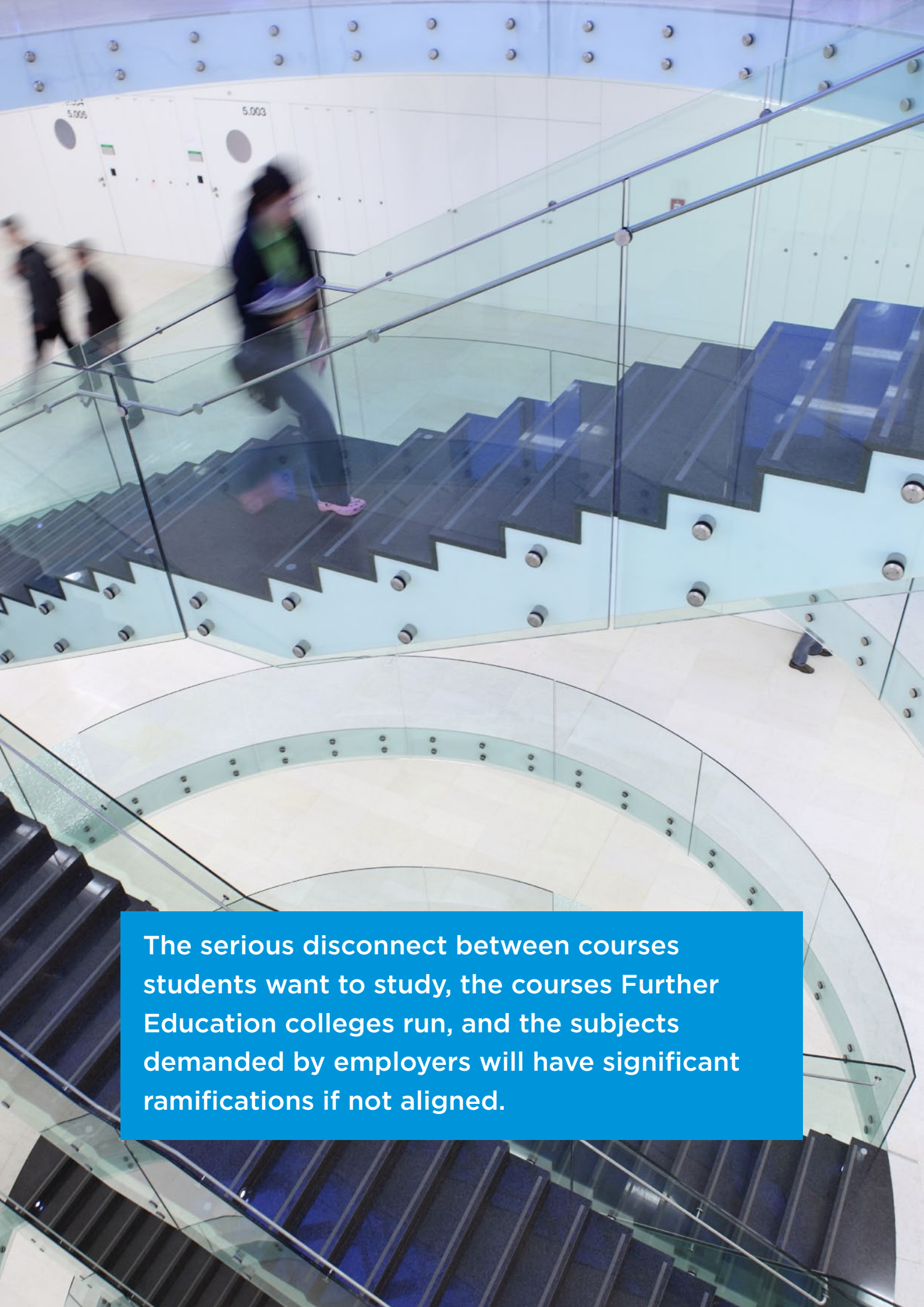


Further Education Reviewed

A closer look at Further Education
in the United Kingdom and the challenges it faces



Blackboard



The serious disconnect between courses students want to study, the courses Further Education colleges run, and the subjects demanded by employers will have significant ramifications if not aligned.

Further Education Reviewed: A closer look at Further Education and the challenges it faces

Introduction

In the wake of the economic crisis and anticipated funding cuts of up to 35%, Blackboard launched a research project into the challenges Further Education is facing in the United Kingdom and the strategies that colleges are employing to address them.

The results provide some interesting insights into the issues facing the sector – including a large disparity between those courses demanded by students and by employers – the role of technology in enhancing the student experience, and the two distinct strategies that are emerging as ways to cope with public funding cuts.

