



MORAY COLLEGE UHI

Strategic Plan 2011-15

SECTION A

College Vision, Mission and Core Values Statements

i Vision Statement

A college that is renowned for excellence.

ii Mission Statement

To be a college that provides learning opportunities of the highest quality which make a significant contribution to the economic, social and cultural vitality of the Moray area.

iii Core Values

Moray College is an organisation that:

- Puts the needs of our students first.
- Supports all students in the challenge to achieve their full potential.
- Welcomes all students irrespective of their race, gender, disability, age, sexual orientation, religion or belief.
- Expects students and staff to work in effective partnership and respect each other's needs and well-being.
- Embraces partnership working with other organisations willingly and positively for the ultimate benefit of our communities.

SECTION B

Context Statement/Environmental Analysis

1 Political Context

The political context within which this plan has been arrived at is hugely significant. This is not simply because we have, for the first time, a majority Government in power in Scotland that doesn't have to look for political support from elsewhere in order to guarantee legislative success, but is also because of the Government's intention in relation to the future of post-16 education in Scotland in general and the college sector in particular. This will almost certainly see legislation introduced in the autumn of 2012 that will have a profound bearing on further education provision in Scotland. Indeed, Michael Russell MSP, Cabinet Secretary for Education and Lifelong Learning is clearly intent on using his existing powers to bring about important changes as soon as August 2012 and in particular to get underway the "regionalisation" of much of further education in Scotland.

2 National Policy Context

On being asked to resume the role of Cabinet Secretary for Education and Lifelong Learning, after the 2011 election, Mr Russell made it known that there would be a pre-legislative consultation paper issued in September 2011 that would deal with post-16 education in Scotland. Mr Russell made it plain that this would be "radical" in what it provided for, not only for colleges but also for all other organisations involved in post-16 education.

Mr Russell also made it clear that he was intent on accepting many of the recommendations of the Roe Report into post-16 education and vocational training in Scotland which was published in August 2011.

Mr Roe's overarching recommendation was that:

The Scottish Government should take the lead, and seek a broad consensus, to create a truly coherent system of post-16 education and vocational training in Scotland with the individual learners at its heart.

A pre-legislative paper "Putting Learners at the Centre: Delivering Our Ambitions for Post-16 Education" was published in September 2011 and certainly lived up to its "radical" tag and also borrowed heavily from the Roe Report as was predicted.

In essence, Mr Russell has now challenged all colleges and other players in the post-16 marketplace to demonstrate how they intend to deliver on this aspiration and much more besides.

It therefore follows that the primary aim of this Strategic Plan must be for the College to ensure that it is delivering on this to the fullest extent for our the Moray community and that we must have a clear, evidence-based view on where we fall short at the present time and then ensure that we `raise our game`. . However, logic dictates that no institution acting alone can deliver a “truly coherent system” and that this ambition will have to continue to be pursued with others before it can be realised. In Moray College’s case, this will almost certainly involve us building on the extensive and well-established linkages that we have within the membership of the Moray Community Planning Partnership and with other colleges, mainly those within the Highlands and Islands.

All of the foregoing will also, necessarily, have to be set against the revised Economic Strategy for Scotland that was released by the Scottish Government in September 2011 and which has of considerable significance to an organisation that is mainly involved in vocational education.

In respect of the college sector, the Government has also set up a commission since the election to be chaired by Professor Russel Griggs that will investigate and report on the governance of Scotland’s colleges in December 2011.

3 Moray Economic Context

The College is a major player within the Moray Community Planning Partnership and it is essential that the nature of this relationship and the significant work that flows from it is well understood as this is highly significant to understanding how important planks of this Strategic Plan have been, or are likely to be, arrived at. Effective working within the community planning context is not necessarily the common experience of colleges across Scotland and the fact that Moray College is so heavily intertwined with our community planning partners will undoubtedly stand us in very good stead given the national policy context set out above.

We are now in the third year of the Moray Single Outcome Agreement which was developed by the Community Planning Partnership and which forms the basis of an understanding between Moray and the Scottish Government in relation to the local delivery of the Government’s national priorities. The period covered by this Strategic Plan will cover the period of the next Single Outcome Agreement that the Community Planning Partnership will have developed by March 2012 and it is therefore essential that these efforts are dovetailed to the fullest extent possible.

