Case Studies on Income Generation

Report commissioned by the Learning and Skills Council

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Of interest to people and organisations involved in learning and skills
Further information
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Contents

Foreword 01
Introduction 03
Manchester College of Arts and Technology (MANCAT) 04
Implementing a 50 per cent fee rate 06
Impact of the increase in course fees 07
Increasing full-cost income 07
Advice on increasing fees and commercial income 09
Wakefield College 12
Train to Gain partnership with DHL Exel 13
Value-added services for the logistics sector 15
Key lessons 15
Great Yarmouth College 16
The Futures programme 18
Expanding commercial opportunities 19
South Devon College 22
The development of Business Advantage 24
Raising income through review, analysis and planning 26
Planning, review and benchmarking 26
The journey 27
City College Coventry 28
A full-cost unit: Charterhouse Training 30
Key factors leading to success 31
Raising income by adding value 34
Encouraging close employer engagement 35
Integrated planning to foster income contribution 35
Key lessons 35

Foreword
by the Learning and Skills Council

The level of public investment in young people’s and adults’ skills is enormous.

Investment in further education has increased by around 50 per cent in real terms between 1997 and 2008, with planned investment in adult participation continuing to increase over the next three years.

However, public investment alone cannot and should not be expected to deliver the full range of provision and increases in participation that are necessary if we are to respond to the skills challenges set out by Lord Leitch: to ensure that adults have the opportunity to gain the skills they need to fulfil their potential in work and life. To maximise the benefit of the public investment, we need to develop a shared responsibility between government, individuals and employers whereby individuals and employers contribute more to the cost of their training.

In order to achieve this sense of shared responsibility, employers and individuals need to understand and be persuaded of the benefits of investing in their own skills, and providers must have the right strategies in place to ensure that employers and individuals contribute to the cost of their learning where they are able to do so.

Increasing fee income brings huge benefits and rewards to providers, a reduced reliance on public funding means greater financial stability and another step on the road towards self-governance and independence. In addition, it allows for greater flexibility and offers them the opportunity to support their mission in other areas such as sustaining a broader
adult curriculum. We want adult learning to thrive, but in a changing context in which it is supported by a combination of individual, employer and government investment.

As we move towards a system in which learners and employers hold increasing purchasing power, some colleges, local authority providers and training providers may need to further develop their commercial expertise and acumen. Colleges, local authority providers and training providers need to be able to deliver more to businesses and individuals and, through wider investment, to increase the income that they generate and the learning that they can sustain.

College, local authority and other training providers have taken forward the fees agenda and have been able not just to improve retention rates for some courses but also to adapt to the public investment strategy and continue to deliver a range of courses on a full-cost basis. National data shows that, on average, courses where the fee was increased between 2005/06 and 2006/07 also had improvements in retention rates, while those with a fee reduction saw retention rates decline.

The LSC is keen to understand the benefits that effective fees practice can bring in terms both of retention and continuing to deliver a range of provision. We have therefore undertaken extensive research to identify effective practice and develop toolkits for college, local authority and other training providers to assist in the development of their income generation and cost-recovery strategies, alongside high-profile national campaigns directed at learners to encourage people’s investment in their skills development.

Details of the research and support available can be found on the LSC website: www.lsc.gov.uk/providers/funding-policy/income-generation/ Increasingly challenging income targets are set out in the LSC’s Statement of Priorities (Better skills, Better jobs, Better lives, November 2007) and providers are expected to make use of the support and examples of effective practice to deliver them. The 2008 Statement of Priorities is being published in the autumn and income generation remains a key driving force.

This document provides detailed case studies from colleges across the country showing the innovative and positive work currently taking place. These case studies have been selected to illustrate different aspects of income generation that we hope will inform and inspire others across the sector.

Business and commercial development yield real benefits – here are just a few examples:

- Manchester College of Arts and Technology (MANCAT), which has now merged with City College Manchester to become The Manchester College, increased its course rates to 50 per cent of the national base rate and saw an overall income increase from fees of 14 per cent.

- Wakefield College developed its Services to Business arm, offering bespoke, high-quality, flexible training to local businesses of all sizes (over three-quarters are small and medium-sized companies). Businesses feel that the college’s work contributes to higher productivity and greater employee satisfaction, thus creating enduring training partnerships and an established reputation. This work has led to an increasing diversity and range of full-cost recovery courses.

- Great Yarmouth College diversified its activities and courses developed and delivered a clear and strong marketing strategy, reaching out to new learner groups and employed adults. These actions reversed the trend of declining adult participation in learning, actually increasing numbers by 37 per cent to 1,600.

- South Devon College researched the needs of local employers and their perceptions of the college in order to develop a cohesive, responsive approach to training for businesses, through a new Business Advantage unit. Underpinning this work was the commitment to, and achievement of, quality standards such as Customer First and the Training Quality Standard, alongside the creation of a sound customer database. The work has led to a 25 per cent increase in the number of employers supporting Business Advantage and a 30 per cent increase in enrolments, ultimately increasing income from the full-cost short-course programme by 50 per cent to around £350,000.

- City College Coventry established a full-cost unit – Charterhouse Training – which provides bespoke courses for companies and learners. Charterhouse has an income of £650,000 and contributes 30 per cent of this towards the college budget. These case studies, when combined with the provider toolkit and the training seminars we are delivering, in partnership with the Association of Colleges in autumn 2008, will assist colleges in developing the commercial expertise necessary to generate increasing levels of private income and investment.

The principles applied by the colleges in these case studies will also apply to a range of other providers. The LSC is working with the Association of Learning Providers, the National Institute of Adult Continuing Education and other partners to explore the scope for a further phase of the work to produce case study reports on income generation by independent training providers.

Independent research conducted by RCU Research and Consultancy has found that the further education (FE) system responded positively to the Learning and Skills Council’s fees policy and has made progress towards implementing new fee structures. However, the Learning and Skills Council (LSC) Statement of Priorities, Better skills, Better jobs, Better lives (November 2007), encourages providers to redouble their efforts to increase privately funded learning. More income from fees and full-cost activity is essential, the document states, if colleges and providers are to maintain and expand their capacity to deliver a comprehensive range of adult learning opportunities. The LSC recognises that achieving these goals will be challenging and is keen to support the sector by sharing existing good practice.