The results of this research amongst Further Education colleges are summarised in this report.

Executive Summary: Disparity between Employer's Needs and Student's Expectations

Delivering the skills relevant to today's employers is a key objective for Further Education colleges and with funding pressure brought about by the challenging economic environment, how well colleges and academia can continue to do this has major implications for society.

As such, the education sector is facing a step-change: a transition from its historical 'education-for-its-own-sake' approach to a commercially-attuned and competitive strategy to attract top students and funding, and to deliver quality results.

According to this research, standing in its way lays a large disparity in the courses proving most popular with students and those demanded by employers.

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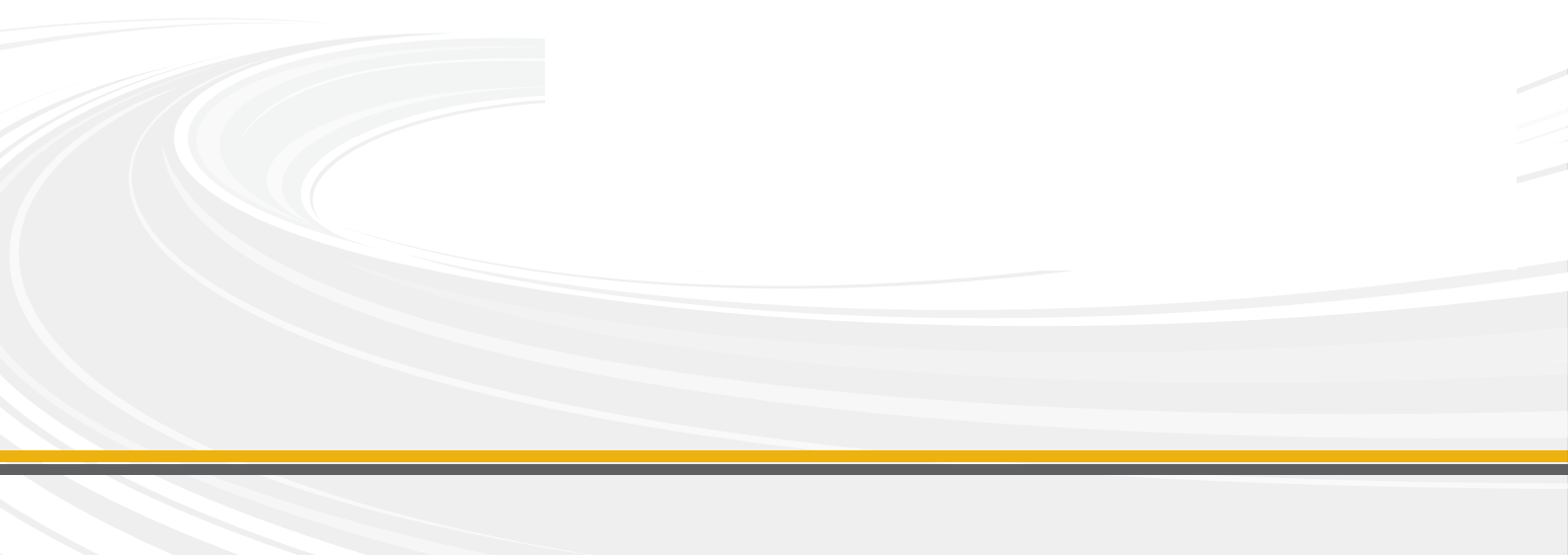
Be it through cost-cutting or additional revenue generation methods, virtual learning and innovative e-learning solutions are critical to making the business of education work.

While learners favour options such as health and social care and business administration, most employers working with Further Education colleges are demanding STEM (Science, Technology, Engineering and Maths) qualifications and industry specific courses such as automotive and construction. To remain competitive in the years to come, UK Plc. will require a diverse workforce that is fit for purpose. A failure to attract students into these disciplines could therefore present major problems to the economy's future success. While government funding for STEM subjects will hopefully go some way to addressing these, it is clear we are still failing to adequately convey the value of holding such a qualification to current learners.

This research also identifies two clear strategies for dealing with the anticipated funding cuts:

1. Half of the colleges plan to reach out to local industry and offer employer training courses to decrease dependence on the public purse
2. A similar number is expecting to reduce the number of teaching staff or courses and to make use of existing technology to streamline administration.

Be it through cost-cutting or additional revenue generation methods, virtual learning and innovative e-learning solutions are critical to making the business of education work. As education policy makers face tough decisions on funding and future policy post-election, core technology-related issues will affect the sector's ability to remain competitive and provide the support necessary to meet demands from both students and the economy's skills needs.



