The Scottish Government

Exploring Capacity Issues in Scotland's Colleges

Education and Training

social research

EXPLORING CAPACITY ISSUES IN SCOTLAND'S COLLEGES

GEN
Economic Development & Regeneration Consultants

with
Ipsos MORI
Walter Patterson

A Final Report Submitted to the Scottish Government

Scottish Government Social Research

2007

This report is available on the Scottish Government Social Research website only www.scotland.gov.uk/socialresearch.

The views expressed in this report are those of the researchers and do not necessarily represent those of the Directorate or Scottish Ministers.

CONTENTS

ACKNOWLEDGEMENTS

We would like to acknowledge the support and guidance we received in the preparation of this report from the Scottish Government, in particular John Jellema, Colin MacBean and Margaret Sutor. Euan Carmichael of the Scottish Further and Higher Education Funding Council (Scottish Funding Council) and Howard McKenzie representing the Association of Scotland's Colleges also provided valuable input to the steering group.

We are also grateful to staff from colleges who took the time to meet with us and supply us with data as well as the many students who participated in the survey.

Any errors in the report and the interpretation that has been placed on the data is our responsibility.

GEN, Economic Development and Regeneration Consultants.

EXECUTIVE SUMMARY

Introduction

1. GEN was commissioned by the Scottish Government to undertake an assessment of the scale of unmet demand for college provision across Scotland. The possibility of excess demand for college provision was identified by the Supply and Demand Study 2005, in which colleges identified a significant level of non acceptance each year. The Scottish Government therefore wished to develop the evidence base further to understand better issues of supply and demand across Scotland, and which may be impacted particularly by demand based on specific regions or subject area.

2. College capacity is capped in terms of Weighted Student Units of Measurement (WSUMs). If a college delivers less than 98% of its target then the Funding Council can reclaim funds. If it delivers significantly more than its target then it does so without additional funding. In each year the majority of colleges deliver over their WSUM target, with a number in excess of 110%. However, there are a small number of colleges which do not deliver 100% of their target[1]. The workings of the system are explained in more detail in the main body of the report.

3. The study was focused on the issue of unmet demand and what the rejected applicants did next. It is not a study of the extent to which latent demand exists across Scotland.

Survey results

4. The vast majority of rejected applicants had applied to one college, while a further fifth had applied to two. Just under half of all respondents had applied to one course indicating that most of the rejected applicants were making only limited applications to multiple colleges or multiple courses.

5. The types of courses applied to were at non-advanced level (mainly National Certificate) and largely for full time provision, with applicants applying to these courses to get a job or develop a personal interest. HNC/HND provision were the next most popular course levels, with just over one fifth of applicants to these courses.

6. The survey results suggested that around one third (35%) of survey respondents (i.e. of those who had been identified to the consultants as having been unsuccessful in their application) could be classified as Unmet Demand. Unmet demand is defined as an applicant who had been rejected from a course at college, was not undecided or still waiting to hear about their application and were still interested in pursuing a place on the course (in effect had not lost interest). Arriving at a figure for unmet demand involves taking the number of rejected applications and dividing them by the average number of

[1] Data sourced from Student and Staff Performance Indicators, supplied by the SFC

applications per person (1.7 based on the survey results). This then gives the total number of applicants (in effect people). It is to this figure that the proportion from the survey classed as unmet demand is applied (35%). This means that if you have 1,000 applications this amounts to 588 applicants (removing the effect of multiple applications). Unmet demand is therefore 588 multiplied by the proportion from the survey classed as unmet demand (35%), which amounts to 205 applicants.

7. The profile of unmet demand applicants was not significantly different from those who subsequently accepted a place, although they appear to be marginally more disadvantaged – such as those young people who need more choices and more chances, and those in a low income household and with lower qualifications. The unmet demand applicants were largely applying to non-advanced, full time courses, also little different from the accepted a place group. The course areas where unmet demand was most prevalent included construction, care (both social and child care) and health & beauty.

