



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

Student Hardship Funds and Further
Education Budget: Colleges Northern Ireland

15 October 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Thomas Buchanan (Deputy Chairperson)
Mr Phil Flanagan
Mr David Hilditch
Mr William Irwin
Mr Fra McCann
Ms Bronwyn McGahan
Mr Pat Ramsey
Mr Alastair Ross

Witnesses:

Mr Gerard Campbell	Colleges Northern Ireland
Ms Karen Lennon	Colleges Northern Ireland
Mr Jasper McKinney OBE	Southern Regional College

The Deputy Chairperson (Mr Buchanan): I welcome Mr Gerard Campbell, the chief executive of Colleges Northern Ireland; Ms Karen Lennon, policy and public affairs manager; and Mr Jasper McKinney, the assistant director of student services. You are very welcome, folks. We have your correspondence in our packs. We will give you up to 10 minutes for your presentation, and then we will open up for questions.

Mr Gerard Campbell (Colleges Northern Ireland): Thanks very much, Chair, and good morning. We are delighted to be back again. Thank you very much for the opportunity not only to come back and update you on the hardship funds but to have the discussion about the education budget cuts for 2015-16.

We will probably not need the 10 minutes for the update on the hardship funds. We will try and condense that into five minutes. I will ask Karen to lead on that, after which Jasper will come in, and we can take any questions from the Committee.

Ms Karen Lennon (Colleges Northern Ireland): Given the cohort of learners across our six regional further education (FE) colleges, promoting forms of financial support is very important, especially as the sector attracts 43% of its learners from the most deprived wards in Northern Ireland. Despite that, the sector has a retention rate of 89% and an achievement rate of 87%. It should be noted that retention rates across the sector have been increasing year on year in the past three years.

When looking at hardship fund allocation and spend, we need to consider the full picture for forms of financial support. It is true that there has been a £1.3 million reduction in hardship fund allocations to the colleges over the period 2009-2010 up until 2014-15. However, that needs to be considered in the

wider context. During the same period, the amount of money available per year through the FE awards has increased by £2 million. Furthermore, when we look at the two schemes combined — that is, the further education awards and the hardship funds — there has been a net increase during the period of £0.7 million. That is an increase from £7.3 million in 2009-2010 to £8 million currently available in this academic year.

It should be noted that that increase does not reflect other sources of student support that are available. Those include funds such as education maintenance allowance (EMA) and childcare support through Care to Learn, as well as additional support funds (ASFs), which support students with learning difficulties or disabilities. Taking the hardship funds in isolation, I can say that they are very much demand-led. There are instances when the demand has increased supply, and, as such, DEL has made increased allocations in each of the academic years.

Over the past three years, there have been over 7,500 applications to the hardship funds across the six colleges. Some 82% of students who have applied for hardship funds have been eligible and have received funding. That has resulted in 6,283 awards being made over that three-year period. That is broken down into just over 1,800 awards in 2011-12, just over 2,000 in 2012-13, and, in the past academic year, 2,294. We are not aware of any student having been eligible for hardship funds and being rejected because of a lack of money.

The current budget cuts, particularly from next year onwards, will have negative consequences across the colleges for their ability to support and reach out to learners right across local communities, especially those most vulnerable. As a sector, we will strive to ensure that our services to learners are protected, especially as we are targeting the most hard-to-reach individuals. We will ensure that all forms of financial support are adequately promoted to them.

I will pass over to Jasper to cover a few points from a college perspective. He will tell the Committee how each individual college promotes the funds and what happens when a student is rejected for funding.

Mr Jasper McKinney (Southern Regional College): I am delighted to say that, since the National Union of Students-Union of Students in Ireland (NUS-USI) raised the issue of promotion, the colleges have continued to share best practice around publicity. That has included making links to financial support on each of the colleges' websites more prominent, so it takes one to three clicks to get to the information, as well as links to our stakeholders and other organisations through Colleges NI, and so on. I am also aware that the NUS has started some work on updating the information that it provides on student finance support. The colleges would welcome that development and support it.

