

DEL Circular:
No. FE11/15

Subject:

COLLEGE DEVELOPMENT PLANS – 2016/2017 TO 2018/2019

Date of issue:

13/10/2015

Audience:

- Chairs of Governing Bodies
- Principals of FE Colleges
- FE College Finance Officers
- FE College Curriculum Managers

Summary of contents:

Guidance to the further education colleges on the format, content and timing requirements of the College Development Plan (CDP) process for the period 2016/2017 to 2018/2019

Enquiries:

Any enquiries about the contents of this circular should be addressed to:

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The information requested at paragraphs 15 to 16 of this circular (financial information) should be forwarded by e-mail to:

FE Corporate Governance and Accountability Branch

E-mail: fegovernance@delni.gov.uk

Status of Contents:
Information

Related Documents:
None

Superseded Documents:
None

Expiry Date: N/A

DEL Website:
www.delni.gov.uk

College Development Plan (CDP) 2016/17 to 2018/19

Purpose

1. The purpose of this circular is to provide guidance on the college development plan (CDP) process for the period 2016/17 to 2018/19.

Background

2. Article 20 of the Further Education (Northern Ireland) Order 1997 ('the Order') requires that each college should prepare a college development plan for submission to the Department which should contain a statement of:
 - the number of persons the governing body estimates will be students of the institution;
 - the courses of further and higher education which the governing body proposes to provide or secure the provision of;
 - the capital expenditure proposed by the governing body and estimate of the recurrent expenditure and income of the governing body; and
 - such other matters as may be determined by the Department regarding each financial year to which the plan relates.
3. The Order also requires a governing body, when drawing up a development plan, to take into account any guidance issued to it by the Department and that it should be in such form as the Department may determine. In addition, under the Order, the Department determines the date by which the CDP has to be produced. Finally, the Order states that the CDP "shall be prepared in respect of the next following financial year and the succeeding two financial years."

Content and Format of the CDP

4. This circular sets out the format and content of the CDP required by the Department for the period 2016/17 to 2018/2019. Based on the issues referred to at paragraph 1 above, the CDP process will have four separate, but related, elements. These are:
- (i) the Funded Learning Unit (FLU) element, through which colleges' budgets are now established;
 - (ii) the written element of the CDP process;
 - (iii) financial information; and
 - (iv) monitoring of colleges' learner retention, achievement and success.

The Department's requirements, in respect of each of these elements of the process, are outlined in the paragraphs below.

The Funded Learning Unit (FLU) Element

5. The FLU element of the CDP process will be broadly similar to last year, in terms of content and timing, and the process will take place under the constraints of ongoing reduced budgets. Funding allocations will be dependent on the outcome of the Budget settlement for 2016/17, which has still to be finalised. As with last year, colleges will be provided with a provisional FLU allocation. Colleges will then be asked to submit proposals for enrolments to be delivered within this reduced budget. One thing different from last year will be that, due to further expected budget cuts, it is highly unlikely the Department will be able to re-invest back to the sector any budget reductions for under-delivery or Quality Performance Adjustment (QPA), as happened last year to mitigate against inescapable pressures. The Division will write to colleges in advance of the bi-laterals with further details.

6. As already indicated to the sector, extracts from the Data Centre will be taken on 13 November 2015, and again on 29 January 2016, which will inform the bi-laterals' in-year analysis. These extracts will inform college template projections, which colleges will be asked to submit to the Department by **12 February 2016**. This will allow bi-lateral discussions between each college and the Department to take place during March 2016.

7. FLU projections will be built around the Department's curriculum policy for the FE sector. In particular, in terms of the proportion of provision that is:
 - below Level 1, Level 1, Level 2 and Level 3;
 - on the regulated qualification frameworks;
 - professional and technical in nature (i.e. qualifications at Level 3 and below on the regulated qualifications frameworks other than A Levels, GCSEs and Essential Skills);
 - Essential Skills provision; and
 - HE provision.

Summary of HE provision

8. In addition, colleges will be required to provide specified information by types of courses, student numbers and level of qualification in relation to their HE in FE provision. This information, which should be provided along with FLU / Enrolments proposals to be submitted to the Department by **12 February 2016**, should include the following:
 - a list of current and proposed HE courses, by course title (full-time and part-time) and level of study;
 - a list of any HE courses that are to be discontinued, by title and level of study;

- projected enrolments in each course/year for each of the next 3 years;
 - an assessment of the college's performance in attracting part-time enrolments in 2015/16 and the potential for growth in part-time higher education provision in 2016/17. A short summary of how the college intends to engage with employers in order to realise this potential should be included; and
 - an assessment of the college's contribution towards the Minister's key policies to promote Foundation Degrees, STEM and Priority Skills in Higher Education.
9. Detailed information, as specified above, is required to assess a fair allocation of HE in FE MaSN places. Institutions which provide inaccurate data, or information after the required date, may jeopardise their own fair allocation of places.