The five case studies in this report provide detailed evidence of the positive and innovative work currently taking place. The case studies illustrate a range of different themes and provide examples from colleges of different sizes, based in different geographical locations and serving different types of communities. The selected case studies have been chosen in order to illustrate different and interesting stories that could be replicated elsewhere in the sector, rather than attempting to describe the features of the best-performing institutions.
Case study 1:
Manchester College of Arts and Technology (MANCAT)

In the 2006/07 academic year Manchester College of Arts and Technology (MANCAT) took the bold decision to increase its course fees to 50 per cent of the national base rate. This case study tells the story of why it did this and what happened as a result.

Until its merger with City College Manchester (to become The Manchester College) in August 2008, MANCAT was a large general further education college with 13 centres for sixth-form study and nine centres for adult study. In 2006/07 the college enrolled just over 4,000 16- to 18-year-old learners and more than 14,000 adult learners.

Manchester is the regional centre for finance, commerce, retail, culture and leisure and is home to a major international airport. Over the last decade the city has seen the growth of a strong service sector and significant urban regeneration. However, although Manchester’s economy is expanding, all of its citizens are not benefiting equally and the city includes some of the most deprived areas in the country with some of the highest concentrations of crime, poor health and poor housing. There are marked differences across the city in terms of income, economic activity rates and skills levels and in November 2005 the unemployment rate was 3.7 per cent, which is significantly above the national average.

A 2007 Ofsted inspection report on MANCAT commented on the outstanding leadership at senior management level, which had led to a distinctive culture of teamwork, professionalism and quality across the organisation. The inspection report highlighted the exceptionally clear vision and mission based on enhancing the knowledge and skills of the whole community. The college and governors are passionate about the work the college contributes towards economic development and social cohesion across the city. Fundamental to the mission of the college is a core belief that commercial activity and social inclusion are inextricably linked and are not contradictory.

Educational and social inclusion is outstanding and the range of provision is highly responsive to the needs of learners and employers and those under-represented in education and training. The college has imaginative and coherent strategies which match particularly well local, regional and national priorities. Strong productive partnerships make an excellent contribution to the local economy, regeneration and children’s services.

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The college encourages a commercially-minded approach across the organisation and recognises that different client groups have different requirements.

Implementing a 50 per cent fee rate

In 2005/06, on hearing that the Learning and Skills Council (LSC) fee assumption was to reach 35 per cent of the national base rate, the college decided to move to that position immediately rather than in stages. Similarly, in 2006/07 the college moved directly to charge 50 per cent. In both cases students and employers were faced with fee increases of 40 per cent in one year. The impeding merger with City College Manchester meant that in 2007/08 fees were not increased further and were kept at 50 per cent.

The college took this proactive stance because in a number of areas it was already charging higher than the LSC-recommended fees and employers and individuals seemed more than willing to pay these fees. The college felt that replicating these fees across MANCAT was possible because of its strong reputation for high quality, and that any adverse impacts could be minimised, provided that appropriate support mechanisms were in place. The new fees policy was developed and reviewed by the tuition fees group, led by Julie Milad, Vice Principal for Resource Management and Administration. This group included senior staff across the college with responsibility for fees, finance and enrolment and the policy was then approved by the college governors. Some teaching staff were initially concerned about the possible impact of the fee increases on recruitment, although there was general support for the idea that individuals and employers should pay more where they could afford to do so.

To offset any possible negative impacts on disadvantaged learners, the college increased the size of its learner support budget. This included a contribution from college funds paid for by the expected increase in fee income. Two-thirds of the learner support funds were allocated to help learners on low incomes (or with particular financial needs) and application to this fund was through the normal learner support process.

While fees increased to 50 per cent of the national base rate on average, fees could be higher or lower on particular courses depending on market conditions. A detailed course-planning process provided the scope for local variation in fees, but in practice very few fees were set below the recommended level.

Our target fee was 50 per cent, and there was a general recognition that if any fees were set at less than this level it would result in an unplanned subsidy from other learners. The ethos is that we must run the institution as a business, but with the learner and the employer at the heart of the decision-making process. This is bought into by all staff.

David Patterson, Vice Principal for Adult and Employed Learners

Impact of the increase in course fees

With very few exceptions the fee increase did not have an adverse effect on college enrolments and no particular type of learner (classified by curriculum area, age, geographical location or gender) seemed to be especially badly affected. The fee increases, however, occurred at the same time as college provision was rebalanced in line with LSC priorities, with more free provision (such as full Level 2 and Skills for Life qualifications). Nevertheless, despite this re-balancing, overall income from fees increased by 14 per cent in both 2005/06 and 2006/07.

The college was, in fact, surprised by the lack of impact that the fee increases had on enrolments and explained this lack of apparent price elasticity in several ways. First of all, Manchester has an unusual combination of highly deprived communities, many of whom attract fee remission under LSC policies, and a buoyant business community capable of paying for staff training. Also, MANCAT has a relatively high number of employer-sponsored students. In general those who have to pay can afford it, and those who cannot afford it don’t have to. MANCAT’s reputation for high quality, however, appeared to be the most important factor.

Employers and individuals still felt that courses represented good value for money despite the increase in prices.

The few complaints that the college received came from people living in the most affluent areas of Manchester. These individuals were often regular customers and tended to be concerned about the size of the fee increase rather than the level of the fee itself.

Increasing full-cost income

Alongside the increase in course fees the college has been increasing full-cost income year-on-year. In 2006/07 the college earned about £895,000 from full-cost work with 50 per cent of this coming from the business administration and law areas – a key employment growth sector in the local economy. An employer, for example, will receive an integrated and tailored service focusing on their particular needs rather than having to understand how to pick the services they need from different curriculum departments. This requires a commitment to common standards and a high degree of teamwork and trust across the organisation. Staff are not allowed to work in silos.

Organisationally the college is structured into departments made up from divisions which follow particular curriculum specialisms. In our promotional material, however, and in our conversations with potential clients, we do not present our offer in terms of our own structure, but rather in terms of the various sectors in the city region’s economy. An employer, for example, will receive an integrated and tailored service focusing on their particular needs rather than having to understand how to pick the services they need from different curriculum departments. This requires a commitment to common standards and a high degree of teamwork and trust across the organisation. Staff are not allowed to work in silos.

David Patterson
A central business support team provides an initial point of contact for employers and is responsible for managing the business contract from initial enquiry through to training delivery and review. Staff in the business support team have specialist sales skills and often come from a commercial background, with a particular emphasis on selling high-quality services.

The business support team works closely with a team of account managers who are based in the individual curriculum divisions. An account manager is a vocational specialist responsible for developing commercial and full-cost work within a particular curriculum division.