To summarise, the main ways in which the colleges promote the hardship funds are that, first, we take the different stages of the student journey: pre-application; application; pre-enrolment; enrolment; and during the course. At each of those points, we try to promote through various methods.

The second element is the main channels for promoting the hardship funds to students, prospective students and stakeholders. Those include printed materials through prospectuses, induction programmes, handouts and flyers and even pop-up information points in some shopping centres and different parts of the college. We are trying from every angle and at different points to make sure that we communicate the information to students, including through use of plasma screens, social media and Web links. Verbal updates are given by the student services teams at each college at open days, open evenings, freshers' fairs and during individual support interviews and class talks. Therefore, we are proactively going out and getting that information out to our learners.

The colleges gather feedback on how to improve their communications via our student councils. That gives class representatives an opportunity to feed back to us on how we might improve things. That is gathered along with Education and Training Inspectorate (ETI) and Quality Assurance Agency (QAA) feedback. The recent inspection round has not indicated any issues about providing that information or supporting the applications to hardship funds.

There are two main reasons for students being rejected. The first is that students do not meet the eligibility criteria. It should be noted that a high proportion of those applicants have been successful in gaining funds from other sources, and they have been signposted to EMA, FE awards and higher education (HE) finance support. The colleges also signpost students to charities, trusts, St Vincent de Paul, Lions Clubs, bursaries and the citizens advice bureaux. If the students are not fitting the criteria, the colleges ensure that they are signposted to such other services.

The second reason is that students are not making academic progress or are repeating courses linked to the criteria and the circular. However, discretion is used in cases of reskilling, where, for example, a student is moving from construction to IT because of the recent downturn. We would support that student to retrain. There is no evidence to say that any applications have been rejected owing to lack of hardship funds.

When it comes to applying for the funds, the student services staff at the colleges provide application support and evidence checks prior to the approval process. That has substantially reduced the number of rejections and appeals and gives an opportunity to signpost students at that point. There are fewer appeals as a result of lack of evidence or failure to meet criteria.

Staff have also checked that students have exhausted all other sources of funds in advance of submitting their applications to a hardship fund. There are a limited number of students who indicate financial hardship as a reason for their leaving the course. They are given details of other sources of funding at pre-exit interventions and exit interviews. The evidence is that, in most cases, other personal factors have impacted on decisions to leave a course.

I will now hand over to the Deputy Chair of the Committee for questions.

The Deputy Chairperson (Mr Buchanan): OK. Of the almost 20% who apply for hardship funds and do not get it because they are not eligible, what percentage then opt out of the education system?

Mr J McKinney: I checked in some colleges. In my college, it was 1%. Therefore, it is very few.

The Deputy Chairperson (Mr Buchanan): It is minimal.

Mr P Ramsey: You are very welcome this morning. We can only but acknowledge the tremendous event in the Long Gallery yesterday. Certainly, a number of my constituents gave good testimony, not just on performance levels but on access to courses that enabled them to get good, secure employment opportunities. Well done.

Following on from the Deputy Chair's point about the hardship money, will you walk us through what the means test is to access the money?

Ms Lennon: Do you mean the eligibility checks?

Mr J McKinney: We look at household income and personal situation, and we then do a finance check so that students can demonstrate whether there is hardship there, based on their monthly outgoings and incomings. Before the application goes through, it will be assessed by our student services advisers so that all the evidence of hardship is provided at the time of application.

Mr P Ramsey: Would it be based also on parental income?

Mr J McKinney: Yes. If they are in the parental home, it would be the household income

Mr P Ramsey: Even though they may not be a dependant.

Mr J McKinney: Again, they can state whether they are independent and, if they have been working for a number of years, claim that through the criteria.

Mr P Ramsey: Would it be fair to say that the passport to the hardship money could be parents who are on income support or family credit?

Mr J McKinney: Yes.

Mr P Ramsey: What if students presented who were estranged from their family? How is that determined?

