lagged student numbers. This aspect rolls on from year to year and it is the mainstream unit of per-pupil or per-student education funding.

The second element is the first £6,000 of additional support funding. The numbers are calculated based on information provided by the local authority about the number of places it is going to commission from each institution and the EFA adds up to £6,000 for each place to the allocation so it completes the place funding. It is a budget for providers to provide additional support for high needs pupils or students with additional needs up to an agreed level.

### The Plus – top-up funding – LA funded

The third element, the top-up funding, is any funding the individual requires above the first two elements to meet the total cost of the education provision required by an individual high needs pupil or student. This is further negotiated and agreed with the student's home and the LA based on the pupil's assessed needs.



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Source: Education Funding Agency

Key: TP -> Transitional Protection for 2011/12 changes

*Figure 32: The Extra factors that need to be calculated to make out the total funding*

The basis for the EFA funding model to work is that there has to be a coherent study programme and that all the planned and timetabled hours will not be with a qualified teacher even though they would wish for that. The reason is because the average annual salary cost of teaching staff is £23,000 whereas for non-teaching staff is £20,000. So what can be done in order to minimise their costs is to assign non-teaching staff whenever there is an activity that can be done by another member of staff without necessarily being qualified.

After explaining in detail how the college will be funded it is vital to explain how the senior leadership has made their hypotheses about the establishment of this college along with all its incomes and outcomes in order to calculate whether they have profit or loss.

Senior leaderships believes that 90% of pupils attending Fazakerley Sixth Form College every year will be attending full time courses so they will be funded with £4,000 while the other 10% will be funded with £3,000. This assumption is based on statistics from the previous years. They also calculate that every year there will be an increase in pupils' numbers registered in Fazakerley Sixth Form College as an increase of pupils enrolled in year 7 is already recorded. They reckon that because nowadays people tend to believe in higher education, they believe in the benefits that a person can gain from it.

## 1. Introduction

In this section, figures of the investment studied are presented along with the relevant assumptions. Combining these figures and assumptions, a series of financial tools are used in order to evaluate this investment. These tools include cash flows analysis, break-even point, payback period, Return on Investment (ROI), Net Present Value (NPV) and Internal Rate of Return (IRR). An evaluation of the investment is made in order to study its feasibility in the first five years.

## 2. Assumptions

Concerning the cost of the investment, it consists of fixed assets like desks and other furniture for class rooms and staff rooms, along with relevant electronic equipment like laptops etc. prices for these assets were taken from relevant stores that sell them currently. Assumptions for fixed assets have to do with their quantity needed both in the investment initiation and for each consecutive year. More particularly, most of fixed assets are bought only once in the beginning of first years. For each following year, according to the students' number increase, assets concerning them (i.e. laptops) also increase by the same rate. Similarly, as the number of teachers increases, the assets concerning their work increase by the same rate. Assets expenditures in the following years are considered as part of stationery expenses.

Concerning revenues, the only source is governmental funding per student. A major assumption is that the first year 200 students will enroll. Given that youth's population is expected to increase the following years, the number of students enrolled is assumed to increase by 10% each consecutive year. Another assumption made is that 90% of students enrolled will take up a full course and, therefore, the College will receive £4,000, while the rest 10% of students will only do a part time course and, therefore, the College will receive £3,000. The total annual revenue is, obviously, equal to the number of students times the funding per student.

Concerning stationery expenses, there are several assumptions about necessary quantity based both on students' number and on staff number. There are items that are fully consumed each year and, therefore, a new fresh quantity should be bought each year. There are also items that are not consumed each year and,

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therefore, a quantity that is related only to new enrolled students or new teachers should be bought each year. Prices for each item are taken from relevant stores that sell them currently. The total revenue cost is equal to price times quantity needed each year.

Concerning annual wages, the college should pay only teachers, head of departments, the deputy head teacher, the Head teacher and two managers (financial and IT). Assumptions were made concerning the number of teachers in each level (teachers, head departments, assistant head teachers, etc.). Irrespectively to the number of students, all this staff is assumed to be the same each year except of teachers who they are allowed to increase, possibly at the same rate as students increase. Wages for each employee are taken from real data that hold currently. Another issue to be considered is whether wages are to be increased for each year. A reasonable assumption could be an increase of £1,000 each year for every employee.

### 3. Financial Evaluation Results

Based on assumptions mentioned concerning revenue and cost figures, cash flows for the five years horizon are calculated.