8. When applicants were not successful they claimed that this was largely because courses were full, rather than any reason of previous qualifications or employability. This adds further evidence that unmet demand exists for certain courses.

College feedback

9. Colleges rely on a wide variety of information sources in order to set their recruitment targets, however internal knowledge is viewed as most important. Colleges are adept at marketing and most use a wide variety of media to promote themselves in their locale and region. In addition, marketing has been kept at a fairly constant level for the past few years.

10. Over-demand was said to be most prevalent in construction, health & beauty and care courses, fitting with the sectors found to be most problematic in the survey. However while over demand existed for some courses, colleges were unable or unwilling to meet this demand for a variety of different reasons, such as a lack of employment opportunities for completers; restrictions on WSUMs; finance; availability of quality staff and campus space.

11. Colleges stressed that they hardly ever "reject" an applicant outright and prefer to work with them to explore other course options, even if that course is at another college, though this was at odds with the findings of the survey which suggested that some of the rejected applicants were not offered wider provision. In terms of appropriate information, advice and guidance, there is clearly an issue here for the sector in terms of ensuring adequate provision of support to unsuccessful applicants.

Assessing Unmet Demand

12. The survey results were used in conjunction with additional data supplied by colleges, and data on total enrolments and WSUMs to develop weighting factors that grossed the survey estimate of unmet demand to the whole Scottish college system.

13. The level of unmet demand across the Scottish college system is within the range of 3,831 and 4,053 people (out of the 359,500 current college students), or around 1% of all 2005/06 students. If converted to WSUMs this amounts to a total of between 65,581 and 69,393, or between 3.4% and 3.6% of all 2005/06 WSUMs. The variation between enrolments and WSUMs is explained by the large proportion of unmet demand applicants who apply to full time provision.

14. It can be estimated from the survey data that around 600 unmet demand applicants could be classified as those young people who need more choices and more chances (applying 16%, the proportion of the unmet demand group who are these young people, to the total number of unmet demand applicants across Scotland). This is around 2% of the total group of young people who need more choices and chances in Scotland. It can also be estimated that around half of unmet demand applicants may apply to college again in the next year.

Key Issues

15. The main issues for the Scottish Government arising from the research include:

- The need to consider whether excess capacity exists within the system and whether this can be re-allocated to better meet demand;
- The need to consider if it should provide additional resources to the sector to meet current unmet demand; and
- Considering how far the subject areas where there is an excess of demand are economically important to the Scottish economy and whether it would be desirable to allocate funding specifically to such subject areas.

16. The issues for the Funding Council include:

- How the current funding methodologies optimise delivery of coherent course provision across Scotland, and that the ongoing review of funding arrangements takes this issue into account;
- How any potential additional resources might be distributed between additional WSUMs, student support and revenue and capital investment;
- How far any additional resources should be evenly spread across the system or focused on a few key locations where a high level of excess demand (rejected applications) is identified;
- Consideration of the role of its Skills Committee in this area; and
- The need to consider whether excess capacity exists within the system and whether this can be re-allocated to better meet demand.

17. The issues arising for Scotland's Colleges include:

- reviewing the application process to ensure ease of application and accuracy of records collected; and

- exploring the quality of information, advice and guidance offered to unsuccessful applicants and improving this as necessary.

CHAPTER ONE INTRODUCTION AND METHOD

Background

1.1 GEN was commissioned by the Scottish Government to undertake an assessment of the scale of unmet demand for college provision across Scotland. In conducting this study GEN worked alongside Ipsos-Mori and Walter Patterson. This report contains the findings of the study.

1.2 The possibility of excess demand for college provision was identified by the Supply and Demand Study, 2005[2]. The views contained in that report appear to be based largely on the views of colleges, which report a significant level of non-acceptance each year, along with variations in propensity to learn across different areas. However, the individual nature of the college application system makes building a holistic view difficult; unlike universities there is no central clearing system, rather people apply to colleges individually. The Scottish Government therefore wished to develop the evidence base further to understand better issues of supply and demand across Scotland, which may be impacted particularly by demand based on specific regions or subject area.