Mr J McKinney: We would look at that through some of our stakeholders. We work very closely with 16-plus teams and looked-after children (LAC) teams — for example, for care leavers — through our accreditation from Buttle UK and our ongoing services. For example, if the students did not have the

evidence, we would review that individually with the social work team and support them to progress to get that support. In the timescale, if they needed emergency support, there is a facility to put in emergency funding until their application is processed. We do not want them to withdraw in the time that the process takes, so we do emergency payments as well.

Mr P Ramsey: I accept your point that, for any application presented, you do not have evidence of anyone being refused. What, then, is the justification for the North West Regional College (NWRC) having to set up a food bank? It is telling us that there are serious exceptional circumstances there, with young students under enormous financial pressure.

Mr J McKinney: I am not sure. It seems to be the only college to date that has had a link with food banks. I know that there have been other extenuating financial circumstances there. The way in which a college manages and facilitates the criteria from the circular is determined individually by each college. In the five other colleges, we have not had that scenario.

Mr P Ramsey: I suppose that we might find out this afternoon. We can ask the representatives when we meet them.

Ms Lennon: To add to that, Pat, when that news story came out, I contacted the colleges, and I am not aware of food banks in any other college. The impression from the NWRC is that that was just the compassion of the staff in reaching out to help those students. When you look at the number of students accessing the food bank, you will see that it is minimal.

Mr P Ramsey: I have one final question. At a later stage, we will find out about job losses or the effect on key elements of the Department's spend on NEETs and youth training. Last week, in a presentation on universities, we got information on the cost of university per student. The figures coming out now are very alarming. A student in third-level education in England, Scotland or Wales is probably getting a subvention of between £1,000 and £2,500 more than a student in Northern Ireland. Are there any figures of a similar nature for further education in Northern Ireland? Are we below par compared with the colleges in England, Wales and Scotland that use the model that you use?

Ms Lennon: Will you clarify that, Pat? Are you asking whether there are comparative figures for Northern Ireland?

Mr P Ramsey: Yes. Are we on a par with colleges of a similar nature in England and Wales? The universities were very clear. You will recall, Deputy Chair, that Richard Barnett made the point very strongly that we are the poor relation, to the tune of upwards of £2,500 a year. Queen's has said repeatedly as well that we are the poor relation.

Mr Gerard Campbell: Pat, on comparing that with counterparts in GB, we will get the information and be more than happy to bring it back to the Committee.

Mr Ross: Three points jump out: first, that there has been an increase in financial support for students; secondly, that nobody has been turned down; and, thirdly, that the retention rate is continually going up. That does not suggest to me that this is a serious problem. Actually, the ministerial briefing and subsequent debate that we had in the Chamber has resolved the issue. It is useful that we have the information from the colleges themselves, but the retention rate is the one that jumps out. If there were a serious issue, you would expect the retention rate to be going down, and it has not.

Ms Lennon: Yes. The retention rate was one of the points raised in an earlier debate in the Assembly. It is something that I looked into, and I can confirm that it has increased year on year.

The Deputy Chairperson (Mr Buchanan): There are no other indications —

Mr Flanagan: May I seek clarification on the promotion of the fund? Are any efforts being made in any of the colleges to wind down promotion of the fund because the amount of money available is being reduced towards the end of the year?

Mr J McKinney: No, because there are three closing points through the year, so you have to retain some of your fund to ensure that people who perhaps turn 18 later in the year can be facilitated and

supported through the fund once they are eligible to apply. You are trying to balance things. We are also monitoring attendance as we go through the year. Students are paid in stages and, if they withdraw, their funds will come back into the fund so that we have enough funds towards the end of the year. There should not be any lowering of promotion at any stage in the year.

Mr Flanagan: Can you explain to me how the colleges promote the fund to the students in the colleges?

Mr J McKinney: As I said earlier, even from pre-application, we have all the information on our website. We have information in our prospectus and all our detailed documentation. We do that again at pre-enrolment advice sessions and detail it in student talks at those events. They are like the interviews for application.

When students come in to enrol in August, we ask whether they have applied for their FE award or the equivalent funding support. We have to promote the hardship funds in conjunction with all our finance services, as directed in the circular, so we have to have a consistent approach. It cannot be isolated and be promoted on its own.