Top Line Findings Demonstrating Strategies Colleges are Deploying to Cope with Funding Cuts

Enhancing the student learning experience

Further Education colleges are embracing technology to enhance the student learning experience. With almost half of all students now holding down a part-time job, not everyone can attend traditional teaching or commit to regular study between the hours of nine to five. Instead, students are increasingly relying on virtual learning solutions.

- According to the research, the most popular use for virtual learning platforms within colleges is online assignment submission. However, the technology is also valued for its ability to drive communication with students and tutors outside of college hours and for delivering courses as an aid to traditional teaching.

Making room for cutbacks

- Due to the current fiscal environment, most of the colleges Blackboard engaged with were expecting a funding cut of at least 10%.
- Colleges cited several approaches to dealing with cutbacks. Over half plan to make better ties with industry by offering training schemes. A similar number expect to reduce the number of teaching staff or reduce the number of courses to cope with imminent funding cuts.
- Nearly half expect to make use of technology to streamline college administration.

Technology and teaching

- A number of colleges will use their current virtual learning environment (VLE) to deliver some courses predominantly or entirely online. Several colleges also plan to develop full-fee bespoke short courses.

Additional funding streams

- Over half of the colleges aim to reach out to local industry and offer employer training services to boost funding.



A number of colleges will use their current virtual learning environment (VLE) to deliver some courses predominantly or entirely online.

- Conversely, a significant number plan on generating funds through cuts and efficiencies.
- Around a quarter plan wholly online courses.

Employee training services

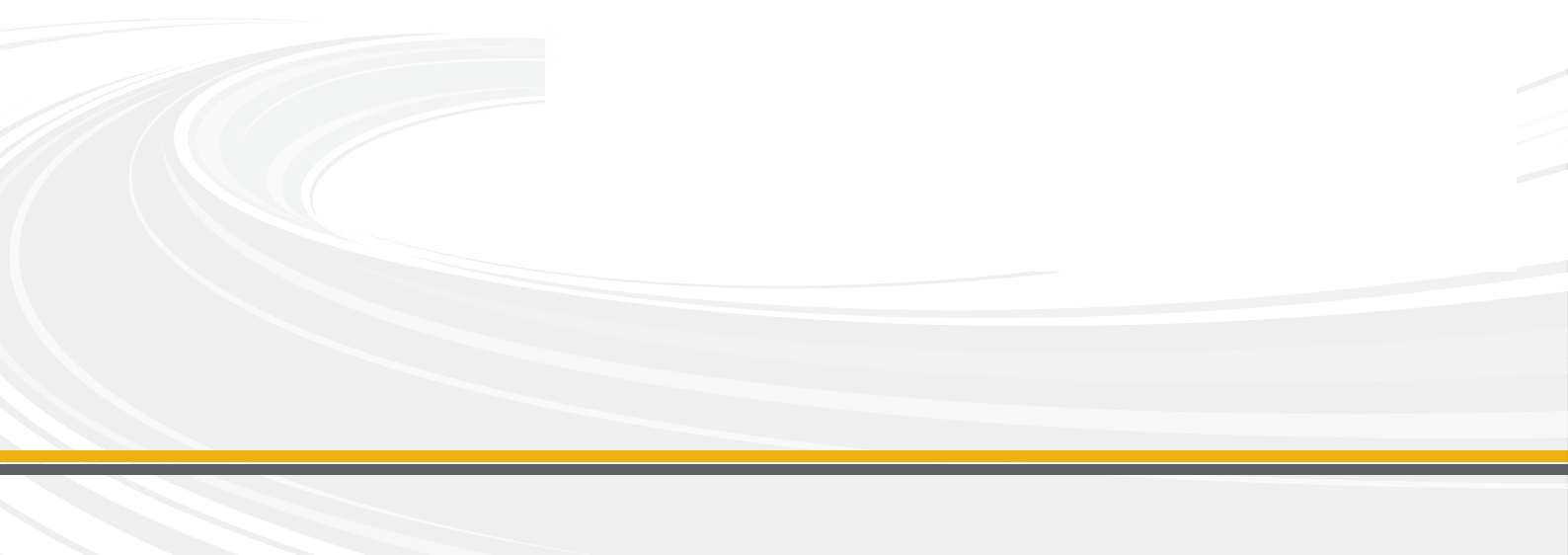
- Most Further Education colleges offer employment training services.
- However, many did not know how much revenue employment training services provided. Of those that did, most stated that 15% or less of their current revenue was supplied by employee training services.
- Over half of the respondents expect revenue from employee training to increase.