Study Objectives

1.3 The main objectives of the study were:-

- To investigate what capacity issues there are in Scotland's Colleges;
- To gather research data, including statistical data from Colleges and primary data from interviews with unsuccessful student applicants, to explore the view that demand for further education remains buoyant and outstrips supply;
- To identify and analyse what applicants from the 2006 intakes did next once they found out they were unsuccessful in obtaining a place on their chosen course;
- To identify which factors constrain college sector demand;
- To consider the view that there is evidence to sustain continued growth in enrolments and activity in the college sector;
- To consider whether any identified capacity limits impact on any particular types of provision (i.e. advanced and non-advanced); and
- To consider whether any identified capacity limits impact particularly severely on any particular groups for example 16 to 19 year olds who need more choices and more chances.

[2] Supply & Demand Of Further Education In Scotland National Report, DTZ Pieda Consulting, 2005

Study Focus

1.4 The funding methodology through which the extent of college provision is determined is largely historical and is mostly, but not wholly, determined by funding allocated by the Scottish Funding Council through an allocation given to each college. At college level, decisions are made about the mix of provision based on considerations of local and national contexts, government priorities and employer and community demands.

1.5 A college will invest significant effort into managing its delivery to meet its target which is expressed in terms of Weighted Student Units of Measurement (WSUMs).[3] If it delivers less than 98% of its target then the Funding Council can reclaim funds. If it delivers significantly more than its target then it does so without additional funding. It is therefore in the interest of a college to manage demand to a suitable level. This leads to a position whereby a college may not be able to satisfy all of the demand for places on its courses.

1.6 General WSUMs performance by colleges individually and collectively has been good in recent years. At the same time it is important to recognise that there has been a shift to more intensive courses, with a corresponding fall in overall learner numbers. Indeed, while the number of students has dropped by 9% between 2001/02 and 2005/06 college WSUMs activity has fluctuated only slightly across these years. In each year the majority of colleges deliver over their WSUM target, with a number in excess of 110%. However, there are a small number of colleges which do not deliver 100% of their target[4]. While the actual colleges below target change year on year there is a consistent group that overachieve. The number below target rose significantly in 2005/06 when a change was made to the data definitions. The overall picture is of a system which is often close to or even above its notional capacity, but with occasional soft spots.

1.7 **The study focused on those people who had applied for a college place but who it was thought by the college had been unsuccessful. This means that the study is a test of what the up take of college provision might have been had capacity not been capped**.

Methodology

1.8 The main element of the study involved a telephone survey of applicants which colleges reported had been rejected. Details of these applicants were provided to the research team in accordance with Data Protection legislation. The data covered rejected applicants over the last year (1 April 2006 to 31 January 2007) and as a result does not fully cover the 2006/07 academic year, but does cover each of the main intake points in

[3] A WSUM is a unit of funding that is based on a student's activity and the type of course that they do. Therefore a full time course accounts for more WSUMs than a part-time course, whilst courses that are more resource intensive also account for more WSUMs e.g. Construction has more WSUMs than Business Studies

[4] Data sourced from Student and Staff Performance Indicators, supplied by the SFC

the college callendar. A total of **16 colleges were able to provide a sample of 5,919 contacts**, sufficient number to generate robust results.

1.9 These details came from the following colleges: Aberdeen, Ayr, Banff and Buchan, Barony, Clydebank, Dumfries and Galloway, Dundee, Elmwood, Jewel and Esk Valley, Lauder, North Highland, South Lanarkshire, Coatbridge, Forth Valley, Inverness and West Lothian. This is a good cross-section of Scotland's Colleges covering urban and rural settings, generalist and specialist provision.