Ms Lennon: When this story hit the news, we looked at how all the colleges promoted the hardship funds on their websites. Jasper and all his colleagues across the colleges have made the process much simpler. If you go on to a college website now to find information about the hardship funds, you can get right to it in two or three clicks. We have taken that on board and shared that best practice across the colleges.

Mr Flanagan: How long does it generally take from the start of an application until a successful student receives money?

Mr J McKinney: We give a six-week period. However, we do emergency payments if there is disclosed hardship at the point of application. We can do an emergency cheque payment. We have done that within a matter of days.

Mr Flanagan: I presume that you do not have figures on those to hand.

Mr J McKinney: I have not got the figures here, but we can get them for you.

Mr Flanagan: The fact that this is a demand-led scheme means that it is important to welcome the overall increase in financial support. However, the principal problem seems to be the lack of consultation with student union representatives. That is regrettable and is hopefully something that we will all learn from. You used a figure of a drop-out rate of 1% in response to a question from Tom. Is that 1% of all students drop out?

Ms Lennon: No, I do not think that that was what Jasper was referring to. We were talking about the number of students who leave a course —

Mr J McKinney: I was using the information from one college at that point. There were 500 withdrawals, out of which 1% indicated that they withdrew because of financial reasons. Even at that point, they were referred and given information about other sources at their exit interview. They were still given advice on other funding, because they may have had extensive financial issues that were not related to their studies.

Mr Flanagan: Have you any information on what percentage or quantity of students who were turned down for financial support then dropped out? Is that something that you could calculate?

Mr J McKinney: Yes, there is minimal evidence of that in my college, but I spoke to all the colleges. The evidence is also minimal in the Northern Regional College (NRC) and some of the other colleges. The figure for Belfast Metropolitan College (BMC) might be slightly higher. There was no indication from the South West College (SWC) or the South Eastern Regional College (SERC).

Mr Flanagan: The research paper that we have been given today from the Assembly research staff, which is very helpful, states that there are varying rates of application across all the colleges. It is about 3% in the NWRC and 0.75% in SERC. Therefore, there is a variation in different places. Those

figures take into account all students, but only people over 18 can apply for hardship funds. Is it possible to get a breakdown of figures for students over 18 who applied for those funds, as opposed to a percentage of all students, some of whom cannot apply?

Mr Gerard Campbell: As I said in response to issues that you raised previously, Phil, we will give you a comprehensive response, including additional clarity, on the points that you have raised.

Mr Flanagan: Finally, there is a move from putting money from the student hardship fund to putting it into the further education awards. In the bigger picture of trying to get people money across the year and trying to reduce crisis payments and the like, that makes sense. Is it a problem that the qualifying period for the hardship fund is 18 but that the qualifying age for the further education awards is 19? Has that posed a problem for students?

Mr J McKinney: No, because students would retain their EMA, so it balances out, and we can top up the EMA from the hardship fund. There is the balance there. You are trying to give them the balance of support through —

Mr Flanagan: And —

Mr J McKinney: They can still be on EMA —

The Deputy Chairperson (Mr Buchanan): Phil, you are going to have to wind up now, because time is running on.

Mr Flanagan: That is me finished, Tom. That was my final question.

Ms McGahan: Thank you for your presentation. Can I ask questions on the cuts?

The Deputy Chairperson (Mr Buchanan): No, because we are going to get a quick overview of what the cuts mean from the colleges' point of view. You can come in then.

Ms McGahan: OK. Put my name on the list for then.

The Deputy Chairperson (Mr Buchanan): That is fair enough.

Will you give us a brief overview of what this means for the colleges? I will then return to questions.

Mr Gerard Campbell: Very briefly, the proposed cuts for 2015-16 are unprecedented. I think that we would all agree with that. At this stage, colleges are working individually, but also on a collective, sectoral basis, to identify where cuts of a level of 15% can be made. Coming along here this morning gives us the opportunity to update the Committee on the impact that that may have across the colleges.

