

Edinburgh College

The way forward

Transformation Plan



**Edinburgh
College**

- ← MAIN RECEPTION
- ↓ WATERFRONT NURSERY
- ← APPRENTICE RESTAURANT
- ← HAIR & BEAUTY STUDIO/SPA
- ← THE HUB

Background

The Scottish further education sector has had to deal with a number of challenges over the last few years, with major changes due to regionalisation and mergers. Like other areas of the public sector, colleges have had significant budget reductions.

In response to the financial and operational challenges currently facing the college, we have launched a three-year Transformation Plan that will redevelop its business and finance models and ensure Edinburgh College is a strong, healthy organisation that can meet the needs of students, employers, the region and the economy for many years.

This briefing paper provides the context for the college's current position, what the Transformation Plan aims to achieve and what measures the college has already taken to address the issues it faces.

Current Position

The college has carried out extensive reviews of its business and finance models and has identified the following challenges:

Curriculum/recruitment model

Curriculum

The college's curriculum portfolio was rolled over from its legacy colleges and has not been significantly reviewed since merger to ensure it effectively meets the needs of students and regional employment demand. This means we are running some courses that don't have sufficient demand, leading to class sizes below the optimum level and unused capacity where we could be providing more places for high-demand programmes.

The nature of FE provision has also changed over the last five years. National policy means we are focusing more on full-time provision and courses for 16-25 year olds. There are also far fewer non-vocational, leisure and recreational courses now provided by FE, and these are no longer funded, resulting in a reduction of numbers and income from this cohort.

SFC funding for teaching activity

Until 2015/16, colleges' funding from the Scottish Funding Council was based on weighted sums (WSUMS), through which grants were allocated based on an agreed level of teaching activity. Now, a simpler system based on credits has been introduced. Broadly, however, both systems are based on the level of teaching activity agreed with the SFC.

Before and since merger, to reach targets and achieve full levels of funding, some of the legacy colleges and Edinburgh College – as well as other colleges – have relied upon topping up each student's core credits with extra credits, increasing the amount of learning each student does. This extra activity is known as 'additionality'. This was common practice in the sector and was accepted by the SFC. However, from academic year 2014/15 the SFC changed the rules around additionality. Under the new regulations, the SFC reduced the levels of allowable additionality that each college could claim for.

The changes mean that funding is now based wholly upon the number of unique students the college recruits. However, the college did not take the change of rules into account for 2014/15 or 15/16 and we have had to rectify this.

Recording student numbers

Until now, understanding exactly where we are with student numbers has been problematic. Defining student numbers was an issue prior to merger at the legacy colleges, not just since merger. Student numbers have often been reported as 'enrolments', which is a measure of the amount of learning undertaken by each student. It is not a measure of the number of unique students attending the college. This also applies to applications; we have always reported the number of applications, not the number of people applying. There have been misunderstandings where the numbers of applications, individual applicants, student enrolments and unique students have been used inconsistently for reports and not properly explained.

The effect of using these inconsistent methods of reporting is that in the past we may have overstated the number of people applying to the college and the number of people attending the college. We do now have accurate statistics from the point of merger to show the actual numbers of students attending and we will be using these to determine how we progress.

Our enrolment and unique student figures for the previous two years have been relatively static:

- In 2014/15, there were **25,858** enrolments but **19,497** unique students
- In 2013/14, there were **22,563** enrolments but **18,450** unique students

For 2015/16, we expect our final number of unique students to be somewhere in the middle of these previous years' totals. Please see the attached table for details of applications and enrolments for 2015/16, which has figures up to 29 January 2016. (Please see Appendix A).

Recruitment process

The college has identified significant issues with the application and recruitment process. Under the previous system, teaching staff were responsible for carrying out an academic review of each application. The volume of applications and the time-consuming process of conducting academic review and individual interviews meant that teaching staff were unable to process applications as quickly as necessary. This meant that many applications were not able to be processed before teaching staff went on annual leave over the summer. The delay may have impacted on enrolments, student experience and retention.