#### 3.1 Investment Cost

Investment cost consists of fixed assets including furniture for both class rooms and staff. In the next table, relevant figures are presented.

UNIT'S SUPPLIES	QUANTITY	PRICE	VALUE
Desk chair	200	£ 13.75	£ 2,750
Desk	100	£ 56.60	£ 5,660
Silver Letter Tray	80	£ 8.00	£ 640
Teacher's Table	20	£136.00	£ 2,720
Teacher's Chair	20	£137.00	£ 2,740
Office furniture	1	£500.00	£ 500
<b>TOTAL EXPENDITURE</b>			<b>£ 15,010</b>

*Table 24: Fazakerley Sixth Form College's Supplies*

Items in white cells are increased by the number of students each following year, while items in grey cells are increased by the number of teachers each following year.

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	QUANTITY	PRICE	VALUE
Laptop	200	£ 271.20	£ 54,240
Laptop Charger	80	£ 10.00	£ 800
Laptop Stand/ Tray	20	£ 788.00	£ 15,760
Printer*	5	£ 139.00	£ 695
Photocopier	2	£1,600.00	£ 3,200
Fax machine	1	£ 57.59	£ 58
Telephone	11	£ 30.00	£ 330
Extension Cords	10	£ 8.00	£ 80
Projector	20	£ 380.00	£ 7,600
Speaker	20	£ 55.00	£ 1,100
Wireless Presenter	20	£ 28.00	£ 560
Smartboard	20	£1,102.00	£ 22,040
Desktop	25	£ 200.00	£ 5,000
Screen	25	£ 30.00	£ 750
Mouse	25	£ 5.00	£ 125
Keyboard	25	£ 10.00	£ 250
DVD Player	5	£ 34.50	£ 173
DVI cable	25	£ 1.00	£ 25
Microsoft Office	30	£ 10.00	£ 300
Printer Ink	30	£ 7.45	£ 224
TV	3	£ 400.00	£ 1,200
TV stands	3	£ 45.00	£ 135
Surge protectors	40	£ 2.75	£ 110
<b>TOTAL EXPENDITURE</b>			<b>£114,754</b>

Table 25: Electronic Equipment of Fazakerley Sixth Form College

Items in white cells are increased according to the increase of numbers of students each following year, while items in white cells with star are increased by according to the rise of the number of teachers each following year. Items in grey cells are not increased in the following years.

Based on figures presented in tables 24 and 25, the total initial capital expenditure is equal to  $£15,010 + £114,754 = £129,764$ . This figure is considered as the initial investment outflow in the beginning of the five years period.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

### 3.2 Annual Stationery Costs

Part of the items bought in the context of capital expenditure is also bought in each consecutive year accordingly to the increase in number of students or teachers. The total of these expenses is considered part of stationery costs. Moreover, there are several items bought each year in order to support students and their educational effort. Some of them are totally consumed and new quantity is bought each year which is function of students' number, while some of them are not consumed and the quantity bought each year is function of additional students only.

<b>BASICS</b>	<b>QUANTITY</b>	<b>PRICE</b>	<b>VALUE</b>
No.2 pencil	600	£ 0.03	£ 18.00
Eraser	500	£ 0.07	£ 35.00
Pencil Sharpener	200	£ 0.06	£ 12.00
Ballpoint Pen in a variety of colours	4,000	£ 0.06	£ 240.00
Notebook	2,000	£ 0.30	£ 600.00
Exercise paper	5,000	£ 0.01	£ 50.00
Ruler with English and metric measurements	200	£ 0.10	£ 20.00
Sticky note	100	£ 1.50	£ 150.00
Correction fluid	350	£ 0.20	£ 70.00
Glue	500	£ 0.35	£ 175.00
Marker	192	£ 0.23	£ 44.16
Printer paper	500	£ 2.47	£ 1,235.00
Toner	20	£ 28.50	£ 570.00
<b>ORGANISATIONAL HELPERS</b>			
Hole punch*	20	£ 0.83	£ 16.60
Scotch tape	160	£ 0.24	£ 38.40
Stapler*	20	£ 1.70	£ 34.00
Staple	2	£ 0.31	£ 0.62
Staple Remover*	20	£ 0.30	£ 6.00
Scissors small pair- craft size	20	£ 4.60	£ 92.00
Scissors large pair	70	£ 1.75	£ 122.50
Document Wallet	20	£ 3.30	£ 66.00
Leaver-arch Folder	14	£ 7.60	£ 106.40
Binder	14	£ 4.99	£ 69.86
Rubber band	30	£ 2.53	£ 75.90
Envelope	100	£ 8.15	£ 815.00
Paper clip	35	£ 0.35	£ 12.25
<b>STUDY AIDS</b>			
Film indexes	70	£ 0.70	£ 49.00
Highlighter in a variety of colours	70	£ 0.84	£ 58.80
Calculator	200	£ 1.59	£ 318.00
Schedule/ Planner	200	£ 3.97	£ 794.00
Sewing Machine	2	£ 69.00	£ 138.00