The Skills Strategy for Northern Ireland

10. The Skills Strategy for Northern Ireland, known as 'Success through Skills – Transforming Futures', was published in May 2011 and articulates the overarching vision for the development of skills in Northern Ireland. Its aim is to enable people to access and progress up the skills ladder in order to raise the skills levels of the whole workforce; raise productivity; increase levels of social inclusion by enhancing the employability of those currently excluded from the labour market; and secure Northern Ireland's future in a global marketplace. The Skills Strategy has four key goals which set the strategic direction for the Department and the overall skills profile for Northern Ireland. The Strategy provides, in detail, what needs to be done by 2020, if Northern Ireland is to compete successfully in a global market place. It advocates the need for higher level skills; the need to upskill; the need to address subject imbalances; the need to increase science, technology, engineering and maths (STEM) and management and

leadership skills; and the need to attract skilled labour. In the context of the coming CDP process, the Department currently has no plans to introduce a new weighting into the FE funding model in respect of the priority sectors. However, the Department will continue to monitor this important aspect of colleges' provision through FLU spend very carefully.

11. The Department will write to colleges in due course commissioning the FLU element of the CDP process. As in previous years, the Department's overall intention is to be in a position to confirm budget allocations to colleges as soon as is possible. However, as before, this timing is subject to Ministerial approval of proposed funding budgets.

The Written Element of the CDP process

12. The Department no longer requires colleges to submit a formal narrative element to the CDP. However, as recipients of significant amounts of public funds, colleges are required to produce annual business or strategic plans which should be made available widely to stakeholders by, for example, publishing them on their web sites as public documents. In line with similar documents that are produced by other publicly funded organisations, they should include sections such as an introduction, vision and values, strategic context, stakeholder involvement, main customers and the services provided to those customers, learner access, key performance targets, quality, corporate commitments and governance, staff development, equality, etc. As part of this exercise, the business or strategic plans should identify clearly how the college will meet the Department's strategic objectives for the FE sector - for example, in terms of curriculum provision, support for business and engagement with key partners. Although they are produced annually, the plans should cover a three year period.
13. While the Department requires colleges to produce such planning documents, it will not be prescriptive in terms of their content and

format and will have no approval role in their production. In addition, colleges will be free to determine the timing of the production of such documents to fit in with their wider business planning cycles.

14. However, colleges are reminded that they are required to advise the Department when they intend to produce their business or strategic plans and to provide the Department with a copy once they have been produced. This is particularly important now, given colleges' NDPB status.

Financial Information

15. Under the FE Order, Colleges are required to provide details of their projected financial position over the next three years. .
 - This 3 year financial forecast should be prepared in line with the colleges' July year end and submitted to FE Corporate Governance & Accountability Branch. A template will be provided in due course. Regarding the forecast against budget for 2016/17 (in NDPB budgeting format), college forecasts against budget for the year will be picked up once the cycle of monthly NDPB budget returns to DEL commence.
16. As set out in the management statement and financial memorandum (MS/FM), colleges are permitted to retain an amount of up to 10% of their prior year income as cash reserves for the purposes of contingency and working capital. Any amounts in excess of this threshold must be subject to Departmental approval. As colleges are not able to spend cash without appropriate budget cover, the Department may reduce recurrent grant if it is considered that excessive cash balances or reserves are being held.

Learner Retention, Achievement and Success

17. The Department continues to monitor colleges' rates of learner retention, achievement and success as part of the CDP process. The Department's Analytical Services will produce detailed 'data performance packs' based on NICIS data which sets out each college's performance in these areas; these packs will be issued to colleges in December 2015.
18. These reports are now an integral part of the CDP process and facilitate detailed discussions on these areas during the bi-lateral meetings.

Bi-Lateral Meetings

19. In line with previous years, the CDP bi-lateral meetings will focus on the following:
 - a review of colleges' performance against the various FE funded curriculum targets;
 - the establishment of curriculum targets, and associated budgets, for future years; and
 - a review of colleges' rates of learner retention, achievement and success.

Given their association with the FLU and budget setting elements of the CDP process, these meetings are scheduled to take place during March 2016.

Timescale for Responses

20. The following timescales and contact details for submission of documents will apply to the various elements of the CDP process outlined above:

- a) The Funded Learning Unit Element: This element of the CDP should be returned to Marc Macpherson at marc.macpherson@delni.gov.uk by **12 February 2016**. Marc will be writing to colleges in due course to commission this FLU element of the CDP process.
- b) The Higher Education information: requested in paragraph 7 should be sent to Jane Hamill at jane.hamill@delni.gov.uk and copied to Marc Macpherson marc.macpherson@delni.gov.uk by **12 February 2016**. **Failure to provide accurate information as requested may result in a college not receiving the full allocation of MaSN higher education places to which it may be entitled.**
- c) The Written Element: It is for individual colleges to determine the timing of the production of the business or strategic plans that will form this part of the CDP. However, by 12 February 2016 colleges should advise FE Corporate Governance & Accountability Branch fegovernance@delni.gov.uk when they intend to produce their business or strategic plans, and when available, a copy of the documents should be sent to the Branch mailbox.
- d) The Financial Element: The first year budgeting element of this (i.e. the forecast against budget for 16/17 to 31 March), should be recorded in the usual monthly NDPB budget returns sent to FE Finance. The 3 year financial forecast should be sent to FE Corporate Governance & Accountability Branch by 31 July 2016.
- e) Learner Retention, Achievement and Success: This element of the CDP bi-lateral discussions will be based on the detailed data packs produced by the Department which will be circulated to colleges in early December 2015.

Further Information

21. Any general queries on the contents of this Circular should be addressed to Michael Camplisson in the first instance.

Department for Employment and Learning

13 October 2015