However, account managers also work as a close-knit team across the college, supported by detailed training on the whole of the college’s curriculum. A new enquiry from an employer will normally be taken by a member of the business support team and the details of the opportunity will be set up on the college’s sophisticated customer relationship management system. A member of the business support team, together with one or more account managers, will visit the employer within a few days of first contact, to find out more details of the business issues involved and they will then work together to develop a package of support that should meet the employer’s needs. This could be a combination of Train to Gain provision, other LSC-funded courses and full-cost work – funding source is less important than meeting the business need. The team approach continues throughout the delivery and the review of the training.

The college felt a team approach was essential for effective employer engagement and commercial income generation.

Advice on increasing fees and commercial income

The MANCAT experience shows that a proactive course fee strategy can be introduced while having minimal impact on enrolment numbers. The senior management team offers the following advice to colleges looking to implement a similar strategy elsewhere in the country.

1. Go for it, but build in contingencies

Taking a positive, proactive stance on fees can work, provided that the institution is confident about the quality of its product and implements the policy in a sensitive way. The most obvious fear was about the possible adverse impact that price increases might have on individuals on low incomes (and not in receipt of means-tested benefits – these individuals will be receiving free tuition anyway). However, this can be planned for and mitigated against by putting aside a proportion of the college budget to support these individuals. In practice, the amount of additional financial support required might be quite small. Good communication with staff was felt to be extremely important before implementing a radical change in fees policy. Exceptions to the overall policy were allowed in a few cases, particularly where there was compelling evidence about the likely adverse impact of fee increases on recruitment.

2. Sell on value and quality, not price

Interestingly, MANCAT course brochures do not provide details on course fees. If a potential customer is interested in a course they will come into the college or contact the institution by telephone and ask for more details. It is at this stage that the personal and business benefits of the training programme can be discussed. MANCAT has found that price is not a major issue for most individuals but if fees happen to be a real barrier to participation, other forms of support can be explored.

Communicating the business benefits to employers was seen as a really important part of the cultural change necessary when introducing higher fees, and this requires having staff with appropriate commercial skills. Communicating the business benefits means stressing both the high quality of teaching and learning and the high quality of service. The college does not wish to be seen as a low-cost provider (which is often associated with low quality in the minds of customers) but does want to be seen to provide good value for money. MANCAT has found that while employers pay close attention to the cost of training, they are more interested in solving their business problems.

Some colleges believe that setting low prices is the best way of attracting new business. We used to think that low course fees were important but this has now changed. Price is not the primary influencing factor in the decision-making process for employers.

Andrew Harrison, Director of Finance
3. Payment by instalments can offset the impact of fee increases

Individuals paying their own fees are able to pay via standing order or credit card. The first instalment is due at enrolment and subsequent instalments are paid monthly. Spreading the cost of the course over a year can significantly reduce the psychological impact of increasing course fees and minimises the potential fall in learner numbers.

4. Provide high-quality facilities

Peter Tavernor, Principal of MANCAT, felt that one of the biggest changes that had taken place over the past decade had been the physical regeneration of the college. World-class facilities provide a commercial and professional environment rivalling anything in the private sector and reinforce the value for money from increased course fees. The college’s accommodation strategy has been developed with the aim of raising participation and attainment of learners in areas of deprivation, with an investment of almost £60 million over the last five years. The Openshaw campus was developed as a base for the Commonwealth Games and provides industry-standard vocational training facilities for adults and young people. MANCAT’s new North Manchester Sixth Form College recently won the Royal Institute of British Architects (RIBA) award for the best public college building in the country.

5. The impact on success rates can be positive

MANCAT has found that charging higher fees can have wider benefits over and above the obvious financial ones. Free or heavily subsidised provision can reduce the motivation and commitment of learners and this can lead to retention problems. The college believes that charging realistic fees is entirely consistent with its strategy of maintaining and increasing its success rates.

6. Fee income should be part of management review and targets

Course fee income and commercial income is monitored regularly at curriculum department level. The business development team, account managers and heads of department have clear targets and the college management information system provides up-to-date reports on performance against targets. However, the MANCAT senior management team stressed that this should be seen in the context of the segmented business model (i.e. an outward-facing structure of young people, full-time adults and employed learners) which places the emphasis on cross-college teamwork and co-operation and not on narrow curriculum specialisms.

7. Understand the market when setting fees

MANCAT has found that expectations about fees can vary by sector and by client group. The external relations department prepares detailed sector profiles looking at employer needs, skills deficiencies and sector priorities and this analysis supports the curriculum planning and the fee-setting processes. Full-cost developments require an explicit market assessment to be carried out at individual programme level and this is taken into account when establishing the course fee. This process will include an analysis of prices charged by competitors, the likely level of current demand and the opportunities for future business.

Some industrial sectors and some individuals living in Manchester have benefited enormously from recent economic growth and MANCAT has specifically targeted these groups, which has enabled the college to generate the revenue needed to support more excluded groups in the community.

8. Protect and develop your brand image

The college believes that the MANCAT brand carries an image of high quality and that this allows it to charge higher than average fees and to work successfully at a national level. The college has also created a number of other brands specific to particular industrial sectors, often developed from successful Centre of Vocational Excellence work. For example, Construction Skills Manchester (CSM) is a partnership with a private training provider and offers a wide range of training opportunities for the construction industry. CSM is a unique brand identity that has become well known and trusted by the sector and offers extensive full-cost provision.
Wakefield College's links with the global transport and freight company DHL Exel are an example of how a small contract can be developed into an enduring training partnership, and how subsidised schemes (such as Train to Gain) can be used to engage employers with a wider range of provision, including full-cost recovery courses.

Train to Gain partnership with DHL Exel

DHL Exel is a major international company. "We think we're the sixth largest employer in the world," says Janice Booth, Human Resources (HR) Director at the company's Normanton site. The DHL centre is the base for a substantial logistics business, built around a key location in the motorway grid. A major customer is one of the UK's leading mobile phone brands, which tasks DHL Exel with effective and timely delivery of handsets to its customers. The success of this business, and the growth of the mobile phone industry, has led to a substantial expansion at Normanton. Employee numbers have doubled to more than 500 on site, some of them Eastern European migrant workers.

The college's links with DHL Exel started in a small way. John Turner, of the college's services-to-business unit, made contact with DHL's Health and Safety Manager Len Smith. The college and company worked together to analyse training needs, matching company requirements with the skills of the workforce.