Table 26: Stationery Costs of Fazakerley Sixth Form College Year 1 (rounded up to two decimal points)

Table 26, continued

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<b>UNIT'S SUPPLIES</b>			
Desk chair	-	£ 13.75	£ -
Desk	-	£ 56.60	£ -
Silver Letter Tray	-	£ 8.00	£ -
Teacher's Table**	-	£ 136.00	£ -
Teacher's Chair**	-	£ 137.00	£ -
Office furniture**	-	£ 500.00	£ -
<b>ELECTRONIC EQUIPMENT</b>			
Laptop	-	£ 271.20	£ -
Laptop Charger	-	£ 10.00	£ -
Laptop Stand/ Tray	-	£ 788.00	£ -
Printer**	-	£ 139.00	£ -
Projector	-	£ 380.00	£ -
Speaker	-	£ 55.00	£ -
Wireless Presenter	-	£ 28.00	£ -
Smartboard	-	£1,102.00	£ -
Desktop	-	£ 200.00	£ -
Screen	-	£ 30.00	£ -
Mouse	-	£ 5.00	£ -
Keyboard	-	£ 10.00	£ -
Microsoft Office	-	£ 10.00	£ -
Printer Ink	-	£ 7.45	£ -
Surge protectors	-	£ 2.75	£ -
<b>TOTAL ANNUAL STATIONERY EXPENSES</b>			<b>£ 6,032.49</b>

Items in white cells are fully consumed and quantity needed in each year is function of the number of students. Items in grey cells are not consumed and quantity needed in each year is function of additional students. Items with one star are not needed to be bought except for year 1. Items with two stars are increased according to the number of teachers increasing each year. Full details for stationery costs in the following years are mentioned in a relevant appendix. Total figures are presented in the next table.

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
£ 6,032.49	£ 17,859.69	£ 21,433.67	£ 20,729.40	£ 24,139.12

Table 27: Total Annual Stationery Costs

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### 3.3 Annual Rent

All real estate costs (utilities, cleaning, etc.) are fully covered by local authorities, except for the rental costs. Annual rent is estimated to be equal to £89,650.

### 3.4 Annual Wages

In the next tables annual wages per employee are presented along with the number of employees needed in each level.

Annual Wages per Employee					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Teachers	£ 23,000	£ 23,000	£ 23,000	£ 23,000	£ 23,000
Head Departments	£ 30,000	£ 30,000	£ 30,000	£ 30,000	£ 30,000
Assistant Head Teachers	£ 35,000	£ 35,000	£ 35,000	£ 35,000	£ 35,000
Deputy Head Teachers	£ 40,000	£ 40,000	£ 40,000	£ 40,000	£ 40,000
Head Teachers	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000
Financial Managers	£ 40,000	£ 40,000	£ 40,000	£ 40,000	£ 40,000
IT Managers	£ 27,000	£ 27,000	£ 27,000	£ 27,000	£ 27,000

Table 28: Annual Wages per Employee

No of Employees					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Teachers	13	13	13	13	13
Head Departments	6	6	6	6	6
Assistant Head Teachers	5	5	5	5	5
Deputy Head Teachers	1	1	1	1	1
Head Teachers	1	1	1	1	1
Financial Managers	1	1	1	1	1
IT Managers	1	1	1	1	1

Table 29: Number of Employees Required

Multiplying the number of employees needed with the annual wages per employee, the total annual wages costs are obtained. Results are presented in the next table. It should be noted that number of employees are assumed constant for each year and no increase in annual wages is applied, as wages costs are already high.



## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

Annual Wages Total					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Teachers	£ 299,000	£ 299,000	£ 299,000	£ 299,000	£ 299,000
Head Departments	£ 180,000	£ 180,000	£ 180,000	£ 180,000	£ 180,000
Assistant Head Teachers	£ 175,000	£ 175,000	£ 175,000	£ 175,000	£ 175,000
Deputy Head Techers	£ 40,000	£ 40,000	£ 40,000	£ 40,000	£ 40,000
Head Teachers	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000
Financial Managers	£ 40,000	£ 40,000	£ 40,000	£ 40,000	£ 40,000
IT Managers	£ 27,000	£ 27,000	£ 27,000	£ 27,000	£ 27,000
<b>TOTAL ANNUAL WAGES</b>	<b>£ 811,000</b>	<b>£ 811,000</b>	<b>£ 811,000</b>	<b>£ 811,000</b>	<b>£ 811,000</b>

Table 30: Total Annual Wages Cost

### 3.5 Annual Revenue

Revenue of this investment comes only from governmental funding which is £4,000 or £3,000 per student assuming that for 90% of total students funding is £4,000 and for the rest 10% funding is £3,000. Therefore, total annual funding is the number of students times funding per student. Results are presented in the next table.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total No of Students	200	220	242	267	294
No of Students funding £4,000	180	198	218	241	265
No of Students funding £3,000	20	22	24	26	29
<b>TOTAL FUNDING</b>	<b>£ 780,000</b>	<b>£ 858,000</b>	<b>£ 944,000</b>	<b>£ 1,042,000</b>	<b>£ 1,147,000</b>

Table 31: Total Annual Revenue

### 3.6 Net Cash Flow and Profit Calculation

Revenue coming from funding is considered as inflow, while stationery costs, annual rent and annual wages are considered as outflows. Depreciation is considered as a non-cash cost and, therefore, it is not an outflow actually. Therefore, annual net cash flow is equal to annual revenue from funding minus annual stationery costs, annual rent and annual wages. By subtracting depreciation from net cash flow, net profit is obtained. Note that due to the nature of this investment there is not taxable income at all and, thus, no taxes should be paid. Results concerning net cash flows and profit are presented in the next table.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

		YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	<b>Investment Cost</b>	£ 129,763.59	£ -	£ -	£ -	£ -	£ -
<b>Inflows</b>	<b>Funding</b>		£ 780,000.00	£ 858,000.00	£ 944,000.00	£ 1,042,000.00	£ 1,147,000.00
<b>Outflows</b>	<b>Rent</b>	£ -	£ 89,560.00	£ 89,560.00	£ 89,560.00	£ 89,560.00	£ 89,560.00
	<b>Stationery</b>	£ -	£ 6,032.49	£ 17,859.69	£ 21,433.67	£ 20,729.40	£ 24,139.12
	<b>Wages</b>	£ -	£ 811,000.00	£ 811,000.00	£ 811,000.00	£ 811,000.00	£ 811,000.00
	<b>Depreciation</b>	£ -	£ 25,952.72	£ 25,952.72	£ 25,952.72	£ 25,952.72	£ 25,952.72
	<b>Net Profit</b>	£ -	-£ 152,545.21	-£ 86,372.41	-£ 3,946.39	£ 94,757.88	£ 196,348.16
	<b>Net Cash Flows</b>	-£ 129,763.59	-£ 126,592.49	-£ 60,419.69	£ 22,006.33	£ 120,710.60	£ 222,300.88

Table 32: Net Cash Flows and Profits Calculation

In year 0 it is apparent that a negative net cash flow will exist, as there are only outflows concerning the initial investment cost. However, in years 1 and 2 negative net cash flows occur, as outflows are higher than relevant inflows. From year 3, net cash flows are turned into positive ones. It seems that in the first years, number of students is not sufficient to generate enough inflows to cover cash costs. From year 3, however, the number of students is actually sufficient to generate enough inflows to cover all cash costs and leave a positive net cash flow that can be used in order to improve educational services. Concerning profit, the first three year losses are generated, while from year 4 a positive profit is achieved. However, profit is not so important to be evaluated, as this investment is not profit-oriented.

### 3.7 Financial Tools Results for Investment Evaluation

#### a. NPV

The most important financial tool for investment evaluation is the Net Present Value (NPV) that accounts for the additional value generated for investors. Such value is what it matters for an investment to be accepted, meaning that investments with positive -or even zero- NPV should be accepted and investments with negative NPV should not be.