The development of this plan arises at a time of continuing turmoil within the Moray economy (albeit that it is now less heightened than it was 12 months ago) given the October 2010 decision of the United Kingdom Government to cancel

the Nimrod Mk4 contract and to ultimately close RAF Kinloss. However, the July 2011 decision to retain the RAF Lossiemouth base and to also bring an army presence to Kinloss has undoubtedly staved off a much worse economic fate for Moray. Although the net economic effect of all of these decisions is still to be fully understood, it is still likely to reveal a significant decline in defence expenditure in Moray.

Even if this doesn't hold true, there is a clear and ready consensus within the Moray Community Planning Partnership and within the Moray community more generally that the area needs to do everything it can to avoid being in this position again and that the economy needs to be diversified in order to make it less vulnerable to possible future changes in any one sector.

In the short to medium-term (until late 2012 or thereabouts), the College will continue to play a central role in providing support and new opportunities for both military and civilian personnel who are made redundant, or who voluntarily leave the service and choose to remain within Moray, as well as members of our community who have lost their jobs or are under threat of redundancy given the wider economic problems facing the area. To that end, the Scottish Funding Council made £150,000 available to the College to assist in this regard and we have been successful in scaling this up to nearly £300,000 by way of a successful bid for European Social Funding.

However, every bit as important, and arguably more essential, will be the College's role in bringing about the much talked about diversification of the economy which lay behind *Moray 2020*, i.e. the 2005 local economic strategy, but which didn't succeed to the extent hoped for, leaving the Moray economy vulnerable to the extent that has again more recently become obvious.

In furtherance of this, a *Moray Economic Strategy* has been prepared, as well as an *Elgin City for the future* blueprint, both on behalf of the Moray Community Planning Partnership. These are now out for consultation but are expected to be finally agreed by the Community Planning Partnership Board in December 2011.

Given the significant prominence of the College within these strategies, these have the potential to have a huge bearing on our strategy and our operations for years to come. However, in light of the September 2011 Scottish Government draft budget and in particular the further deep cuts that are envisaged for the further education sector in Scotland, the College's ability to deliver in full on what the Moray community is looking for us to do is now in some jeopardy and we will have to examine very carefully every aspect of these strategies to ensure that we have a reasonable chance of delivering on the projects that have the College expected to play a key part in delivering. On a more positive note, the parallel significant increase in planned funding for the university sector in Scotland might

well act as a mitigating force given the increase in funding that can be expected to be received by the University of the Highlands and Islands.

The key sectors which have been identified as having the potential to bring new opportunities to the area are very closely linked to the Scottish Government's existing Economic Strategy which the Cabinet Minister for Education and Lifelong Learning has reminded colleges should be prominent in our curriculum planning:

- Creative Industries (including digital)
- Energy (including renewables)
- Financial and Business Services
- Food and Drink (including agriculture and fisheries)
- Life Sciences
- Sustainable Tourism
- Universities.

This will require the College to ensure that it is utilising the public and other funds available to us to maximum effect and that the curriculum is fully aligned with the local economic strategy in particular (which in turn will be very reflective of the national economic strategy).

This is likely to necessitate the College finding space within its curriculum for entirely new opportunities to be made available and might necessitate the College having to take out existing aspects of the curriculum in order that resources can be found to achieve that, especially where it relates to further education provision given the gloomy financial prospects outlined elsewhere in this Strategy.

However, the College will also have to continue to grapple with the issue of the future for other parts of the curriculum which are not so much about the economic contribution that they make but the social impact that they have on the learners. It is likely that the College will be facing some very difficult choices during the next four years as it seeks to balance out these `competing` priorities.

4 College/University Funding Context

The development of this Strategic Plan is taking place against a backdrop of significant planned reductions in UK public expenditure. Although the full implications for the College's grant-in-aid are not yet known, enough is known about the Scottish Government's intent for us to have to plan for reductions that will be at a level that is unprecedented in the College's 40 year history and which will pose a major challenge throughout the period of time covered by this plan.

Briefings provided by the Scottish Government and Scottish Funding Council in late 2010 strongly indicated that a 25% reduction in grant-in-aid funding should form the basis of planning assumptions for the period 2011-14, with this being

profiled in such a way that session 2011-12 would see the most significant cuts. Subsequent notification of the College's actual funding for further education 2011-12 revealed a cut of 10.3%, however this eventually settled down at a reduction of 8.4%. Our higher education funding received via the University of the Highlands and Islands for session 2011-12 was reduced by 5.3%.