The company has an impressive commitment to staff training. DHL Exel General Manager Mark Fonseca has encouraged the process and has attended college awards and employer events. Each employee has an annual one-to-one skills assessment that leads to the right training. HR Director Janice Booth believes that the company's positive approach to training makes a definite difference to productivity, partly because it has forced them to look at the skills gaps. Staff satisfaction is, at 88 per cent, remarkably high for a busy and changing company working with demanding customers and a high proportion of agency staff.
A core element in the college contract with DHL Exel is National Vocational Qualification (NVQ) delivery through Train to Gain. The college suggested that NVQs were the way forward for DHL’s warehouse staff. There are two main NVQs: Distribution and Warehouse Operatives and Storage and Warehousing. Each NVQ goes up to Level 3, though for the current Train to Gain contract it is the Level 2 qualification that forms the core business.

We have found the assess/train/assess model works really well with DHL’s people. Some staff are pretty experienced and can get qualified pretty quickly, whereas others need more support. The open-ended nature of NVQs helps us to bring the assessment in when it’s right for the learner.

John Turner, Wakefield College services-to-business unit

The college provision is roll-on, roll-off, and is based at the DHL premises. Geoff Yeats, the college’s Warehousing Assessor, works entirely at DHL. Teachers and trainers have welcomed the chance to meet learners in their workplace and get the benefit of up-to-date experience of the workplace to inform their teaching.

We think that it’s very important to have the college staff on site. They can get a detailed understanding of our needs and operations and, on a practical level, it makes staff release much easier. NVQ assessment and training are often new to companies and some can have a view that employees have to go away to college for a day a week.

Janice Booth, HR Director, DHL Exel

It can take a while for companies to get comfortable with assessors coming into the workplace. In fact, NVQ work allows the employer to see what is going on – we have some assessors who go out with drivers at 4am or at weekends to assess and train employees.

John Turner

The Distribution and Warehouse Operatives and Storage and Warehousing qualifications are not the only ones developed as part of the partnership with DHL Exel. Other NVQ work, such as business administration for office staff and customer care for the front-line telesales team, has been developed too. At a different level, the college has helped with basic skills work on English and numeracy, as well as English for speakers of other languages (ESOL) work with the migrant employees who form a substantial proportion of the workforce.

Value-added services for the logistics sector

The college has used the experience of the DHL Exel link to establish a reputation for effective work with logistics companies. Train to Gain has also helped in opening the door, because it allows the college to undertake training needs analysis that leads to provision that is a mix of subsidised and commercially charged work.

The first 40 or 50 businesses that we approached were people we had never worked with before, yet now they come to us for bespoke training. Some are small, and some are very large – including a subsidiary of an international food giant, and a logistics company that undertakes all the deliveries for a major retail chain. We have found that sometimes employers worry that they will lose good staff who gain qualifications, so we have to reassure them that isn’t the case. Our experience backs up the research that shows how companies with effective training programmes are better at retaining good staff.

John Turner

The college is helping many businesses in the area to boost the skills of their employees. While some of these are large employers, like Wakefield Metropolitan District Council and the Mid Yorkshire NHS Trust, more than three-quarters of those involved in the scheme work in small and medium-sized local companies, including Causes Milliners and Heron Design. They are completing courses in a variety of areas, including care, customer service, IT, management and warehousing.

Key lessons

What has been learned from the partnership between Wakefield College and DHL Exel?

• Train to Gain can open doors to help the college meet new business customers, including small and hard-to-reach employers. Government-subsidised provision can provide a base for developing full-cost commercial work.

• Employers feel that the college’s work has contributed to higher productivity and greater employee satisfaction. Individual workers have gained access to training and qualifications, sometimes for the first time.

• Training contracts between employers and colleges are not a one-off. Good companies see training as a continuing activity and seek partners who can help them in that endeavour.

• Flexibility is the key. This includes roll-on, roll-off programmes, college staff working on site to fit work and shift patterns and assessment tailored to the learner’s individual progress.

• Don’t assume that multinationals have their own staff training and will not use the local college. Wakefield College has found some that welcome its input.
Case study 3:  
Great Yarmouth College

Great Yarmouth College is a medium-sized further education (FE) college with an annual turnover of £14 million and a curriculum covering all sector subject areas. The college serves an area stretching along the east coast of Norfolk as far as Cromer and includes a population of approximately 90,000 people.

The college is working with employers, in particular through its stakeholder forum, has recently created a new enterprise centre as a strategy to stimulate demand and is looking to achieve the Training Quality Standard. The college is part of a consortium arrangement for Train to Gain that includes other FE colleges in the region and some private training providers.

The mission of Great Yarmouth College is to equip people with the aspiration, skills and competences necessary for employability, enterprise and an increased contribution to a dynamic society.

As demonstrated by the use of the term ‘aspiration’ in its mission statement, the college expects to maintain and develop its current strategies to retain the provision of adult learning opportunities, as well as contributing to work that directly relates to the Government’s skills agenda.

Faced with the reprioritisation of Learning and Skills Council (LSC) funding, the college has moved much of its short-course adult provision to a cost-recovery basis (the Futures programme), has intensified its work with employers – especially with small and medium-sized enterprises (SMEs) – and is attracting more higher education learners through its involvement with the University of Suffolk Initiative, a consortium arrangement with two higher education institutions and five other FE colleges.

The college is organised and managed through a strong emphasis on teamwork, with significant devolved responsibility to teams for managing resources, including budgets. This, it is believed, allows the college to respond quickly and effectively to external expectations.

Great Yarmouth College has rebranded its general adult courses as the premium-priced Futures programme and offers this programme as full-cost provision. An early decline in numbers has been reversed and the programme is now thriving.

The mission of Great Yarmouth College is to equip people with the aspiration, skills and competences necessary for employability, enterprise and an increased contribution to a dynamic society.
The Futures programme

Until four years ago, most adult learning provision attracted LSC funding. The college policy was to deliberately target LSC funding streams and, as a result, many learners were on means-tested benefits and were often pursuing qualifications that were inappropriate.

As a consequence of the LSC’s new fees policy, the college realised that it would not be able to attract more fee income from existing learners as the vast majority of learners already had their fees waived. The college decided that it was essential to continue to provide significant adult learning opportunities for the local community, in addition to its Skills for Life courses. The new Futures programme was set up with a particular focus on employed adults. This group, the college believed, would be prepared to pay fees at full-cost rates.

The Futures programme is largely non-vocational and includes courses such as Basic Counselling, Introductory Plumbing, Gardening and Cookery. The college has introduced a set of courses that are in high demand and adapts and updates these courses on a regular basis, for example in response to popular television programmes that promote DIY or ballroom dancing.