NPV is calculated discounting the net cash flows with an appropriate discount rate. This rate reflects how much return investors require based on the investment risk. Capital asset pricing model (CAPM) is the appropriate tool for the discount rate to be approached:

$$R = R_F + b (R_M - R_F)$$

R = discount rate

$R_F$  = risk free rate

b = beta coefficient

$(R_M - R_F)$  = market risk premium

Risk free rate is typically reflected from treasury bonds which are considered as an almost zero risk investment. Given that investment horizon is 5 years, then 5-years treasury bonds yield is a reasonable risk-free rate. Searching in relevant financial websites, it is found that 5-year treasury UK bonds yield is currently 1.39% (CNBC 2015).

Therefore,  $R_F = 1.39\%$

Beta coefficient reflects the systematic risk of an investment. This current investment is considered as a low risk investment, because it is assumed that both future inflows and outflows are very possible to be realized based on rational assumptions concerning the number of students that the college will manage to serve and concerning the relevant unit costs and quantities required. Therefore, a low beta coefficient should be reasonable for this investment. Searching for low beta stocks at the London Stock Exchange (LSE), it was found for National Grid (a utility company) a beta equal to 0.33 (Tang 2015). This figure is the lowest beta coefficient, implying a very low systematic risk. Given that the current investment has low risk level, an appropriate beta should be an even lower figure, say, equal to 0.30.

Therefore,  $b = 0.30$

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Market risk premium is considered as the excess return of stock market over the risk-free rate. According to study made by (Fernandez et al. 2015) risk premium for UK investments is on average 5.20% during 2015. Therefore, this figure is considered as the most appropriate as the market risk premium.

$$\text{Therefore, } (R_M - R_F) = 5.20\%$$

Plugging risk-free rate, beta coefficient and market risk premium, the appropriate discount rate is obtained applying CAPM:

$$R = R_F + b (R_M - R_F) = 1.39\% + 0.33 * 5.20\% = 2.95\%$$

Discounting net cash flow presented in table 32 at the 2.95% rate, NPV is obtained:

$$NPV = -129,763.29 + \frac{-126,592.49}{1+0.0295} + \frac{-60,419.69}{(1+0.0295)^2} + \frac{22,006.33}{(1+0.0295)^3} + \frac{120,710.60}{(1+0.0295)^4} + \frac{222,300.88}{(1+0.0295)^5} \Rightarrow$$

$$NPV = \text{£}9,826.21 > 0$$

This current investment generates a positive NPV for the first 5 years of its evaluation. Therefore, it is considered as an attractive investment, provided that current assumptions concerning relevant inflows and outflows will be hold.

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### *b. IRR*

Another financial tool is Internal Rate of Return (IRR), which reflects the annual percentage return that the investment achieves. Mathematically, IRR is the discount rate that sets the NPV equal to zero. Applying relevant excel function, IRR is calculated as follows:

$$-129,763.29 + \frac{-126,592.49}{1+IRR} + \frac{-60,419.69}{(1+IRR)^2} + \frac{22,006.33}{(1+IRR)^3} + \frac{120,710.60}{(1+IRR)^4} + \frac{222,300.88}{(1+IRR)^5} = 0 \Rightarrow$$

$$IRR = 3.83\% > 2.95\%$$

As the IRR exceeds the discount rate, this means that this current investment performs higher return than the minimum required return, expressed by the discount rate. Therefore, this investment is attractive and it should be accepted.

## FEASIBILITY ANALYSIS FOR THE ESTABLISHMENT OF A SIXTH FORM COLLEGE IN LIVERPOOL

### *c. ROI*

Return on Investment (ROI) is an accounting performance measure, not depending on discount rate, of an investment and is calculated as follows:

$$\text{ROI} = \frac{\text{Annual Accounting Profit}}{\text{Investment Cost}}$$

Based on annual accounting profits calculated in table 32 and on investment cost, ROI is calculated for each year. Results are presented in the next table.

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
-117.56%	-66.56%	-3.04%	73.02%	151.31%

*Table 33: Annual ROI*

In the first three years ROI is negative, due to negative profits. For the first two years, especially, negative return is too huge, implying high losses compared to invested capital. However, for years 4 and 5 return is positive and significantly large implying high profits compared to invested capital. Therefore, from year 4 onwards this current investment is estimated to start generating high profits for investors.