In 2013/14, these issues led to:

- An average wait of **100** days across all applications before academic reviews were completed
- **65%** of applicants waiting between **30-60** days to receive an interview date
- **37%** of students enrolled after the course start date
- **1,100** offers were made after course start dates, and of these **54%** of students went on to withdraw early
- **13,000** applications received no response

Student retention

Student retention is an issue, with a negative trend in the last two academic years, particularly for full-time FE courses. Statistics for 2015-16 suggest that this adverse trend is continuing.

During 2013-14, **37%** of our students enrolled after the course start date and **9%** of our total student intake had withdrawn by March 2014.

Following an intensive review of our recruitment procedures, three main reasons for withdrawal were highlighted:

- **Motivation** – Late enrollers had difficulty catching up on coursework missed.
- **Finance** – Late submission for funding and bursaries meant students' finance arrangements were not in place when they started studies, with a knock-on effect to their ability to get a good start to their course.
- **Learning and teaching** – Students discovered the course did not match their learning styles and personal needs.

We need to ensure that students are being offered places on the most appropriate course for them and that this happens in a timely manner to ensure all the financial requirements are in place and that we support their welfare.

Due to a change in policy, two of our local universities have lowered the entry level to a C pass, which is lower in some cases than the college's entry requirements. This means students are leaving their course early or not attending at all, causing a further reduction in funds.

College financial model

In 2014/15 the college posted a deficit of **£5.1m**, which included buildings and pension revaluation costs. The financial situation was compounded following pay harmonisation and merger-related costs in the previous year.

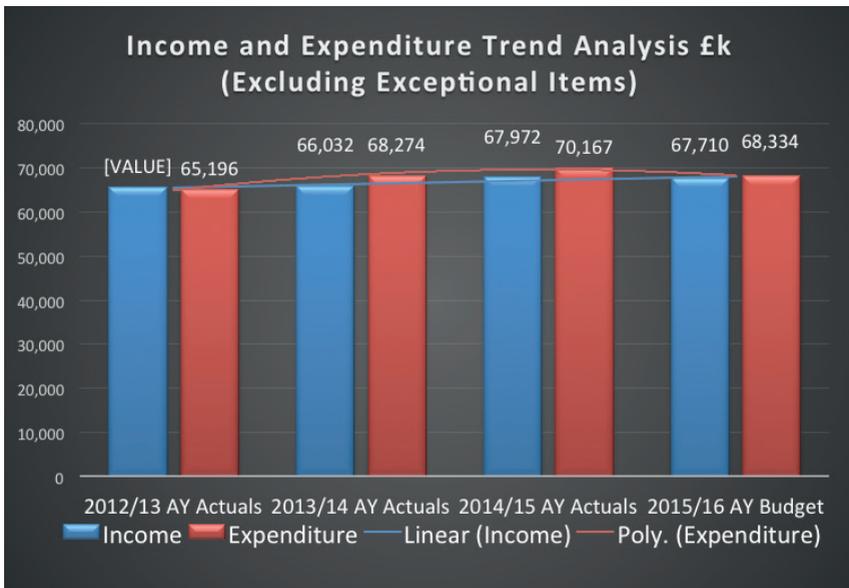
In advance of the 2015/16 academic year (starting in August 2015) more than **£2m** of savings had been identified. However, the effect of an increase in National Insurance and pension contributions of **£0.7m** in the 2015/16 academic year (In 2016/17 the full-year cost will be **£1.2m**), and voluntary severance payments (**£0.7m**) adversely impacted much of these savings.

The 2015/16 budget after much work was showing a deficit of **£1.1m** and it was agreed

that the Senior Management Group would find **£0.55m** savings immediately and **£0.55m** throughout the year.

The **£0.55m** saving was achieved but income has not come in as expected due to lower student numbers and we have now to find **£0.9m** in the current financial year to 31 July 2016, which includes **£0.7m** to 31 March.

As a result of us not achieving our student activity target the college approached the Scottish Funding Council with a view to returning **12,000** credits, which is equivalent to a reduction of **£3-3.5m** in income. The college needs to financially rebase in order to position for growth. Total income and expenditure figures since 2012/13 are illustrated below.