As the budget put forward by John Swinney, Finance Secretary, in November 2010 only covered the financial year 2011-12, and we have had to wait until September 2011 to be made aware of the precise funding profile for colleges and universities during the entire period covered by this plan. However, even with this information now being in the public domain, these are accompanied by such radical underpinnings (for colleges in particular) that it still makes it very difficult to be overly precise about what these will amount to for individual institutions. This uncertainty might be removed somewhat by indicative allocations being notified to their fundable bodies by the Scottish Funding Council in late 2011 or early 2012. Whatever emerges, it will remain the case that Moray College will aim to ensure its financial sustainability come what may.

The reductions in income for the further education sector for period 2012-13/2014-15, which are on top of the 2011-12 cuts already experienced, amount to 13.59% and are profiled as follows:

-6.94% in 2012-13
-2.41% in 2013-14
-4.85% in 2014-15.

However, universities in Scotland fared much better and are to receive an increase of 14.63 % over the same period of time. The University of the Highlands and Islands might do even better than this as is explained later.

Given the significance of the September 2011 Scottish Budget announcement, Michael Russell, Cabinet Secretary for Education and Lifelong Learning, issued the latest "Letter of Guidance" to John McClelland, Chair, Scottish Funding Council, setting out the Scottish Government's priorities for both the higher education and further education sectors.

Mr Russell set out his priorities for the further education sector as follows:

- contributing towards the achievement of the Government's Economic Strategy by way of developing the requisite skills;
- top priority to be given to 16 to 19 year olds;
- provision for 20-24 year olds where possible;
- need for much better joint working with Local Authorities, Skills Development Scotland, Jobcentreplus, schools, Community Learning and Development, universities and the third sector;

- must improve retention rates but without resorting to screening out applicants:
- emphasis to be on “recognised qualifications” but “non-recognised qualifications” should be protected in certain instances;
- need for a radical overhaul of the planning, funding and delivery model of further education as set out in *Putting Learners at the Centre*.

5 Student Activity Levels Now and into the Future

The College enrolled a record level of 1553 full-time enrolments in session 2010-11. This was 4% up on the 2009-10 level of 1496 which was previously the highest level recorded.

The 1553 total was split between 911 further education full-time enrolments and 642 higher education full-time enrolments, which were also both record highs. Further education being 7% up on session 2009-10 and higher education up by 2% on the previous session.

Although, at the same time, part-time enrolments have shown a significant decline of 25% on the record level attained in session 2009-10, both the significant increases and now decrease can very much be put down to changes in enrolment practice relating to the hundreds of primary pupils who attend the annual Moray Science Festival and the “Aspire North” initiative which also previously brought hundreds of secondary pupils to the College for taster events.

Although one of the overarching principles underlying this Plan is that the College will do everything that it can to maximise the learning and other opportunities available to our community during this period, reductions in further education funding of the level envisaged makes it inconceivable that these can be maintained at the current record levels.

Indeed, for session 2011-12, although we are targeting to match the record levels of full-time enrolments achieved in 2010-11, we were not expected to carry on with current levels of school-college activity, although Moray College has chosen to protect this to a considerable extent. On top of this, it is also the case that the existing safety net of 2% means colleges can come in below their contracted activity level before they experience clawback has been increased to 5%.

Given this mindset, it remains highly likely that reductions in funding over the next three or so sessions will not be matched by reductions in activity, i.e. the amount that we receive for each student will almost certainly decline.

In other words, navigating our way through this period will not simply be on the basis of an annual realignment of our student numbers to match the funding available but will, instead, require a more sophisticated and possibly radical approach to be taken in order that we deliver the curriculum more economically

so that efficiencies can be derived. In furtherance of this, the Scottish Funding Council has previously given a commitment to assist colleges in achieving this and has already relaxed the criteria that have to be met before a full-time further education student becomes eligible for funding and it is expected that this will be confirmed in due course as the basis of further education funding allocations through to 2015.. The same approach will also have to be taken as we consider the future purpose and structure of our support services.

However, in relation to higher education, it not only looks like that current levels of activity will continue to be funded but that the University of the Highlands and Islands will receive special funding to allow it to capitalise on its new university status that is picked up on below.

6 University of the Highlands and Islands Context

UHI Millennium Institute's application for university title was successful and university title granted with effect from February 2011.