Where possible, progression routes are shown in the prospectus. This is part of the college’s strategy to maintain progression opportunities for adults, from foundation level to higher education. The hairdressing and beauty therapy elements of the programme, for example, have been designed as tasters that lead directly into NVQ Level 2 programmes. Some assessment forms part of every element of the programme, formally recorded via a learner record of achievement, and learners who successfully complete the course are awarded a college certificate. Most of the elements of the programme operate on a 20-hour, 10-week basis and are self-financing. Minimum numbers vary for each course depending on duration and course expenditure, and there are no refunds for early leavers. As a consequence, retention is very high. The programme operates almost entirely on college premises, partly because external venue costs are becoming prohibitive. Many learners travel significant distances to participate.

The Futures programme has halted the decline in adult numbers, which initially fell to 1,000 and has now increased to around 1,600 learners per year. There has been a noticeable shift in the type of learners taking up the Futures programme compared to similar provision offered in the past. The average age of participants has fallen from 50–60 years to 40 years. There is also a greater number of learners from more affluent wards. The college believes that this shift is partly due to a marketing strategy of targeting employers.

Although some learners complained bitterly about having to pay fees for something that previously had been either free or heavily subsidised, many have now returned to participating in the programme.

The marketing strategy has been a key feature in the success of the programme. College staff have contacted local employers and asked for Futures brochures to be placed in staff canteens and social areas, or indeed anywhere where employees might gather. In addition, leaflets are delivered to dentists’ and doctors’ surgeries, primary schools, take-aways, hairdressers, community centres and local jobcentres – in fact, to more than 500 locations. The publicity for the Futures programme has resulted in important spin-offs for the college, and a number of departments are now providing bespoke full-cost training for local employers as a direct result of this activity.

The programme is managed centrally by the college’s community learning team, which reports directly to a member of the senior management team. Profits from the programme are returned directly to the curriculum team. The role of the BEST is to provide a service for training needs analysis, together with bespoke design and delivery of training. This concept also offers a significant after-sales service designed to keep employers fully advised about training and funding developments. It also informs them about further full-cost training opportunities to ensure that workforces maintain their skills levels.

The primary focus of the training offered is work based and is tailored to the specific needs of the employer. The college has developed two specific strategies to improve its links with employers, particularly SMEs, and to increase commercial income from these links. The strategies are a business and enterprise support team (BEST) and the Alchemy concept.

Expanding commercial opportunities

The college has developed two specific strategies to improve its links with employers, particularly SMEs, and to increase commercial income from these links. The strategies are a business and enterprise support team (BEST) and the Alchemy concept.

Establishing a business and enterprise support team

The role of the BEST is to provide a service for training needs analysis, together with bespoke design and delivery of training. This concept also offers a significant after-sales service designed to keep employers fully advised about training and funding developments. It also informs them about further full-cost training opportunities to ensure that workforces maintain their skills levels.

The primary focus of the training offered is work based and is tailored to the specific needs of the employer. The main link with the college is via a named member of the BEST. In addition, college-employer forums regularly meet to help the college ensure that training is up to date and fit for purpose, as well as providing further opportunities to advise employers.

The college offers a value-added service to employers with whom it does business. This includes access to high-quality venues for business-related meetings and use of the college restaurant and fitness facilities.
The Alchemy concept

Cheap flights to the Mediterranean and the decline in the UK tourist industry have had a major impact on the local economy of coastal towns such as Great Yarmouth over the past 30 years. The transport infrastructure is relatively poor, and few businesses are likely to choose to locate in this part of the country. Opportunities for expanding full-cost and other commercial income streams therefore seem to be fairly limited for a college like Great Yarmouth. However, the college has decided to take a proactive stance and help grow new businesses itself. Not only will this benefit the local community, it should also create excellent commercial opportunities for the college.

Alchemy is a concept marketed as ‘from dream to reality – a lifeline for budding entrepreneurs’. The Alchemy concept grew from work with adult students who had undertaken creative-based courses in the college and were interested in starting their own small businesses but found it difficult to find suitable facilities and advice and guidance to help them do so.

Using resources from the East of England Regional Development Agency, the Local Growth and Enterprise Initiative and the college, land was acquired close to the college’s main campus and an industrial-style building was erected. This provides workspace for around 16 new businesses, a suite of meetings rooms and a front-of-house office with clerical and administrative support. The businesses involved, known as Alchemists, are also provided with some basic facilities within each workspace, such as a table, chairs, filing cabinets, a desk and a PC workstation.

Access to the facilities for Alchemists is free for up to a year, via a licence agreement between each Alchemist and the college. Alchemists are also offered access to main campus facilities and resources, including some business training and mentoring, as well as college library and learning resources and fitness facilities.

Currently, stage one of the Alchemy concept focuses on those wishing to establish businesses in the fashion, creative and media industries, with further plans for extending the concept to cover construction and business-related skills areas. The college believes that initiatives like the Alchemy centre, linked to the development of the town’s new outer harbour, will offer opportunities for new types of business to become established. The college is also working with Great Yarmouth Borough Council to develop ‘Alchemy Park’, which will include the Alchemy centre, together with ‘incubator’ units at modest rents for Alchemy graduates and new or start-up businesses to move into.

The college believes that this strategy will allow further development and reinforcement of links with employers in the community, as well as offering a range of increased employment opportunities for the community and for the college.

Alchemy is a fantastic opportunity for budding entrepreneurs to make their business dreams a reality. Great Yarmouth can become a significant centre for enterprise and new business start-ups.

Robin Parkinson, Principal, Great Yarmouth College
In 2002 South Devon College faced the possibility of closure under a review of options for the future of further education (FE) in the area by the Learning and Skills Council (LSC). It had recently had an Ofsted inspection which identified six unsatisfactory curriculum areas, coupled with weak leadership and management. Its accommodation was no longer fit-for-purpose and it had severe financial problems, with a deficit of over £2 million. More significantly, there was evidence that it had lost touch with the local community.

A new principal was appointed in July 2002, who quickly established a plan to tackle the basic weaknesses in teaching and learning, management, the management information system (MIS), finance and accommodation and the college’s detachment from the community. The new management team recognised, however, that if they were to make progress they could not simply address these weaknesses without at the same time positioning the college to embrace the Government’s skills agenda.

Within four years the college had moved into a new building, received a very good Ofsted report, achieved four Beacon awards and in November 2007 became one of the first colleges in the country to gain the New Standard for employer responsiveness. It now has a financial surplus and phase two of a major building expansion programme is in progress. The college is at the heart of the Mayor’s strategy to tackle the social and economic problems of the Torbay area.