1.10 Unfortunately despite a range of efforts none of the Glasgow colleges were able to supply a sample of contacts to the study. To counter-balance this the study team have:

- Undertaken a number of qualitative interviews with Glasgow colleges;
- Collected returns from four Glasgow colleges on rejections and acceptances; and
- Examined the travel to learn patterns of sample respondents from colleges around Glasgow to ascertain how far they appear to be making applications to more than one college, as we might expect given the concentration in Glasgow city centre.

1.11 The implications of this Glasgow analysis are contained in the body of the report. In addition, no colleges directly based in Edinburgh provided sample data for the survey. However, Jewel & Esk Valley College provided data for the survey and just under one third of their 2005/06 students were from Edinburgh city. In addition, data on rejected applicants was received from Telford College and a qualitative interview was held with Stevenson College.

1.12 From the overall population of contacts a sample was constructed in broad proportion to the size of sample received from that college. It was decided not to set minimum numbers for any college as it was not intended that the report should analyse results at a college level, but rather cover the sector as a whole. The sample at a college level was selected randomly to minimize survey bias.

1.13 In addition to this survey work the study also:

- Asked all other colleges in Scotland to provide information on their numbers of applications and rejections – a total of 8 replies were received; and
- 16 face-to-face interviews were conducted with colleges. These were selected to cover those institutions which provided the sample and others in Glasgow and Edinburgh to ensure that the dynamics of the two major cities were covered fully.[5]

Report Structure

1.14 The remainder of the report is structured as follows:-

[5] Sixteen interviews were conducted in total, which consisted of 12 of the colleges that provided sample data and 4 additional colleges from Glasgow and Edinburgh (Glasgow Met; John Wheatley; Langside; and Stevenson).

- Chapter 2 outlines the results from the survey of rejected applicants;
- Chapter 3 looks at some of the qualitative feedback from the college visits;
- Chapter 4 looks at the method for grossing up the results and the outcomes from this; and
- Chapter 5 looks at some of the main issues arising.

CHAPTER TWO REJECTED APPLICANTS SURVEY

Introduction

2.1 This Chapter looks at the results from the survey of 835 rejected applicants that took place between 12 May 2007 and 20 May 2007. The main body of analysis is based on the headline results from the survey supported with various cross tabulations where relevant. The survey participants all came from the 2006 student intake – though due to differences in the college systems the candidates may have come from a period either before or after the main August September intake.

2.2 While there were 835 valid responses to the questionnaire, not all respondents answered all questions. The number of responses to specific questions is given in the total column in each table, unless otherwise stated.

2.3 The survey method involved asking respondents about up to five different courses to which they had applied. In general the main analysis in this chapter is based on the course one application. The low numbers associated with the fourth and fifth courses mean that for the purpose of clarity where other courses are considered we focus on courses one, two and three.

Applications

2.4 The survey focused on the applications made for courses and the key characteristics of these courses, as well as the motivations and aspirations of the applicants.

2.5 The vast majority (78%) had applied to one college, while a further fifth had applied to two. The remainder (3%) had applied to three colleges.

Table 2.1 Number of Colleges Applied For

	No.	**%**
Applied to 1 College	651	78%
Applied to 2 Colleges	156	19%
Applied to 3 Colleges	28	3%
Total	**835**	**100%**

2.6 The location (60%) stood out as being the main reason for applying to the college. This was followed by the quality/reputation of the course (29%).

2.7 In addition to asking about the number of colleges applied for, respondents were also questioned about the number of courses that they had applied for. The survey results suggested that:-

- Just under half of all respondents had applied to one course;
- A further third had applied to 2 courses; and
- 1% of the survey respondents applied to 5 or more courses.

2.8 In total there were 1,431 course applications made by the 835 respondents to the survey. Therefore there were 1.7 course applications on average per person.

Table 2.2 Number of Courses Applied For

	No.	%
Applied for 1 Course	413	49%
Applied for 2 Courses	287	34%
Applied to 3 Courses	105	13%
Applied to 4 Courses	21	3%
Applied to 5+ Courses	9	1%
Total	**835**	**100%**

2.9 As in the case of the college selection process above, survey respondents were asked what the main reason was for applying to their first course. The main reason was best fit for the persons job aspiration, picked by 67% of respondents. The 'other' category was the next greatest response accounting for just under one quarter of responses. This included responses focused on particular interest in the course or subject.