I want to focus on three areas. One area is the provision of learning to learners right across the country. Cuts at that level will have a devastating effect on the amount of provision by colleges. Currently, colleges are a one-stop shop, providing entry level right through to foundation and honours degree level provision. Pat mentioned the higher education event that we had in the Long Gallery yesterday. It was kindly sponsored by the Committee. Seventy per cent of provision in colleges is at level 2 and below. Therefore, choices will have to be made by colleges. Where do we make the cuts in provision? The knock-on effect will be on staffing numbers in the colleges. Colleges are currently consulting and engaging with trade union representatives and staff across the colleges to get their views and input. Cuts of 15% will have a devastating impact on the staffing levels.

One of the key points that I want to put across this morning is that colleges have evolved and developed over the past 10 years on the back of 'Further Education Means Business'. They are now economic powerhouses — powerhouses of innovation. They engage with industry and business, and there is a very economically relevant curriculum. As the Department embarks on a new FE strategy, the danger that we have is that significant cuts to the colleges will impact on the Department and the Executive's ability to continue to have the right level of skills, knowledge and competences in our workforce to be able to enable the economy to recover and grow.

The final point that I want to make is that colleges have gone through significant efficiency drives over the past seven years. Since the regional colleges were formed as part of a merger process in 2007, there has been significant leaning towards driving economies of scale. There is very little left on the bone to be able to remove. The choices that colleges' management and governing bodies have to be able to deal with the impending cuts coming down the line are very limited. There is a significant challenge facing everybody, not just in further education but, I would argue, in society and government.

The Deputy Chairperson (Mr Buchanan): Thank you for that. I agree that it will have a knock-on effect right across the country. Will the 15% in-year affect any of the courses that are already up and running this year, or can they continue, with this carried into next year's budget?

Mr Gerard Campbell: To clarify, Deputy Chair, the 15% is from 2015-16. For 2014-15, the colleges have managed to maintain their budgets pretty much on what was originally agreed, and the Department has worked very closely with the colleges to protect them. However, the situation will change from 2015-16.

Ms McGahan: In your presentation, Gerry, you state:

"At a time when industry is telling us there is a skills shortage, to be cutting back on funding to train young people and adults is counter-productive."

During our inquiry into the provision of careers, we had employers coming up here telling us that there was a skills mismatch. I would like to hear your comments on that.

You referred to the fact that 29% of the working-age population leave compulsory education without any qualifications and that 70% of your students are at GCSE and level 2 or below. Can you give a breakdown of, or make a distinction between, people doing GCSEs and people at level 2 who leave with qualifications from the FE sector?

Mr Gerard Campbell: I will take the point about the skills mismatch first. The view that Colleges NI would have is that good-quality careers guidance needs to be looked at right across the piece, as does the role of impartial careers guidance at an early stage for young people in the school system. We find that a lot of young people stay on for another year of education in a post-primary setting and then come to the colleges at the age of 17. Effectively, they have had a year that, we would say, has not been as productive as it could have been had it been in an FE setting. Good-quality, impartial, professional careers guidance cannot be looked at in isolation but as part of the overall development of the skills base in the country. We must look at the role that colleges play through engaging with industry and business and ensure that the curriculum is economically relevant so that we are training and skilling people in the right areas — where the jobs are going to be. Careers guidance is central to that, but it is about getting it right and getting it delivered early in the school system. Independent and impartial advice is very clear and critical in that role.

Ms Lennon: You mentioned that 29% of people are leaving school without the requisite qualifications. Hence, the FE sector is continually picking up the pieces where the education system has perhaps failed them. As Gerry said, 70% of our students are studying at level 2 and below. When we break that down, 23% of individuals across our colleges are studying at entry level or level 1 and 47% are studying at level 2. There are slightly more in the level 2 category, but those are still individuals who have left school without the prerequisite GCSE English and maths qualifications.

Mr Gerard Campbell: There needs to be a serious debate about education between the ages of 14 and 19. There is overlap between the role that the Department of Education plays and where the Department for Employment and Learning comes in. We have very successful examples in the entitlement framework of young people at the ages of 14 and 15 who are in a post-primary setting but who spend time working on qualifications in partnership with FE colleges. There is less money to go about, and we have to look collectively at how we can improve and maximise the resources that we have to improve outcomes for young people and ensure that the right opportunities are there. Again, I link it back to careers guidance. People are choosing careers in which there will be opportunities and requirements for the right level of skills. We already have the situation in which so many people are training to be teachers and lawyers, but the jobs just are not there.