In preparing the strategic plan to achieve these results, income generation and employer engagement were seen as key objectives not only to align with LSC priorities but also to secure the college’s position in the community. Thus, in making new senior management appointments, one post was set aside to foster development in this area.
The development of Business Advantage

Research

The new senior manager came into the post in February 2005 with a job specification focused on income diversification through employer engagement. The first task was to undertake some research to find out who was using the college and whether industry had a clear perception of what the college could do. It emerged that industry had real concerns over engagement because they needed to talk to several different departments but were confronted with layers of bureaucracy. Moreover, their knowledge of the college’s capabilities was very limited.

The first steps to overcoming these barriers and ensuring a more cohesive response involved establishing a one-stop shop through the creation of Business Advantage, a unit distinct from the main curriculum departments. It was also necessary to form a staff team committed to customers, which could offer a short-course programme that would also contribute to college income.

Some staff already had experience of this kind of work through their involvement in an embryonic business unit in the former college. However, to move towards the necessary culture change it was essential that the new team adopt common systems and a uniform approach to customers. It was decided to work towards Customer First, the national standard for customer service, and this was achieved by June 2006. The framework at the heart of this scheme, and the process of developing it, laid the solid foundations for Business Advantage.

Developing a new full-cost programme

At the same time the team was also engaged in launching a suite of courses mostly aimed at assisting companies to meet legislative requirements. This coincided neatly with the college’s executive review of fees as part of the Government’s FE agenda to increase charges. A decision was taken to transfer courses from FE departments to Business Advantage where it was planned that they could be run on a cost-recovery basis. The programme typically included one-day courses on business skills, e.g. Customer Service Skills, on legislative requirements, e.g. Implementing Food Safety Hygiene, a range of short IT courses, e.g. Microsoft Word XP, Mail Merge, and some IT qualifications, e.g. the Computer Literacy and Information Technology (CLAIT) package of qualifications. In order to secure credibility with industry, a key decision was taken never to cancel a course but to reschedule.

The original programme is essentially the same as the one operating currently. Over the years, however, there has been an increase in the number of full-cost courses run on employer premises.

A customer database

In 2006/07 the Business Advantage team began to address the need to gain from the increasing number of college industrial contacts as it expanded its work-based learning activities. In order to seize the obvious cross-selling opportunities it was essential to create a sound customer database. Aware of other colleges’ sobering experiences in this area, considerable time was spent during the year in deciding upon the database specification. It was clear that for any customer relationship management (CRM) system to be fully valuable, it should link closely with current MIS operations. It was, therefore, not until 2007 that the executive decided to purchase Achiever CRM software.

Further developments

The sharp focus of Business Advantage on employer needs has been strengthened by its increased responsibility to oversee developments in Train to Gain, work-based learning and other similar work. This has clearly assisted the college in its goal of achieving the New Standard for employer responsiveness, which was secured in November 2007. The college is now required to properly assess the impact of the training it provides on the businesses it serves. That process has now begun.

The college is anxious to strengthen its support for the local economy and to embark on a phase two building programme which will provide not only extended facilities for specific vocational areas such as motor vehicles, electrical installation and engineering, but will also house the Business Advantage team with an additional focus on Higher-level Skills. It is intended to offer modules from foundation degrees to industry and commerce at full cost and to create an enterprise and research centre that will bring together students with vocational skills and those with business experience.

Finance and accommodation

From the beginning, the establishment of Business Advantage was seen by the college not just as a potential income-earning operation but as an essential element in the college drive to be at the heart of the community. No artificial financial targets were therefore imposed on the Business Advantage team other than a framework guideline to achieve a contribution of at least 40 per cent to college overheads at course level. In fact, the management of work-based learning and Train to Gain activities has provided additional income to support its delivery. Nevertheless, the college’s income from the full-cost short-course programme has gone up by nearly 50 per cent and is now around £350,000. The number of employers supporting the programme has also risen by 25 per cent and the number of clients enrolling by 30 per cent. This increase has been particularly remarkable given the preponderance of small and medium-sized enterprises with employees mostly on low wages.

The value of Business Advantage’s involvement with industry in assisting the college to meet its strategic planning objectives is recognised through the college’s provision of discrete accommodation to a high standard in line with other curriculum areas. Within the new campus there is a separate suite of rooms, complete with an independent reception area, in which the full-cost programmes can operate. Similar accommodation is provided in the community at Newton Abbot. Furthermore, the college acts as host to the Torbay Innovation Centres at Vantage Point, which offers 700 square metres of office and desk units to aid and encourage business start-up and to help companies in the early stages of development. That the college was chosen to house this flagship operation is a clear indication of its importance in the local economy.
Planning, review and benchmarking

The new college executive needed to face up to an inherited deficit and to take account of changing funding regimes. Faced with overall reductions in 19+ recurrent funding, it reviewed provision and decided to place a cap on Access to Higher Education course recruitment so that other courses could be offered within the funds available. More generally, a key decision was to involve all sections of the college in achieving a 45 per cent contribution to overheads while leaving detailed decision-making on fees at departmental and section level. To support this strategy, departments are given clear guidance on the fee bands they can choose, but with a set minimum level. At the same time they are encouraged to embark on cost-recovery initiatives supported by a central sales team managed by Business Advantage. Several departments have seized the opportunities available here, and construction in particular has been able to offer a good range of full-cost recovery programmes.

While department heads are free to make decisions on fees, they are supported by regular and accurate data, close monitoring of progress on their income targets, as well as data on enrolments, retention, success rates and so on. In practice the finance staff meet monthly with curriculum managers to review progress using data that readily identifies issues through a traffic light system of warnings. This is essentially a supportive operation in which everyone involved uses their expertise to isolate problems and seek solutions. In January 2008, for example, a number of curriculum areas were identified as likely to be short of their income target. The finance team in consultation with the academic heads prepared a paper for senior managers setting out possible options for increasing income during the year. This monitoring process has also encouraged premium (full-cost) pricing in 2007/08 over 20 courses had a premium rate tuition fee, bringing in significant extra income.

Financial arrangements are underpinned by a planning system that begins in January of each year and focuses on the curriculum, success rates, enrolments and fee levels. Around April, when information on likely LSC funding becomes available, the college executive then begins the preparation of a detailed budget, taking into account both LSC funding and fee income. It is at this point that income targets are agreed for each department. To support these decisions the college undertakes a benchmarking exercise and reviews internal and external data to examine, for example, trends over a three-year period. Thus decision-making is founded on hard evidence and a coherent view can be taken of the college’s various funding streams. Such reviews also focus on value for money. A recent decision has been taken to appoint a purchasing officer, which has already led to a significant level of savings.