Table 2.3 Reason for Course 1 Being First Choice

	No.	%
Location of College	15	6%
Quality/Reputation of Course	18	7%
Best Fit for Job Aspiration	180	67%
Recommended	5	2%
Other	62	23%
Don't Know	2	1%
Total	**268**	**100%**

2.10 Assessing the level of course applied to by survey respondents revealed that the majority of applications were for National Certificate courses. Just over two thirds of course one applications were for courses at this level. There was a broadly similar picture for course two and three applicants, though the total proportion falls as the number of course applications increase. Further, Table 2.4 also shows that HNC/HND courses were the next most popular choice amongst respondents. Just over a fifth applied at this level for courses 1, 2 and 3.

Table 2.4 **Level of Course**

	Course 1		Course 2		Course 3	
	No.	**%**	**No**	**%**	**No**	**%**
Leisure/Non Vocational	9	1%	10	2%	5	4%
Access Course	26	3%	29	7%	9	7%
National Certificate	580	69%	256	60%	75	54%
HNC/HND	181	22%	95	22%	32	23%
Higher Education Level	13	2%	7	2%	2	1%
Don't Know	26	3%	32	7%	15	11%
Total	**835**	**100%**	**429**	**100%**	**138**	**100%**

2.11 Assessing the mode of course applications revealed a number of broad trends. While the proportions varied depending on the number of applications made, the main applications were for full time courses, with around 9 out of 10 applications being made to these courses. This figure was consistent for applications across courses one, two, three, four and five.

2.12 The primary motivation for applying to college was explored. The two main reasons focused on getting a job, and out of interest or for personal development. There was also a smaller number of responses based around employment prospects focused on:-

- Helping to get a different job (11%); and
- To enhance skills within a current job (9%).

2.13 This highlights the importance of college courses in career entry or progression, but also in developing the interests of the applicants.

Table 2.5 **Reason for Application to College**

	No.	**%**
In Order to Get a Job	256	44%
To Help Get a Different Job	65	11%
To Enhance Skills Within Current Job	54	9%
To Achieve Promotion With Current Employer	3	1%
Out of Interest, For Personal Development	238	41%
Other	24	4%
Don't Know	6	1%
Total	**577**	**100%**

2.14 Assessing the importance of the college or the course suggested that there was a bias in favour of the course rather than the college. Overall, 58% of respondents stated that both were equally important. However, a greater proportion of respondents stated that the course was more important, either much or slightly more (36%), than stated the same for the college (5%).

Table 2.6 **Importance of College Versus Course**

	No.	%
Course Much More Important	117	20%
Course Slightly More Important than College	90	16%
Equal Balance Between the Two	332	58%
College Slightly More Important than Course	20	3%
College Much More Important than Course	9	2%
Don't Know	9	2%
Total	**577**	**100%**

Unmet Demand

2.15 The survey of rejected college applicants included a series of questions around the courses applied to, the extent to which people accepted places and the number of people who applied to university. These questions were then combined to develop a typology to assess unmet demand. It did this by categorising each respondent into one of four groups:-

- Accepted a place;
- Undecided/not yet known;
- No longer interested; and
- Unmet demand.

2.16 The accepted a place group included anyone who had accepted a place at college, accepted a university place or said they had accepted a formal offer of a place at college (these courses would have started at the time of the survey and as a result they were included in this group).

2.17 The undecided/not yet known group included anyone who was not already included under 'accepted a place' and where the outcome of an application was not yet known.

2.18 The no longer interested group included anyone not already included under 'accepted a place' or 'undecided/not yet known' and either withdrew their applications or turned down any places offered. Reasons for turning down places included preferring another course, getting a job or through a change in the individual's personal circumstances.