Course demands

- Health and social care are the most popular of courses for students, followed by business administration.
- Meanwhile, most employers working with Further Education colleges are demanding engineering and maths as well as industry specific courses such as automotive and construction.
- While government funding for STEM subjects will go some way to addressing this disparity, we are still failing to adequately convey the value of holding such qualifications to current learners.

Apprenticeship and up-skill

- Half of all colleges researched are seeing an increase in demand for apprenticeship from employers.
- Three quarters of the colleges see blended and/or distance learning as a key solution to addressing the challenges faced by Further Education colleges today.



Is Technology the Panacea for Narrowing the Skills Gap?

Enhancing the student learning experience

The results indicate that colleges increasingly recognise that traditional teaching mechanisms need supplementing with virtual learning solutions, with Further Education colleges truly embracing technology to enhance the student learning experience.

According to Blackboard's research, the most popular use for virtual learning platforms within colleges is online assignment submission. The next most valued uses of the technology, were driving communication with students and tutors outside of college hours, delivering courses as an aid to traditional teaching.

This tallies with the results from a survey of students, conducted by Blackboard in Summer 2010 which suggests nearly half of Further Education students maintain a part-time job whilst studying and that three quarters of those work between 5 to 20 hours per week. With time-demands like this, the studying patterns of many students are no longer 9 to 5. For these students, online learning environments become increasingly important.

Furthermore, today's students grew up in the digital age and expect to have their course material served dynamically, whether it's via podcasts, vodcasts, or course notes uploaded pre- and post-lectures.

Making room for cut backs

The majority of colleges researched believe that their funding will be cut by 10% or more. Some felt that funding will decrease by as much as 25%. They also expect cuts to be segmented to follow political demands, particularly impacting unemployed 16 to 19 year olds, but to be greater than 10% in total.

"I think it is crucial in the coming years that the government recognise the current duplication of provision and resources in local areas and look to make an easier route for successful institutions to amalgamate with other local Institutions in order to reduce the duplication of provision, but increase the effective use of both physical and virtual resources,"

George Wraith, Head of Systems, New College Durham.



Colleges are looking towards building better ties with industry by offering training schemes via their virtual learning systems to local employers.

With aggressive cutbacks, over half of the colleges believe they will have to reduce the number of courses their colleges offer. The majority also believe that increasing their blended learning offering will help in terms of cost effectiveness for both the accrediting learning institution and the learner, accessibility to a post secondary education, and flexibility in scheduling and timetabling of course work.

Most colleges believe they will have to reduce the number of teaching staff and look towards building better ties with industry by offering training schemes via their virtual learning systems to local employers. Around half of these will take action to use technology to streamline college administration (e.g., automating back office functions as a cost cutting measure). Some believe that the existing model is not financially sustainable and therefore significant re-engineering will be necessary with a drastic shift towards technology solutions.

The general consensus is that Further Education colleges will need to centralise resources, conduct efficiency studies and make departmental budget reductions as well as general efficiency savings across the college, in order to remain in business.

Technology and teaching

Within the current economic climate, efficiency and budget reductions are everything, and academia is certainly no exception. Blackboard's research confirms that, for many colleges, technology is the key to achieving this. All the

colleges believe technology will be a major facilitator in the search to reduce overheads and develop new revenue streams. This strategy could take a number of forms: colleges may make use of VLE technology to deliver courses predominantly or totally online, as well as offering more aspects of existing courses virtually; others have developed full-fee bespoke short courses. But they all have a common goal of minimising the maintenance and/or expansion of their existing physical infrastructures while still offering courses to meet student need.

A significant number of institutes believe that collaboration with other colleges to share resources will help reduce their overheads. In addition, the majority states that the appropriate application of their existing technology will save staff time. Many colleges believe there needs to be a major shift in mind set where the re-engineering of the institutional infrastructure needs to be based on a corporate multi-college approach to achieve the benefits of scale.

Despite the potential benefits, for some the future remains bleak as they continue to scramble to stay solvent.

Additional funding streams

Colleges identified a number of potential methods of opening up additional funding streams. The most popular mechanism for building additional revenue streams subscribed to by half of the colleges consulted will be through offering employer training services. As government cuts begin to take hold many colleges clearly see developing closer ties with local industry as a necessary means towards reducing their dependency on the public purse.

Conversely, a significant number of colleges report they will not be investing in new funding streams but instead looking to free up funds through cuts and efficiencies. So, there appears to be two schools of thought on how to go about achieving more with less. Those colleges that will cut back to increase efficiencies versus those colleges who are set to reach out further to local industry for new revenue streams.