Some work on making efficiencies and reducing costs has been identified and further work is being undertaken by budget holders to reduce the deficit and try to reach break-even position.

Edinburgh College Transformation Plan – The Way Forward

The three-year Transformation Plan will build on some very good work that has already started and is ongoing, as well as developing new strands of work.

Our business and finance models must develop so our curriculum offer is at a realistic scale, we have a strategy for sustainable growth in line with regional needs, and we can weather public sector budget reduction and economic challenges. A three-year financial recovery plan will address the deficit and set out how the budget will be rebalanced.

Key strands of the Transformation Plan include:

- Matching the curriculum much more closely to both student demand and regional employment
- Reviewing the shape of our workforce
- Restructuring management
- Reviewing our estate
- Improving student recruitment procedures
- Rapid reviewing of student retention
- Rapidly developing our blended learning strategy
- Improving financial forecasting
- Priority-based budgeting
- Closer partnerships with business and industry
- Working with partner agencies to ensure that the college offer is relevant and meets the aspirations of our community planning partnership, the City Deal Initiative and drivers such as Developing the Young Workforce
- Continuing to develop improved partnership working with trade unions

Progress so far

We have already made progress in several areas that aim to provide immediate benefits.

These include:

Curriculum review

It is necessary to match the curriculum much more closely to both student demand and regional employment demand by modernising courses, reducing the range - which spreads our offer too thinly - and ensuring that class sizes are viable. This will include shaping our curriculum to maintain levels of provision in some areas where they match the regional need, growing areas where there is unmet demand and reducing areas of low uptake or few job prospects.

The curriculum review process began in 2015 with a curriculum health check, employing measures of the curriculum areas from 2013/14. These measures highlighted factors such as number of enrolments, widening access, student success rates and destination data, and, importantly, matched the curriculum to local employer demand. Much of this will inform how we shape the future curriculum, including the aim of managing the efficiency of courses.

Review of the application process

Following a major review and improvement process that involved staff from across all college departments, we have made a number of improvements to the application process for 2016/17:

- **Single application process**

Following consultation with head teachers, deputy head teachers and guidance teachers, it was agreed we would move to a single application process for 2016/17 full-time courses. This will allow our course advisors to offer a person-centered approach, tailored to each applicant and their individual needs, to ensure we have the right students on the right courses. If applicants are unsuccessful in securing a place on their course of choice we will work with them to ensure they are considered for all suitable alternative courses.

- **Reduction in the requirement for course interviews**

Students who meet the standard course-entry requirements will not be required to attend an interview, reducing the application process time for students.

- **Streamlined progression process**

We have established regular progression boards to ensure students progressing between academic levels no longer have to apply for subsequent years. As well as making this simpler for students, it will mean application figures will be more accurate.

Guaranteed places for all eligible school leavers

For the first time, we are guaranteeing a place to study to all eligible school leavers from Edinburgh, East Lothian and Midlothian. This new schools guarantee was developed in close partnership with schools. If eligible school leavers do not have the qualifications needed for a certain level of study, the college will explore how it can offer routes into further education at the right levels.

School-leaver applications will be tracked and schools will be notified of pupils who have submitted an application by email in a weekly report.

New Future Steps programme

Future Steps is a new programme that provides a flexible learning approach for pupils who may not be considered for mainstream college courses. The programme has been developed to assist pupils to move on to a positive destination and offers a variety of options including teamwork, confidence building, careers information, employer engagement and job-matching programmes. Pupils will also have the opportunity to complete a 12-week placement in specific sectors such as games applications, childcare and the environment and will have an allocated worker to provide support and guidance.

Priority-based budgeting

The future funding challenge faced by the college requires a more radical approach to ensure funds are allocated to deliver agreed prioritised service outcomes. Priority-based budgeting will enable the college to understand the significant areas of spend and forecast the cost and demand pressures.

We will map costs to priorities to understand where marginal decisions are needed, and test the feasibility and benefits of each option throughout the process. A priority-based budgeting approach will align the budget to the college priorities.