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### *d. Payback Period*

Another non-discount rate performance measure of an investment is payback period which counts in how many years the initial investment cost is fully paid off. In order to calculate payback period, cumulative net cash flows are calculated. Results are presented in the next table.

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Net Cash Flows</b>	<b>-£129,763.59</b>	<b>-£126,592.49</b>	<b>-£ 60,419.69</b>	<b>£ 22,006.33</b>	<b>£ 120,710.60</b>	<b>£222,300.88</b>
<b>Cummulative NCF</b>	<b>-£129,763.59</b>	<b>-£256,356.08</b>	<b>-£316,775.77</b>	<b>-£ 294,769.44</b>	<b>-£ 174,058.84</b>	<b>£ 48,242.04</b>

*Table 34: Payback Period*

From year 4 onwards, cumulative net cash flow remains negative, implying that investment's inflows have not paid off total outflows yet. Cumulative cash flow turns into positive in year 5, implying that during this year total inflows have paid off total outflows. The exact pay-back period, assuming uniform distribution of cash flows inside each year, is calculated as follows:

$$\text{Payback Period} = \left( \begin{array}{c} \text{last year with negative} \\ \text{cumulative NCF} \end{array} \right) + \frac{\{\text{last year's cumulative negative NCF}\}}{\text{next year's NCF generated}} \Rightarrow$$

$$\text{Payback Period} = 4 + \frac{174,078.84}{222,300.88} = 4.78 \text{ years}$$

Given the assumption that we will have an increased number of students at the end of this 5-years period evaluation, the investment has managed to pay off all its outflows. Therefore, after that period, even if the number of students doesn't increase at all, positive NCFs are estimated to be generated for the investors.



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### *e. Break Even Point*

Finally, another important financial tool is break-even point, which measures how many students should be enrolled in order to generate zero profit or a zero net cash flow, so that the business can run without losses or without investors having to supply the unit with additional capital in order to finance the continuation of educational operations. Break-even point is calculated as follows:

$$\text{Break-Even Point (Quantity)} = \frac{\text{Fixed Cost}}{\text{Revenue per Student} - \text{Variable Cost per Student}}$$

$$\text{Revenue per student} = 0.90 \times 4,000 + 0.10 \times 3,000 = \text{£}3,900$$

Fixed costs include annual rent and annual wages, provided that the number of employees doesn't vary with respect to the number of students. Depreciation is also a part of fixed cost, on an accounting basis. However, only assets that don't vary with respect to students' number should be added, as depreciation, to fixed costs. In the table the assets which are in grey cells are summed to £11,160 implying an annual depreciation, as part of fixed cost, equal to £11,160/5 = £2,232.

$$\text{Fixed Costs} = 89,560 + 811,000 + 2,232 = \text{£}902,792$$

Variable costs include all the other stationery costs that vary with respect to the number of students and the other part of depreciation which accounts for the variable part of initial investment cost. Therefore, variable cost per student is calculated as follows:

$$\text{Total Variable Cost} = \text{Stationery Costs} + \left( \text{Depreciation for assets varying} \right. \\ \left. \text{with respect to students' number} \right)$$

$$\text{Variable Cost per Student} = \frac{\text{Total Variable Cost}}{\text{Number of Students}}$$