Although it is unfortunate that such a successful application met success at the very time that the higher education sector in Scotland was starting to feel the effects of the financial stringencies that are impacting on the Scottish public sector in general, there now appears to be a much brighter future for university funding in Scotland for the period covered by this plan compared to the prospects facing Scotland's colleges..

As well as the general uplift of 14.63% in university funding between 20012-13 and 2014-15, the letter of guidance sent by Michael Russell, Cabinet Secretary for Education and Lifelong Learning, to John McClelland, Chair, Scottish Funding Council, makes direct reference to the University of the Highlands and Islands (as well as the Crichton Campus in Dumfries) and requires the Council to ".....seek ways to grow provision for these areas working with the relevant college and universities.". However, it is made no less clear that the Government is expecting to see improvements in the current performance of UHI as this funding will be based on a "...differentiated and outcomes based approach, particularly on retention...".

The specific likelihood is that the Scottish Funding Council will increase UHI's fully-funded places and thereby reduce the percentage of fees-only students. As this will increase the unit of resource for each student through UHI's resource allocation mode this should be good news for Moray, however the significant and unexpected reduction in full-time students in session 2011-12 might simply mean that our total funding will not see any appreciable change unless we can bring about important changes by way of new curriculum offerings in Moray and by way of improving our higher education retention rates..

7 College Estates Context

The College agreed an Estates Strategy covering the period 2010-15 early on in session 2010-11. In light of the subsequent announcements of the huge reduction in the capital funding that will be available for the further and higher education sectors, it is far from likely that the College will be in receipt of any significant funds to assist in addressing the key issues that the Estates Strategy envisaged having been dealt with by 2015.

Although it is to be welcomed that the Scottish Government has asked that the Scottish Funding Council's formula capital allocations should be more targeted than in the past, the levels of funding available are likely to be such that even if colleges such as Moray receive a larger share, we might nevertheless be lucky to match the allocations of recent years. In effect, this could well mean that the College will have to find any significant future investments in our estates and the equipment available to students and staff from sharply declining recurrent income allocations.

The College still has the clear intention of ultimately bringing about the re-development of the main campus that was the subject of two outline business cases that were unsuccessful in obtaining the backing of the Scottish Funding Council. However, having successfully complained to the Council about the finding that the College had "...failed to demonstrate a critical estate need...", a more positive dialogue has now been entered into with the Council who appear to be keen to support us in this ambition without yet having committed any funding to assist in bringing this about.

As a result of the decision to close our Aberdeen Centre and the agreement to transfer the lease of the Greshop Vocational Centre to Varis Engineering, the College now operates out of only seven sites. The future use of our four Learning Centres is under active review and this is being undertaken in concert with the Moray Council's Library Service with a view to bringing about co-location in both Buckie and Forres. This initiative forms part of a current bid for European funding to allow for the necessary infrastructure to be developed.

The rather bleak outlook could be altered if funds are made available to the Moray area to mitigate the impact of the reduction in the RAF presence. The fact that the re-development of the main campus has been identified as one of the pivotal projects that needs to happen if the Moray Economic Strategy and Elgin City for the future strategy are to be delivered, could turn out to be enormously helpful to our cause and needs to be pursued with vigour by the College with the backing of the Moray Economic Partnership.

On a much brighter note, we can now state with considerable certainty that the Moray Life Sciences Centre will not only be commenced during the planning period covered by this plan but will also be completed during that time as well.

This is now a project that is increasingly regarded as being an essential development as part of the Moray area's `fight back` in economic terms.

8 College Staffing Context

The 2010-11 Staff Survey once again suggested that the staff of the College are generally satisfied employees, although there remain pockets of dissatisfaction. This is clearly of concern and is the subject of follow-up work by the Head of Human Resources.

Maintenance of such levels of satisfaction poses a major challenge for the Board at a time of financial constraints that will inevitably have implications for staffing levels and the rewards that accrue to staff.

Given the labour-intensive nature of further and higher education, it is necessary and unavoidable that the College faces up to the fact that the envisaged cuts in our grant-in-aid income can only be coped with if our staffing costs are realigned with our new income levels.

Although the reductions in funding to colleges and universities have been predicated on these beginning to impact from August 2011, the fact is that Moray College experienced significant reductions in its income during session 2010-11 that meant that the College had to deal with these before others have had to. However, the College also moved quickly to ensure that its staffing costs were realigned with its new levels of income from 2011-12. This necessitated reductions of approximately £700,000 over a 12 month period and has seen the staff FTE fall by around 25 or 10% of our staffing establishment.