Ms McGahan: Would you be able to provide the breakdown of figures for level 1 and level 2 for each college?

Ms Lennon: Yes, I can come back to you on that, Bronwyn.

Mr Ross: I think that we are all aware that the reduction in the block grant, coupled with the failure to move on welfare reform, will have a catastrophic effect on many Departments. Over the past number of weeks, we have become more aware of what next year's Budget will look like if we do not resolve some of those issues. Our job, obviously, is to help to facilitate job creation and to get young people into work. Gerry talked about ensuring that young people are trained in economically relevant areas. One of the big success stories, for colleges in particular, has been the ability to tailor courses to the needs of employers. I visited SERC not so long ago, and it had tailored a specific course for one of the law companies that was looking to come to Northern Ireland. How will the projected cuts, next year and the following year, impact your ability to do that kind of work? Invest Northern Ireland is out in the market, getting companies interested in coming to Northern Ireland. One of the big selling points is that we have a highly skilled workforce and flexible universities and colleges that can put on specific courses to get companies the type of graduates and skills that they need. How will the cuts impact your ability to do that? When you do that, are companies making financial contributions to the colleges to put on those courses? Is there a possibility of charging companies directly to do those courses and ensure that you can still do that sort of work?

Mr Gerard Campbell: All options would have to be investigated, Alastair. We have very strong relationships with companies in industry that invest heavily in capital equipment in the colleges. Take the example of the Northern Regional College in Ballymena, where the likes of Michelin and Schlumberger have invested in capital equipment, which not only impacts staff in their organisations, who are able to keep themselves upskilled and reskilled, but has a knock-on effect in the community and FE provision.

The colleges have a very strong track record of working with people, local communities and employers when there have been devastating job losses. Bombardier is one example, and Belfast Metropolitan College worked very closely with that company. Last week's devastating news in Ballymena was that the closure of the Gallaher factory will progress over the next 18 months to two years. The Northern Regional College and other colleges will pick up the pieces and work with those highly skilled individuals to enable them to have the opportunity to get back into employment and to upskill and reskill. The role that colleges play is critical in local and regional communities. The danger is that, if college budgets are cut back, where do we make the choices? There is a valid choice for every area. Investing with business and industry is critical to the economy. We all talk about people being our number one priority and getting the economy up and running. However, we have a duty to work with those individuals who are the most disadvantaged and are from deprived areas — the hard-to-reach individuals. To be really honest with you, the school system has, in many ways, failed a lot of our young people, who leave after 12 years of education at primary and post-primary level. FE provides the essential skills and the opportunity to build their confidence. FE provides employability skills to get them back on track and make an investment back into society. The choices that have to be made are very difficult, and we do not relish making them. However, we are like any other part of the public sector that is going through this process. All we are putting forward today is that it has to be seen in the wider realm. It is not just dealing with cuts in a particular area. It will have a knock-on effect on the overall economy and our people. That is the position that we want to put across.

Mr Flanagan: The Minister regularly makes a point about his frustration at the ring-fencing of the education budget and similar status not being given to some aspects of the DEL budget. What is your opinion of that?

Mr Gerard Campbell: Our view is that it is an anomaly if education is ring-fenced in the post-primary and primary school sector, yet for young people who are progressing in an educational setting — albeit linked to developing their skills and ability to work and providing pathways to employment — it is folly that that is not protected. Our argument is that all education should be protected, because it deals with life opportunities for our young people to enable them to get the right level of skills and knowledge and to build up their competence so that they can contribute to society and so that we can support employers who will invest and existing employers who want to ensure that they have the right level of skill in our people.

Mr Flanagan: Are you talking about the entire DEL budget, the budget for Colleges NI or the regional colleges, or the budgets for all the universities and colleges? Where do you draw the line?