The college’s headline fee income has, however, been adversely affected by a focus on government priorities. Fee remission for mainstream first full Level 2 courses, for example, has increased substantially and it has not been possible to recover this lost fee income from the LSC.

Raising income through review, analysis and planning

As the new college management team began to tackle the key issues identified in the Ofsted report, the Government’s agenda on increasing fee contribution and encouraging colleges to be more enterprising in raising income became more high profile. In overcoming a severe college deficit, the need to take account of this agenda was critical.

That the college has been able to move to a surplus situation is the result of adopting a co-ordinated approach to recovery and a new operational strategy through a process involving analytical review, independent benchmarking and a planning system underpinned by reliable, consistent data.
Case study 5:
City College Coventry

City College Coventry was formed from a merger of the former Coventry Technical College and Tile Hill College in 2002. After a transitional year the new college became operational in 2004/05. The current institution has an annual turnover of £23 million, with around 14,000 students, mostly part-time, covering a broad range of curriculum areas but with a strong technology tradition.

The new college faced a number of significant problems. The most important challenges included the need to reduce accommodation capacity, to improve success rates, to strengthen a tight financial situation and at the same time to respond to a rapidly changing local economy exemplified by the closure of Peugeot’s manufacturing plant.

From the start the governors and college executive adopted a coherent approach to all these issues by ensuring that these factors were carefully considered in a major review to design a curriculum for the new institution. A keystone principle was to ensure that no problem was tackled without considering its impact on a curriculum essentially focused on the needs of the area.

Since 2004 the college has been able to rationalise its accommodation, fund a £55 million building programme (with the first phase completed in 2007), demonstrate improved success rates, and raise its financial status (as reviewed by the provider financial assurance division of the Learning and Skills Council (LSC)) from Grade C to Grade A. Strong partnerships with other colleges through Train to Gain and with schools on the 14–19 agenda have enabled it to focus sharply on the changing local social and economic situation.

During this time the college has had to address the issues facing all further education (FE) colleges in responding to government and LSC initiatives. Thus there has been a major drive to improve its response to industry and in particular to tackle the fee issues by raising more money from employers. This has been done by establishing a cost-recovery unit called Charterhouse Training, by adding value to existing programmes and charging employers accordingly, and through a planning system designed to encourage departments to raise income. Where departments have been successful, there has been a drive to spread that good practice across the college to foster an entrepreneurial culture.

Strong partnerships with other colleges through Train to Gain and with schools on the 14–19 agenda have enabled City College to focus sharply on the changing local social and economic situation.
A full-cost unit: Charterhouse Training

The former Tile Hill College already had an established base for running cost recovery programmes separate from its standard FE offer, having acquired the Charterhouse, a former monastery. However, this business development unit had not been long established and its income was not yet significant. Coventry Technical College had a longer history of such activity with an income of £400,000, mostly based on open and distance-learning programmes.

The college executive decided quickly that it would be wise to merge the two together under one business development manager (in practice the former manager at Coventry Technical College) and establish one business development unit, to be marketed as Charterhouse Training with the branding of City College Coventry.

Its aim in the first year was simply to cover its costs and raise £450,000. The current Charterhouse Training is now a thriving business with a full-cost recovery income of £650,000, contributing 30 per cent of this towards college overheads. It has effectively redesigned its programmes, having abandoned most of the distance-learning courses, and now focuses on tailor-made activity for particular companies and offers an open programme meeting the needs of around 2,000 learners.

Key factors leading to success

1. A dedicated staff team

A central factor in delivering the success of Charterhouse Training has been the appointment of a dedicated manager supported by a full-time teaching team of six, each with a particular specialism to offer companies and individuals. As the unit has developed, a further 27 part-time staff have been recruited, mostly from industry and commerce. A strong team ethos, fostered by their location in one building, has created a spirit of flexibility and responsiveness to the needs of individuals and companies.

2. The Charterhouse building

The training activity has been greatly strengthened by having a single building, away from normal FE activity, which can provide the right kind of atmosphere for industrial clients. This former monastery is well known in the area, has a suitable ambience for learning, is comfortable and, very important, has good parking. Since 2004 the staff team has been able to re-equip the centre, creating a reception area, training rooms and an IT facility. Constant updating will be necessary as clients’ needs and tastes change.

3. Sales expertise

The new manager of Charterhouse Training recognised early on that at the heart of any successful income-earning operation there had to be a strong sales and marketing operation. This message was strengthened in the first year of operation when only 30 per cent of the courses offered actually got off the ground. There were, however, some concerns about using the term ‘sales’, which is one not usually associated with academic courses. Nevertheless, it was regarded as essential that such a team was formed and three staff, all from the previous two colleges and with a background in selling, became the ‘sales team’.

Two of the original team still remain, with a new member recruited to maintain the team of three. None of them receives incentive payments but they do have financial targets, for example to bring in £100,000 of training ‘business’. Their motivation arises from their determination to make Charterhouse Training a significant and successful operation.

4. Focus on marketing

A key factor in designing the Charterhouse programme from 2004 was the focus on marketing to ensure that real needs were being addressed. The sales team and others therefore closely examined the offer from local competitors (some 20 local private trainers), attended conferences and exhibitions, reviewed local labour market intelligence and eventually were able to create a marketing plan. Such marketing activity, coupled to a marketing plan, is still at the heart of Charterhouse Training. Significantly, now over 80 per cent of the courses offered in the open programme actually run.

5. Reliable database of contacts

The staff team preparing the marketing plan realised it was not underpinned by a comprehensive database of individuals or companies with which either the college or the business development units had been associated. A simple spreadsheet

A strong team ethos, fostered by their location in one building, has created a spirit of flexibility and responsiveness to the needs of individuals and companies.
Training is now a thriving business with a full-cost recovery income of £650,000, contributing 30 per cent of this towards college overheads.

Owing to funding complications the Charterhouse unit decided in its early days not to pursue the development of training based on open and distance learning. It was therefore necessary to design a new programme based on the marketing analysis. Essentially what emerged was a scheme of tailor-made courses negotiated separately with specific companies, together with an open programme for individuals. That scheme is still the backbone of the current offer.

The Charterhouse team believed that the CRM system would be considerably strengthened if it were linked to the college individualised learner record and other parts of the management information system. Towards this end, heads of schools were licensed to use the ACT system but the experiment was eventually abandoned through lack of use. The weakness remains and will be readdressed in the near future.

6. The programme

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Based both on the market analysis and on a review of the staff specials available to Charterhouse, it was agreed that the programme would be focused on the following areas:

- accredited management development, e.g. three-day Institute of Leadership and Management (ILM) Development Award in Project Management, 10-day Chartered Management Institute (CMI) Diploma in Management Level 3;
- management and business skills;
- health and safety;
- environmental;
- first aid; and
- information technology.