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Break-even point can be also calculated in value terms, by multiplying break-even quantity with revenue per student. Moreover, if fixed costs don't include depreciation, cash break-even point is also calculated. Results are presented in the table below.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Revenue per student	£ 3,900.00	£ 3,900.00	£ 3,900.00	£ 3,900.00	£ 3,900.00
Rent	£ 89,560.00	£ 89,560.00	£ 89,560.00	£ 89,560.00	£ 89,560.00
Wages	£ 811,000.00	£ 811,000.00	£ 811,000.00	£ 811,000.00	£ 811,000.00
Depreciation (part of fixed cost)	£ 2,232.02	£ 2,232.02	£ 2,232.02	£ 2,232.02	£ 2,232.02
<b>Total Fixed Cost</b>	<b>£ 902,792.02</b>	<b>£ 902,792.02</b>	<b>£ 902,792.02</b>	<b>£ 902,792.02</b>	<b>£ 902,792.02</b>
Stationery	£ 6,032.49	£ 17,859.69	£ 21,433.67	£ 20,729.40	£ 24,139.12
Depreciation (part of variable cost)	£ 23,720.70	£ 23,720.70	£ 23,720.70	£ 23,720.70	£ 23,720.70
<b>Total Variable Cost</b>	<b>£ 29,753.19</b>	<b>£ 41,580.39</b>	<b>£ 45,154.37</b>	<b>£ 44,450.10</b>	<b>£ 47,859.82</b>
No of Students	200	220	242	267	294
<b>Variable Cost per Student</b>	<b>£ 148.77</b>	<b>£ 189.00</b>	<b>£ 186.59</b>	<b>£ 166.48</b>	<b>£ 162.79</b>
<b>Variable Cost per Student (w/o depreciation)</b>	<b>£ 30.16</b>	<b>£ 81.18</b>	<b>£ 88.57</b>	<b>£ 77.64</b>	<b>£ 82.11</b>
<b>Break-Even Point (No of Students)</b>	<b>241</b>	<b>244</b>	<b>244</b>	<b>242</b>	<b>242</b>
<b>Break-Even Point (Value in £)</b>	<b>£ 939,900.00</b>	<b>£ 951,600.00</b>	<b>£ 951,600.00</b>	<b>£ 943,800.00</b>	<b>£ 943,800.00</b>
<b>Cash Break-Even Point (No of Students)</b>	<b>233</b>	<b>236</b>	<b>237</b>	<b>236</b>	<b>236</b>
<b>Cash Break-Even Point (Value in £)</b>	<b>£ 908,700.00</b>	<b>£ 920,400.00</b>	<b>£ 924,300.00</b>	<b>£ 920,400.00</b>	<b>£ 920,400.00</b>

Table 35: Break-Even Point

For the first year, in order for the business to break-even, 241 students should be enrolled. As only 200 students are assumed to be enrolled losses are estimated. Years 2 and 3 the number of students for break-even is 244 students, while the assumed numbers are 220 and 242 implying losses again. From year 4 the number of students for break-even is 242, while the assumed enrolled students are more (267 and 294 in years 4 and 5) implying positive profit. Therefore, if the college manages to enroll over than 244 students per year from year 5 onwards it is estimated that it can avoid losses.

Concerning cash break-even point, the first year the college should enroll 233 students in order to cover with funding all related cash costs. However, it is assumed to enroll only 200 students, implying that total funding is not sufficient to cover cash expenses and investors should provide more capital to cover the resulted deficit. In year 2 the college should enroll 236 students in order to receive sufficient funding to cover cash expenses. However, it is assumed to enroll only 220 students, implying that in year 2 investors should also provide additional capital to cover deficit. From

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year 3, the assumed enrolled students are more than 237 or 236 students that are cash break-even points. Therefore, from year 3, funding received for enrolled students is estimated to cover all cash expenses and leave a positive net cash flow for investors that can be used to improve educational services the next years.

