

Review of the Impact of LSC's Agenda for Change on Adult Learning

**Notes of meeting with David Croll Principal/Chief Executive Derby College
Joseph Wright Centre
26 October 2005**

Attendance

Councillors Anne MacDonald, Asaf Afzal, Pauline Latham, Les Allen
Co-opted Members – Nasreen Iqbal, Tony Walsh

Witnesses

David Croll Principal/Chief Executive Derby College

Officer Support Mahroof Hussain

Introduction

1. Councillor Anne MacDonald (Chair of the Education Commission) welcomed members and thanked David Croll for hosting the Commission meeting at the Joseph Wright Centre and for showing them around the building. Councillor MacDonald stated that the Commission is reviewing the potential impact of the LSC's agenda for change programme on adult learning in the city. The Commission is speaking with a number of providers in this regard before it receives evidence from the LSC.
2. Mr Croll began with a brief history on the formation of Derby College. He stated that Derby College of Higher Education split from Derby College of Further Education (FE) during the 1960's.
3. Derby FE was primarily targeted at part-time students from engineering companies such as Rolls Royce, British Rail. This provision continued through to the 1980's until a major restructuring of industry and the apprenticeship system. The FE colleges then took on different types of students and evolved into new areas.
4. In 1989 Derbyshire County Council, which was responsible for education at the time, further changed tertiary provision. It also formed two colleges of FE, Wilmorton and Mackworth to serve different parts of the city. This combined with the grant maintained systems resulted in large numbers of schools opting out of local authority control and re-establishment of sixth forms. The 1990's saw the development of a mixed economy for post 16 education which resulted in a reduction in the number of full-time 16-19 year old students in colleges by as much as 50%.

5. The Further Education Act 1992 made significant changes to the provision of post 16 education. Colleges were taken out of local authority control and were incorporated to effectively operate along the lines of private companies within the state sector. Governing bodies and colleges owned the capital assets and organisations were in effect managing the resources. The funding was provided by the Further Education Funding Council.
6. Colleges prospered at different rates and following the financial difficulties faced by both Mackworth college and at Broomfield college a decision was taken to dissolve all three colleges and establish a single institution, the Derby College in 2002.
7. Derby College covers all vocations in further education from level 1 through to level 4 (degree level).
8. There are currently 30,000 students enrolled with the college, it has annual turnover of approximately £40m and has around 900 full-time equivalent staff. It was based on three main campuses Wilmorton, Mackworth and at Broomfield. There was a strategic need to develop the Joseph Wright Centre. This cost £12m and caters for 1500 students. There are proposals to develop Mackworth as a centre for excellence, Broomfield for land base activities and further facilities at the Roundhouse in Pride Park.
9. Broomfield was providing traditional farming courses but due to falling demand for that kind of provision it has greatly reduced this. New types of courses are now being provided such as floristry, horticulture, landscape gardening and equine to meet the skills need.
10. The College receives 83% or £30m of its funding from LSC. The remainder of its budget is made up from fees and other revenue sources. The College is driven by economic needs. If some courses are not cost effective, then the college can vire monies across from another budget area although this cannot be maintained over long periods. It has to follow the market to remain viable organisation and if it doesn't move quickly, it will fail.
11. The Agenda for Change programme provides a new policy for raising fees for further education. Historically colleges were left to decide themselves whether to charge fees which created certain types of pressure. A lot of provision by the college has low fees or is free. There is now government pressure to change and bring it in line with the higher education process.
12. There are arguments for and against charging fees. There are now pressures for students to pay fees. The college is told to raise their fees by a few percentage points. Depending upon the course, the target is for the individual to pay up to 50% and the state paying 50% of the costs. The Government is moving towards 50% over a relatively

short space of time. Those colleges that have moved too quickly have suffered with reduction in student numbers.