These courses began in 2005/06 after a review of the first year of operation. The accredited courses by Charterhouse are offered during the day in the Charterhouse building or on company premises and can be modified to suit the specific needs of a company. Experience has shown that many employers appreciate the more direct and less bureaucratic approach of a dedicated training unit.

In the management and business skills section some 23 specialist courses are run, mostly for one day, usually for a fee of £190 per client. Typical topics include Advanced Presentation Skills, Excellent Customer Services and Leading and Motivating the Team.

For health and safety the emphasis is on meeting legislative requirements. Courses on offer include:

- Chartered Institute of Environmental Health (CIEH) Manual Handling (half-day, £60 per client);
- Health and Safety for Licensed Premises (half-day, £60 per client);
- Institution of Occupational Safety and Health (IOSH) Working Safely (one day, £145 per client); and
- National Examination Board in Safety and Occupational Health (NEBOSH) National Certificate Unit N61 (six days, £635 per client).

There is a more limited offer in first aid with four courses covering First Aid (Appointed Persons) and Paediatric First Aid. All courses in information technology are for one day at a fee of £130 per client and cover a wide range of introductory and advanced training.

The offer for tailor-made provision is usually based on the specialisms of the open programme. For example, employment agency Remploy negotiated a course leading to a CMI Diploma in Management Level 5 for eight of its staff. Automotive painting company PaintBox Ltd has selected Charterhouse as its preferred supplier of training, while another major local employer, Hammonds Furniture, has used the facilities for its line managers.

The ILM programmes offer a great level of support for line managers who have little experience. They provide practical advice on workplace situations and the project really helps the candidates connect their learning to the workplace. Charterhouse is a pleasure to work with and nothing is too much trouble.

Company training manager

7. Quality control

A key element in delivering these services to companies is the close attention paid by the Charterhouse team to quality control. Considerable emphasis is placed on both pre- and post-course evaluation procedures. Now the staff are in a position where they are able to do follow-ups every three months to consider the impact of training.

Each member of the sales team is also responsible for specific accounts to ensure close dialogue with regular customers. On company-specific courses there is also a mid-course review involving employees, employers and the teaching staff. Additionally, the college includes the unit in its annual customer satisfaction survey. Charterhouse normally achieves around 93 per cent customer satisfaction.

8. Finance

While tight guidelines were laid down for academic departments to price their cost-recovery courses, Charterhouse has been able to set its own price levels. Charterhouse takes into account the usual running costs (materials, travel, preparation staffing and so on), but also factors in the dynamics of the local market and the rates set by competitors – some 20 in all – and, increasingly, universities. In the first year no significant contribution to college overheads was expected but the unit now achieves over 30 per cent contribution towards overheads. The unit is now well established in the local community and has ambitions to raise its income achievement of £650,000 by a further £100,000 over the next year.
The college has established a cross-college group to promote closer employer engagement and stimulate income generation.

### Raising income by adding value

The college, while supporting the independent approach of Charterhouse, has also encouraged its curriculum departments to adopt an income-earning approach in their negotiations with employers by asking what additional services they require. There have been two particularly successful examples where this kind of initiative has borne fruit.

In general engineering, the college offers a full-time first year Apprenticeship scheme for 100 employees of motor manufacturer Jaguar, and in negotiation with Jaguar has added additional tuition time over and above the standard offer. In the second year of the programme, college staff now act as mentors when apprentices return to work. The scheme thus contains several elements which add value to the traditional offer. All this is paid for by the company at full cost.

A national project for public service vehicle employees that is delivered by City College Coventry is another good example of raising income by adding value. Apprentices attend for a full-time 10-week block-release programme that includes extra services (i.e. added value) such as mentoring, enrichment and the provision of accommodation, which are paid for by the employer at full cost.

Significantly, as a result of these approaches, income from employers has gone up from £1 million to £1.5 million over the last few years. The college emphasises that such schemes are based on trust derived from close relationships with individual companies.

### Encouraging close employer engagement

Based on the successes of Charterhouse and the added value initiative, the college has established a cross-college group to promote closer employer engagement and stimulate income generation in those departments not traditionally involved in employer engagement or charging fees. This is seen as particularly important with the arrival of Train to Gain, with which the college is already heavily involved and is a key element in its plans for the future.

The green shoots of change can already be perceived in the health and social care department, which is preparing to adopt a more entrepreneurial approach to the provision of courses for teaching assistants, and in computing, which will use its staff to deliver provision managed by Charterhouse.

### Integrated planning to foster income contribution

Since the formation of the college, the governors have annually approved a fees policy document. This has proved to be a significant guide to the increased delivery of income from the various curriculum sections across the college.

Heads of schools are, for example, free to adopt their own fee levels for each course, choosing from bands that closely match LSC guidelines. At the same time the policy document encourages them to introduce cost-recovery provision by giving specific guidance on the minimum rates to be charged. Using both these strategies, each school is set an annual target of income that it has to contribute to college overheads.

In making their decisions, heads of schools are not working in isolation. Three times a year they meet with the planning group (commonly known as the Star Chamber) to review key strategies for the school. These include not just financial strategies but others concerned, for example, with success rates and staffing levels. To ensure this coherent approach, membership of the group consists of the vice principals responsible for curriculum, strategy, finance and human resources. The Star Chamber has helped heads of schools to identify areas where employers have not been adequately charged for extra services such as the provision of books and materials, where opportunities for premium pricing exist and where staffing levels need to be reduced.

The whole process has been strengthened by an independent benchmarking exercise which has provided useful data on which to base school income targets. Thus, for example, those schools around the median for the sector are being encouraged to aim for the upper quartile, and those below to aim for the median. Typical targets for 2006/07 for schools were engineering 37 per cent, music and media 54 per cent and creative arts 51 per cent.

### Key lessons

Since 2004 City College Coventry has not only been engaged in tackling its own special problems but in responding to the Government’s wide-ranging agenda, including the challenge to raise income.

It would be the first to recognise that it has not been, to date, universally successful in meeting all the challenges but its approach of tackling them in a coherent, co-ordinated way has ensured a significant degree of progress.

It has strengthened its financial position, moving from deficit to surplus, improved its financial status from Grade C to Grade A and fostered successful income-raising initiatives.

The support of specific entrepreneurial activities such as Charterhouse Training has provided a powerful example of good practice. This example together with a testing and challenging planning process has enabled the college to take significant steps towards creating a culture of enterprise.