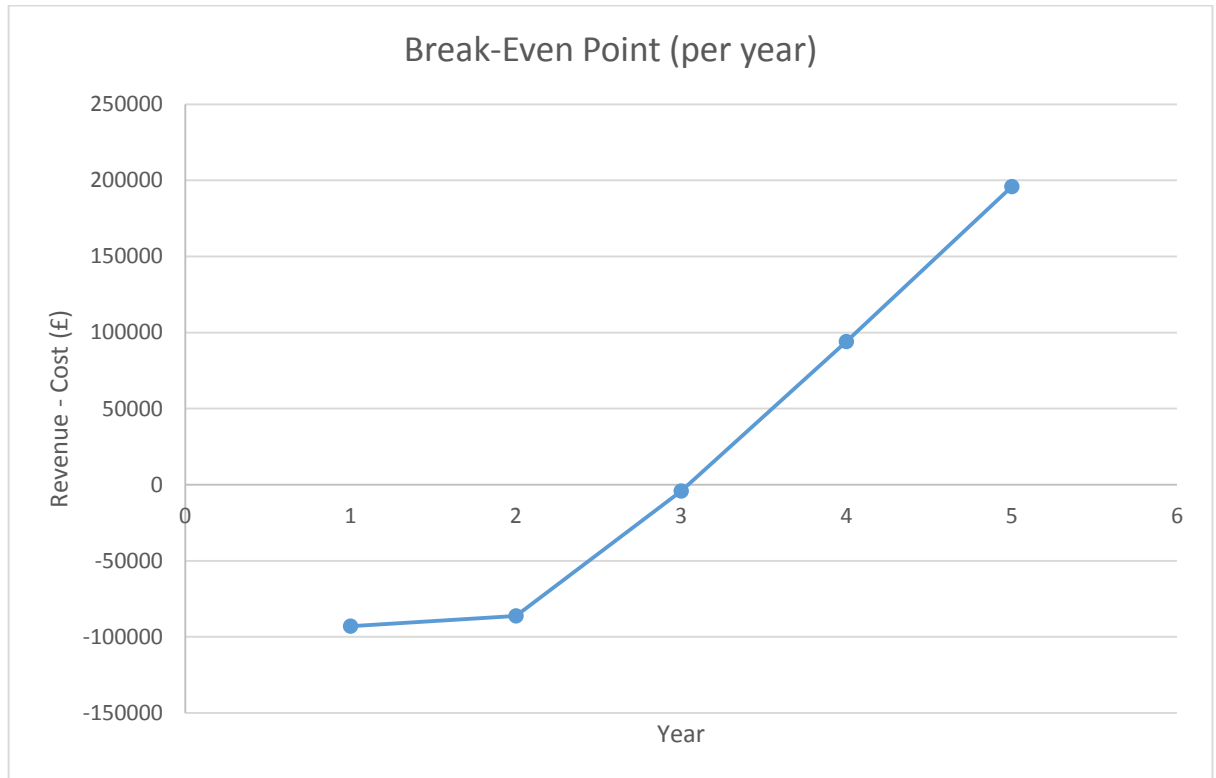


Figure 33: Break-Even Point curve

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### 3.8 Sensitivity Analysis

In order to obtain a more detailed evaluation for the current investment, sensitivity analysis should be also presented. By this analysis, it is studied how any change in assumptions may lead to zero NPV. Zero NPV implies that the investment is marginally accepted. As NPV is considered the most important financial tool for the evaluation of the investment, sensitivity analysis is made only for this criterion. Therefore, it is studied how many assumptions should be changed so that this investment doesn't remain as attractive as initially it was evaluated.

The rational of sensitivity analysis is to study the risk of this investment and go one step beyond of the initial assumptions that are possible not to be hold in the future. It is believed that it is important to examine how much deviation for each assumption is allowed in order to keep the investment still attractive. In the next table changes of several parameters of the investment are presented that have led to zero NPV.

	<b>Initial Value</b>	<b>Changed Value for NPV ≤ 0</b>
Initial Number of Students	200	199
Annual Students Increase	10%	9.545%
% Students Funding £4,000	90%	89.000%
Annual Teachers increase	0.00%	1.00%
Wages Increase	£0.00	£ 41.00

*Table 36: Sensitivity Analysis*

All these items presented in table 36 are not controlled by the investors and its initial values are just a possibility. All other figures concerning assets quantities and number of employees required along with unit prices and wages are almost certain or are controlled from investors. Therefore, there is not any sense to examine them in the context of sensitivity analysis.

Investment NPV is very sensitive to number of students. Actually, even if enrolled students are just 1 less ( $N = 199$ ) the investment's NPV turns into a negative one. Moreover, if enrolled students are indeed 200, but its percentage

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increase is slightly less than assumed 10% (9.545%) NVP turns also negative. Finally, if enrolled students are initially 200 and are increased by 10% annually, but their fraction of £4,000 funding per student is not 90%, as initially assumed, but falls just by 1% in 89%, NVP turns into negative. Therefore, investment's NVP is too sensitive to initial number of students, their % increase and their fraction of £4,000 funding.

Concerning the rise in the number of teachers, if it is just 1% per year (rounding up to integer number of them) NPV turns into negative. Moreover, if employees' annual wages increase is just £41 per employee, NVP turns into negative.

Combining financial tools and sensitivity analysis, it seems that although this investment seems attractive providing a positive NVP and an IRR higher than required return, it is too sensitive to assumptions concerning students. If there is even a very slight deviation from assumptions about initial number of students or their annual percentage increase or in their fraction of funding £4,000, the NVP turns into negative making the investment not attractive at all. If initial assumptions are considered as conservative ones and there is not great possibility to realize lower figures, then this investment remains attractive. If there is even a slight possibility to realize lower number of student or lower percentage increase or lower fraction of £4,000 funding, the investment is not attractive at all and investors should cut some costs concerning both employees number and assets quantities.

Concerning teachers and wages, in order for the investment to remain attractive, number of teachers should be constant overtime and an annual wages increase up to £40 is allowed.



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