Mr Gerard Campbell: We are here today to talk about further education, which is the role that the colleges play, whether that be at entry level, level 2, level 3 or above, or higher education elements, where we provide 18% of all higher education in the country, or the role that we play in engaging with business and industry. We are here to talk about FE. We have good relationships and working relationships with the partner universities, but we are here primarily to talk about the role that FE provides.

Ms Lennon: Phil, a large chunk of our students are aged 16 to 19. If they were aged 16, 17 or 18 and in a school sector, their budgets would be protected as they would be under DE. However, because they are in FE colleges and under DEL, their budgets are not protected.

Over the last few years, the number of young people who come to colleges at the age of 16 has fallen. Many are now staying on in school in sixth form, perhaps for the wrong reasons, and the academic setting does not suit them. As a result, we have found that young people are dropping out of A levels at the age of 17. They have done one year of AS in an academic setting, that does not work, and they then come to the FE setting at the age of 17 to start a vocational route with us. We really see that as one year of education wasted.

It is really important to look at the entire spectrum of education. It is not just DEL. It is from the age of four right through; it is lifelong learning. It all needs to be protected to ensure that we serve our young people as best we can.

Mr J McKinney: On the progression pathways, I am working with my careers team and careers teams across the colleges to look at the journey through to where employers in industry need those staffing resources and how we are equipping our young people to get there. We have done some work, such as our fresh start programme with NEETs, to try to get them back on track after a poor school experience. We have also done work with our students with learning difficulties and/or disabilities. We are working with the disability employment service (DES) to make sure that they can progress to an exit point at level 1 to suitable employment that is supported through the disability employment service.

Mr Gerard Campbell: I will make one final point on that. We had a very successful higher education event yesterday, which promoted higher education in a further education setting. As I said, 11,000 students in our cohort go through higher education annually. The danger is that significant budget cuts will affect that.

Our offer provides a low-cost option for people right across the country, including those in rural areas. The South West College is one of the key areas, and it offers higher education opportunities to young people who may not be afforded the opportunity to go to university at Queen's, across the water or down South. Our offer is also very flexible and focuses on young people's employability skills. You only had to see the showcase event yesterday and the number of young people from different colleges who showcased their talents and demonstrated how FE had been able to give them a platform to do that. I could probably make that case across the areas that further education is involved in, but those are the areas that are potentially under threat.

Mr Flanagan: The showcase event yesterday was excellent. I thoroughly enjoyed it.

Do you have a plan for how you will meet the challenging reductions that have been set out?

Mr Gerard Campbell: That is the challenge, and we are working very hard to try to pull together contingency plans. We have a duty to reply to the Department by the end of October. In Colleges NI, I am ensuring that there is a strategic sectoral approach and that one college is not providing one solution while a totally different approach is taken in another. We want to ensure that there is consistency and that colleges work together to see where they can come up with savings and contingency plans that minimise the impact. We are in a very difficult situation, but it is our biggest priority at the moment.

Mr Flanagan: What will the likely impact be?

Mr Gerard Campbell: There is no doubt that we will have to cut the provision of courses. That will affect learners and have a knock-on effect on job losses. I cannot give you any figures on what that will be, but we have shared that information with the trade unions. They are aware that we will cut provision. We have over 4,100 staff, and it is one of our biggest costs in the colleges. Our staff are

our most important resource, but, if we are cutting provision, there will be a knock-on effect on staff. I cannot give you numbers at the moment, but that is a very likely outcome.

Mr Flanagan: Will you keep us updated on that?

Mr Gerard Campbell: We are happy to keep the Committee updated.

Mr Hilditch: There will be some very hard decisions to make in the future due to the financial situation and the impasse on welfare reform. That is particularly problematic in this sector as it deals with many of the most vulnerable young people, such as NEETs and so on. In putting on or sustaining a course, are a certain number of students needed to make it happen and make it viable? Are you aware of the sorts of figures for participation on courses?

Mr Gerard Campbell: When all colleges commence their planned programmes, much of that is based on the numbers that are coming through. There will be different thresholds for different courses, but, like any delivery in the public sector, there has to be viability. The problem, right across the board, is where to begin to make those difficult choices. A level 1 course for young people who are coming in from a very disadvantaged background is critical for their life chances.