Work is already underway on ensuring staff can effectively carry out priority-based budgeting.

Quality improvement and quality assurance

The college also plans to review its approach to quality so that it becomes an embedded norm across all college functions. This new approach will involve a more robust and effective approach to quality assurance and quality improvement that delivers greater levels of student satisfaction, improved student retention and higher success rates.

A new quality assurance and improvement process will underpin and support all learning and teaching, curriculum and student experience activity. Putting the quality of learning at the heart of what we do and ensuring the highest possible success for all our students is paramount. This new approach to quality will also be applied to all college functions. New standards and quality indicators will be set to improve services to students and, over time, develop a quality culture that will challenge teams and drive improvements across every college function.

Additional Q&A from briefing at the college on 29 January

How well do you link with employers across the region?

Our employer engagement has varied across the curriculum areas. Currently, we are forming Employer Councils for each of our curriculum areas, inviting employers to support our curriculum development and engage with us to ensure our courses are relevant and produce work-ready employees.

We are developing a strategy for working across our partner local authorities to ensure that our college offer is relevant and meets the aspirations of our community planning partnership and the City Deal initiative, and delivers on key policy drivers such as Developing the Young Workforce.

The college has also formed a steering group to look at the recommendations in the Scottish Government's Developing the Young Workforce programme. This group brings together expertise from across the college as well as representatives from our local authority partners, schools, Skills Development Scotland and local employers.

Is there a problem in the relationship Edinburgh College has with its trade unions?

The college continues to develop improved partnership working with our trade unions. We recognise there is a lot of work to do on this and to resolve the problems that have existed since merger. We aim to work in a collegiate way with our trade unions as they are a vital part of the college's success. Although this has not always been possible so far, we will continue to try and develop the relationships with them.

One part of building a trusting and constructive relationship with our unions is transparency, and our approach to the Transformation Plan is one of complete openness. We are being transparent about the development of the plan and its implications with staff and we will continue this throughout the process.

Why do teaching staff have less involvement in the recruitment process?

The improvements to the application process, to make it more student focused, were based on feedback from last year.

Teaching staff's involvement in the recruitment process has been changed to eliminate blockages in the academic review system. Under the previous system, teaching staff were responsible for carrying out an academic review of each application. The volume of applications and the time-consuming process of conducting academic review and individual interviews alongside their teaching commitments meant that teaching staff were unable to process applications as quickly as necessary. This meant that many applications were not able to be processed before teaching staff went on annual leave over the summer. The delay may have impacted on enrolments, student experience and retention.

Will any of our campuses or parts of the estate be sold?

The estate will be reviewed to ensure the facilities are optimised to meet our student needs. If it became apparent that it was in the best interests of students, the college and its wider community to reduce our estate then that option may be considered.

However, until the work of the Transformation Plan is carried out we will not know what our needs are. And there are a number of factors to consider. The first is how we best serve all of our students and the second is how we plan our estate around our revised and updated curriculum. Balancing student travel, providing high-quality facilities and meeting the needs of the areas we serve are all key considerations. We have already been speaking to the Scottish Funding Council about modernising some areas of the college to bring us up to date with industry demands. This will have an impact on our estate. We will be involving staff in working groups to look at the estate, as we will each area of the Transformation Plan.

How local are your students?

Our student population is diverse. There is no current data on students travelling to campuses to attend their courses where their most convenient campus does not deliver.

We are aware that students at entry-level points are less likely to want to travel and so the college delivers a wide range of entry-level qualifications across all campuses.

Geographic split of our students 14/15

58%	City of Edinburgh
10%	Midlothian
11%	East Lothian
20%	Other regions

Our student population breakdown by age in 2014/15

Age 16-19	10,928	42%
Age 20-24	5,313	21%
Age 25 plus	9,650	37%

Do you have any data regarding the destinations of your students?

Our destination data is dependent on student responses. Some of the key points are:

- 96% of our graduates are in employment or further study within six months of graduating.
- Edinburgh College is the biggest single provider of students to each of Edinburgh's universities.

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