13. A number of highly successful equivalent colleges in the USA charge substantial fees and people are prepared to pay for them. They believe that this is good investment and could lead them to better jobs. The culture of this country is different, although this has not always been the case as people were paying for training some 30 years ago.
14. Further education sector is prone to changes in economy. The changes introduced by the Conservative Government of 1979 had immediate effects on the needs of the students. There were new types of occupation requiring different types of national vocational qualifications in the mid 1980's. Economic changes reflect the further education and fees split.
15. Mr Croll stated that fees should be charged in principle as this affects attitudes and people begin to value their education. It changes the culture. Employers pay training fees except where the employees have basic skills needs which are not charged.
16. All students have access to additional support if needed. All students are placed into categories and if they have stated needs, these are supported within the mainstream provision. This may include support for hearing impairment or dyslexia etc. The college does not have a discreet unit but caters for everyone through mainstream provision.
17. The College has to diversify and therefore is exploring the overseas market. Derby College is the lead college to Libya. It supports people working in the oil industry who have training needs and don't have proper qualifications. This not only helps with income generation but also develops strong cultural links. It is also the lead college to Iraq reconstruction where there once had been a good learning infrastructure. The college is also developing links with India, China and Pakistan. It also has twinning arrangements with Poland and Czech Republic.

Impact of Agenda for Change

18. There are approximately 4000 full-time students of which 3000 are 16-18 year olds.
19. A key impact of the changes in funding under the agenda for change is that there is a shift away from the Governing Bodies towards the LSC for the identification of strategic priorities.
20. LSC has a central planning role similar to that of the Manpower Services Commission in the 50's and 60's which is linked into local

responsiveness. There is pressure on the budget as it arrives in the institution. Although the budget has been increasing, it comes with certain priorities set by the Government often with very little notice of change.

21. The current key priorities from the Government's skills strategy focuses on policies for 16-19 year olds, basic skills, level 2 entitlement and employer responsiveness. There is a rank order for priorities requiring the college to stop providing certain courses whilst others are increased. There is also an element of competition by having to tender against private organisations.
22. This is also a time of major change for the colleges. Last year the funding against the agreed forecast was reduced by £2.47m in a very short space of time. The college was told to increase the 16-19 year olds provision by 400 for 2005/06 which the college is on target to achieve. However, costs associated with this had to be taken from the adult budget to deliver it.
23. There is continuous year on year squeeze on traditional lifelong learning provision. The leisure, recreational and language courses that don't lead to qualification are being cut.
24. The money is not sufficient to meet all the demands. The demand is greater than the money therefore the college needs to make strategic decisions. Courses are run if the individuals still want the courses and are prepared to pay for them.
25. There are three regional priorities on skills needs - Construction, Social Care and Engineering. The funding attached to these areas limits the college's ability to offer non priority courses. However, there are dangers of placing people in very narrow areas at the expense of other provision. This may restrict the number of people participating in education as well increasing labour in these areas. It is considered 90% of courses are similar in providing literacy and numeracy skills with the remainder in specialist area. It is important to continue to provide other types of courses such as beauty and care as students may well one day go on to become future entrepreneurs.
26. We should be widening participation by providing generalist courses to give tasters in hair, beauty, arts, marketing and organising events etc. Training should be market driven and without too much planning and control. The market currently also requires plumbers and electricians.
27. The provision can be represented on a grid box system with top left grid showing red, and bottom right green with other colours in between. Each box may have a percentage of provision based on Government targets, LSC priorities and local needs. The provider will seek to reduce the red boxes as they get little or no funding whilst the green boxes get the highest level of funding. Currently 5% of provision is red. The

colleges will be seeking to minimise and eventually get out of leisure courses. The LSC forces providers to raise fees to fund it.

28. There are direct relationships between people being socially active and health. The Optimum centre currently attracts a large number of older people, in the Silver Surfers scheme. The college is actively encouraged to close this provision in place of employer or basic skills. This will have a negative impact health. Training for older people not only meets some of their needs but also reduces isolation, and keeps them mentally active. There is anecdotal evidence that it reduces the healthcare cost such as drugs. The changes mean that learning in art type courses will become one for the privileged.
29. The majority of the adult funding will go towards post 19 within the priority areas.
30. The impact of JWC on sixth form school is difficult to assess at present as students at the college include a mixture of NEET (Not in Education, Employment or Training) and a small demographic up lift. It is the quality of teaching that affects the results. Results in two years will show a better picture of the impact of JWC. The attendance is higher and early signs are that the results will also be good.
31. 48% of college staff are engaged in learning and 52% in support. Around 65% of expenditure is on staff. The bureaucracy demands in the college are higher.