Mr Hilditch: Absolutely.

Mr Gerard Campbell: A higher education foundation degree that is delivered in another college is also critical to somebody else. We saw yesterday that one person had progressed from working in a chip shop and had made their way through to complete a foundation degree, and others had been able to start their own businesses. It is about where you make those choices, and all those courses have very strong selling points. It is not an easy task.

Mr Hilditch: I was absent from last week's meeting because I was at a meeting with one of the local colleges to try to sustain a course. That was successful, but it emerged that the figures are very important, particularly in the future when there will be cuts. If there was a course for 10 people from a NEETs background, it will be unsustainable, and those people will be cut loose. That is how I view the severity. I do not know whether you agree with that.

Mr J McKinney: We developed a fresh start programme for NEETs and found that the lecturer needed mentoring support. If students have learning disabilities, there is funding through the additional support fund for that. However, if they do not have a diagnosed learning disability as a core group, and it is set up as a discrete programme, the funding is not there for that mentor support. If somebody is kicking off about what happened at the weekend, you will need that mentor support as that behaviour distracts the other learners. We are trying to balance that.

We have set up those programmes to try to get those young people back on track, and, academically, they should be able to move to level 2, level 3 and so on. That is what we are working at. We had a group in from a college in southern Denmark last week to look at the best practice example of our fresh start programme.

There are examples of similar programmes across the colleges. It is essential that that work continues with people who have had a very poor school experience. We are working with education other than at school (EOTAS), the Probation Board and are looking at criminal checks — all those things — to try to give those people a second chance and an opportunity to achieve.

The group that visited last week was very interested in small, bite-sized achievements for people who have never achieved anything.

Mr Hilditch: That is a worry about the whole situation.

Mr F McCann: I want to make a couple of points. Picking up on what others have said, I can see that it is a fairly depressing picture. As a follow-on from David's points, whilst education is important, the Committee has stressed, time after time, the importance of dealing with the issue of NEETs, and any impact in that area will certainly be of concern to us.

An impression is being given to the Committee week after week — it was raised by two members today — about the source of the cuts. My understanding is that the colleges are looking at the budget

cuts that emanate from the reduction in the block grant over a period and that no cuts have been earned to date as a result of welfare reform. Have you been told that there will be any cuts as a result of welfare reform?

Mr Gerard Campbell: We have been told that we will have a 15% cut in our recurrent budget next year.

Mr F McCann: Is that a result of welfare reform or the cut to the block grant?

Mr Gerard Campbell: The issue is that there is an impasse in the Assembly; that is what is coming through from DEL. Decisions have not been made. I am trying to remain apolitical, but what is coming across the line to us is that, due to budget pressures — welfare reform has been quoted in correspondence — we have a 15% —

Mr F McCann: The point I am making is that, whilst welfare reform is quoted at every meeting we go to, what we are dealing with here is the outworking of the cut to the block grant a number of years ago. Whilst there have been year-on-year cuts, this has been the worst year. By and large, we are dealing with the roll-out of the cuts to the block grant.

Mr Gerard Campbell: If you look at what happened with budgetary cuts over the last number of years and the situation in the Republic of Ireland, moving beyond 2015-16, you see that the outlook looks particularly bleak across the piece. If you take the amount of fixed costs that are built into college budgets for premises and our engagement in community outreach centres — there are 400 centres across the country — out of the picture, a 15% cut will have a knock-on effect of more than 20%. We have to look at provision and staff, because they are the two big areas. Whilst we can continue to drive further efficiencies down, colleges have been on that journey successfully. We can always go back and look at how to improve things, be more efficient and be more economical in how we do things, but there is not a lot left to give.

The Deputy Chairperson (Mr Buchanan): Thank you for coming before the Committee and setting out clearly your concerns, difficulties and challenges. The Committee will bear all those in mind.

Mr Gerard Campbell: Thank you for the opportunity, Chair. We would be delighted to come back to brief the Committee when we have a wee bit more information.

The Deputy Chairperson (Mr Buchanan): Thank you.