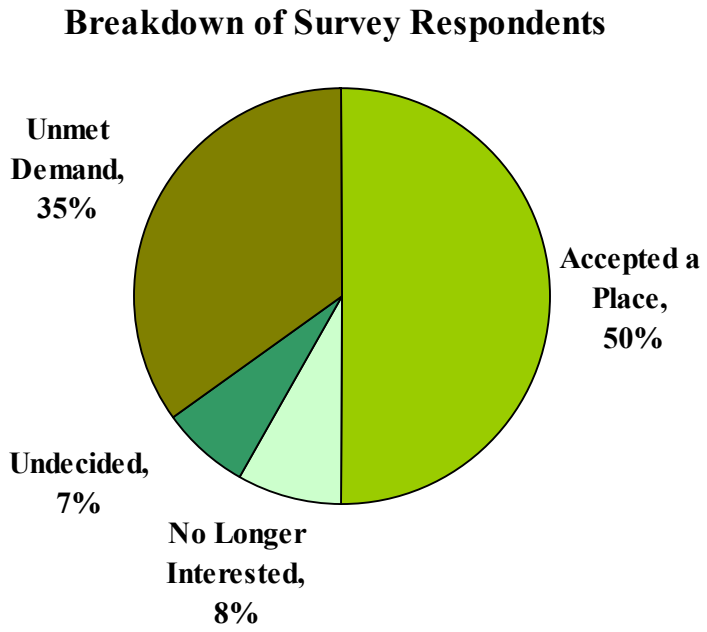
2.19 Unmet demand was everyone not already included under any of the above. It should be noted that these people were just the pool of potential unmet demand – though some of them may not be. For example, some may have been rejected for a place that they would not have accepted if successful. Furthermore, others may have secured employment which could be seen as an equally successful outcome for a college applicant.

2.20 Using this typology the results suggested that around one third (35%) of survey respondents could be classified as unmet demand, that is to say that had they been offered a place it is likely that they would have accepted it. It is important to recognise that this proportion does not take account of the effect of multiple applications, which equated to 1.7 applications per person based on the survey findings. When this is factored in it suggests that **the level of unmet demand is equivalent to 1 person for every 5 applications**. Continuing the development of this typology:-

- 50% of those who applied accepted a place;
- 7% were undecided; and
- A further 8% were no longer interested.

2.21 This is outlined in Chart 2.1 which shows the percentage split across the groups.

Chart 2.1: <u>Breakdown of Survey Respondents</u>



2.22 These findings suggested a number of broad issues with the rejected applicant data. One of the most striking findings was that around half of those that the colleges considered to be rejected had actually got a place in the college system. The survey suggested that 266 people were at the college and in some cases even on the same course that the college had assumed they had been rejected from. The fact that this represents almost a third of the sample (32%) highlights the inconsistencies in the data held by some of the colleges.

2.23 This reflected a number of factors around the quality of the data held on rejected applicants. Some of this data had not been updated to reflect late additions from waiting lists or any late change in applicant status.

Unmet Demand by Course

2.24 An analysis of unmet demand by course showed that four subject areas accounted for around 60% of all the unmet demand applications. This is based on a broad subject classification rather than the more traditional dominant programme groupings (DPG). The four subjects covered:-

- Hair and beauty courses, which made up one quarter of all unmet demand applications;
- Construction courses, which accounted for 18% of all unmet demand applications;
- Childcare courses, which accounted for around 8% of all unmet demand applications; and
- Care courses (excluding childcare), which accounted for around 7% of all unmet demand applications.

2.25 These subject areas largely match with the findings from the qualitative consultations with colleges, which suggested hair & beauty, construction and care (though not childcare) were the main areas of unmet demand. This is covered in Chapter 3.

2.26 The remainder of courses covered a wide spread of subject areas, though there were small clusters around engineering, business and sports courses, although these were not of the same scale as the dominant subject areas.