Several colleges plan to offer evening courses. Around a quarter plan to offer entirely online courses. Bidding for funds offered by the Skills Funding Agency and the People's Learning Agency, diversifying into new curriculum areas and converting funded courses to full cost were also identified as methods of accessing more funds.

Employer Training Schemes

The vast majority of colleges Blackboard communicated with already offer a form of employer training services. Such schemes bring in a valued additional source of revenue for the institutions but also help to foster strong ties with the surrounding community through local initiatives. For example, through its VLE, Middlesbrough College has worked with Corus to upskill existing employees and combat a local skills shortage. Westminster Kingsway has also worked with the army to retrain military chefs for a return to civilian life. Advanced collaboration technology plays a crucial role in the success of such schemes, as the learner's experience must be well integrated to ensure the needs and expectations of the college and the employer are well aligned. Combining work and classroom based experiences online creates a win-win situation in which learners can develop their skills while also working on solutions to an employer's pressing business challenges.

Government incentives have been put in place to encourage more partnerships between education and work. Yet worryingly the vast majority of colleges researched don't know how much of their revenue comes directly from employee training. Of those with an awareness of these figures, the majority receive under 15% of their revenue from employee training, with very few colleges reporting to derive greater than this amount.

With firm commitments from government in this area, including £200 million being diverted from the "Train to Gain"-budget towards providing 50,000 apprenticeships, it is anticipated that further collaboration between Further Education and industry will increase.

Over half of the colleges researched believe that revenue from employee training will now increase, either through expansion in this area or through it making up a greater proportion of the institution's total income. The remaining institutions are evenly split between those that believe it will decrease and those that expect it to remain roughly the same.

Which courses are you seeing the greatest demand for from students and from employers?

To ensure the future prosperity of the UK economy, the demands of students and the demands of employers on the Further Education sector need to be in alignment. However, this is not the case in respect to the most popular courses. This report reveals that the majority of employers liaising with Further Education colleges are demanding engineering and maths and industry-specific courses such as automotive and construction. Despite the government committing to investment in STEM subjects, there remains a serious disconnection with students, who continue to favour non-STEM courses. Health and social care is most popular followed by business administration.

Alarmingly some colleges are witnessing increasing demand for performing arts, despite the risk that these courses will not be sustainable in the current and foreseeable jobs market. Language and science courses are the least in demand from current learners despite the obvious employability advantages of holding such qualifications.

Apprenticeship and up-skill

Half of the colleges researched are now seeing a greater demand from employers for apprenticeship training schemes to ensure their staff are skilled and up to the job. Only a fifth saw this decreasing.

Interestingly, since the right for employees to request time off to up-skill came into force on 6 April 2010, half of the colleges have not seen an increase in applicants. Overall, three-quarters of the colleges agreed or strongly agreed that blended and/or distance learning is a key solution to addressing the challenges faced by Further Education colleges today.



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About Blackboard

Blackboard is a global leader in enterprise technology and innovative solutions that improve the experience of millions of students and learners around the world every day.

Blackboard's solutions allow thousands of higher education, further education, schools, professional, corporate, and government organizations to extend teaching and learning online, facilitate campus commerce and security, and communicate more effectively with their communities.

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Conclusion

In recent years the UK education system has been in a state of flux. While first benefiting from a huge rise in placements throughout the course of the previous government, academia is now expected to bear the brunt of the cuts sweeping across the public sector, as the seriousness of the country's economic peril becomes clear.

Due to these cuts and the tough business environment that students face after qualification, the education sector is being forced to justify itself on two fronts, both to industry and government alike. Nevertheless, for the United Kingdom a high quality and responsive Further Education sector is essential for long term economic recovery.

Two clear strategies are emerging as a means to making the business of education work. While a significant number of colleges expect to be forced to reduce staff volume the range of courses offered and number of students catered for, many are finding ways to improve funding. The most common amongst these is fostering greater ties with local business and offering employer training services to boost funding.

However, a far greater potential threat emerges in the form of the disparity between those courses students want to study, the courses Further Education colleges run and the subjects demanded by employers. These must be brought into closer alignment if the United Kingdom is to have a diverse workforce able to cope with the country's economic, social and environmental challenges.

Overall, a greater reliance on technology, whether it be to engender closer ties between academia and work or to make the most of the efficiencies it can provide, was a recurring theme. Traditional teaching in combination with virtual learning systems (VLEs) and distance learning seems likely to become increasingly common in the coming years.





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