The Board has so far been happy to accept an approach to staffing cost reduction that is reliant very heavily on staff resignations (including voluntary severance). This has certainly had the virtue of allowing the College to have avoided resorting to more formal means of staffing level reduction, something that would be hugely time-consuming and distracting and guaranteed to lower staff morale. This approach certainly accords with the Scottish Government's desire to avoid compulsory redundancies within the Scottish public sector. However, the way in which we have gone about effecting staffing cost reductions until now is considered to be of limited potential as we now have to view these extending over another three sessions at least and will almost certainly necessitate more far-reaching solutions.

Reductions in lecturing staffing have to obviously and necessarily follow planned changes to the curriculum throughout the planning period which are occasioned by reductions in funding and changes to other variables. The College already has in place well-established mechanisms for managing its lecturing costs in line with changes to activity levels.

Managing reductions in support staffing costs is fraught with more difficulty as these tend not to lend themselves to efficiency measures that can be applied to lecturing staff and that allow for conclusions to be arrived at. In the absence of such, the College will need to develop positions on support staffing and in particular a view on the sharing of services and on internal developments to the way that we deliver certain services in order to derive efficiencies and economies. In this specific regard, the College is playing the leading role in both initiating and delivering shared services within the Highlands and Islands colleges and the University of the Highlands and Islands.

We have now completed the major job evaluation project that has been undertaken during the last 12 months or so in order to ensure that our pay structure is `gender proofed` and resilient to any future challenges that might be mounted under the relevant equalities legislation.

SECTION C

Strategic Aims

- 1 To play a leading role in the development of a coherent post-16 education system in Moray that is fully informed by both the ambitions and needs of the Moray community.
- 2 To play a leading role in the plans to diversify the Moray economy.
- 3 To ensure the continuation of the College's financial sustainability.
- 4 To make a significant contribution to the University of the Highlands and Islands aim of building academic strength and reputation such that it becomes a university of choice for the people of Moray in particular and for others.
- 5 To provide an excellent learning environment for our students and staff.

SECTION D

Strategic Objectives Derived from the Strategic Aims

- 1 **To play a leading role in the development of a coherent post-16 system in Moray that is fully informed by both the ambitions and needs of the Moray Community**
 - Work with the organisations in the Moray Lifelong Learning Forum to ensure that the totality of the curriculum on offer to the communities of Moray reflects the expectation of "Putting Learners at the Centre".
 - Bring about early improvements to student attainment wherever this is required.
 - Increase the opportunities for the communities of Moray to access the curriculum `off campus`.
- 2 **To play a leading role in the plans to diversify the Moray economy.**
 - Ensure that engagement with all of the key sectors represented in the Moray economy is placed on a systematic and sustained footing.
 - Play our full part in the work of the Moray Economic Partnership and in particular deliver on those projects within the Moray Economic Strategy for which the College is identified on its own or as a partner.

3 To ensure the continuation of the College's financial sustainability

- Ensure that costs continue to be brought into line with reduced income levels.
- Source new opportunities for external funding and income generation.
- Develop and deliver on a programme with the Highlands and Islands Colleges and the University of the Highlands and Islands that will bring about the sharing of services in all cases where this can be justified on the grounds of efficiency and/or effectiveness.

4 To make a significant contribution to the University of the Highlands and Islands aim of building academic strength and reputation such that it becomes a university of first choice for the people of Moray in particular and for others.

- Build on the success of the early initiatives taken to bring about a research and scholarly activity culture within the College.
- Ensure that the totality of the curriculum offered in Moray is as seamless as it can be thus ensuring that individuals have excellent opportunities for progression to higher education within the College and between the schools and College.
- Lead on the development of new curriculum and to higher levels in respect of the existing curriculum in those areas where the College has recognised strengths.

5 To provide an excellent learning environment for our students and staff.

- Deliver the Moray Life Sciences Centre on time and within budget.
- Obtain the funding necessary to allow the redevelopment of the main campus to be completed.
- Ensure that learner engagement permeates all activities which have a bearing on students to ensure that they play the key part in determining improvements.
- Optimise the use of the virtual learning environment not only for learning and teaching purposes but for other aspects of the student experience such as pre-entry guidance and support.