Socio Economic Characteristics of Unmet Demand Applicants

2.27 Having identified the level of unmet demand amongst those rejected applicants participating in the study this section looks at the socio economic characteristics of those falling into this group and comparing it to those who accepted a place. The key characteristics covered included:-

- Gender;
- Age;
- Main Activity (at time of application and at point of survey);
- Qualifications;
- Residence in areas of multiple deprivation; and
- Household income.

2.28 An analysis of the gender of the unmet demand group showed that 61% were female compared to 39% male. These proportions are broadly in line with the profile of those who accepted a place (64% female against 36% male). These figures were also broadly in line with the gender split in colleges across Scotland in 2005/06, where the split was 57% female and 43% male[6].

[6] Scottish Funding Council (2007) *Scotland's Colleges: A Baseline Report*

2.29 The unmet demand group was dominated by those aged 16 to 24, with just under three quarters (72%) of the unmet demand applicants falling into this group. This was a lower proportion than for those who accepted a place (78%). In addition, survey respondents were younger than the profile for the sector as a whole. The survey showed that 72% of unmet demand and 78% of accepted a place applicants were aged between 16-24. However, 44% of students in the sector as a whole were under 24[7]. While these figures suggest that the survey focused more on younger people the lack of any major difference between the unmet demand and accepted a place profile suggests that this will not have had any major effect on the results.

2.30 While the majority of the unmet demand applicants were aged between 16-24, there was a greater proportion who were aged between 25-44 (25%) than the accepted a place group (18%).

Table 2.7 Age Band of Survey Participants

	Unmet Demand		Accepted a Place	
	No.	**%**	**No.**	**%**
16-24	208	72%	199	78%
25-34	35	12%	30	12%
35-44	36	13%	16	6%
45-54	8	3%	9	4%
55-64	1	0.3%	1	0.4%
65+	0	0%	0	0%
Total	**288**	**100%**	**255**	**100%**

2.31 Understanding the main activity of applicants at the time of their application provides important information on the route into college. The survey results showed that:-

- 42% of the unmet demand group were employed (in effect either in full time work, part time work or on a government training scheme). This was higher than the figure for all those who accepted a place (31%);
- 26% were unemployed, higher than the proportion for all those who accepted a place (17%); and
- 19% of the unmet demand group were at school at the time of their application. This was much lower than for all those who accepted a place (35%).

2.32 The fact that the unmet demand group were more likely to be either in employment or unemployed fits with the age profile of the group, with a much lower proportion being permanently sick/disabled or unable to work (short term).

[7] Data sourced from INFACT based on headcount by age for 2005/06

Table 2.8 **Main Activity at Time of Application**

	Unmet Demand	
	No.	**%**
Employed	121	42%
Looking after home/family	10	3%
Unemployed	76	26%
At school	56	19%
In Further Education	16	6%
In Higher Education	0	0%
Permanently sick/disabled	1	0.3%
Unable to work (short term)	5	2%
Other	3	1%
Total	**288**	**100%**

2.33 It was also important to understand the main activity of the unmet demand group at the time of the survey in order to understand what they did next having failed to secure a place in college. The key results suggested that:-

- Two thirds (66%) of the unmet demand group were employed at the time of the survey; and
- Just over one fifth (22%) of the unmet demand applicants were unemployed.

Table 2.9 **Main Activity Now**

	Unmet Demand		Accepted a Place	
	No.	**%**	**No.**	**%**
Employed	191	66%	64	25%
Looking after home/family	15	5%	1	0.4%
Unemployed	64	22%	32	13%
At school	8	3%	9	4%
In Further Education	0	0%	139	55%
In Higher Education	0	0%	5	2%
Permanently sick/disabled	1	0.3%	1	0.4%
Unable to work (short term)	5	2%	0	0%
Other	4	1%	4	2%
Total	**288**	**100%**	**255**	**100%**

2.34 Looking at how the unmet demand group has changed over time it was apparent from the survey that a much greater proportion were in employment than at the time of application and that fewer were unemployed. However, around one fifth of the unmet demand groups were not working and were not actively engaged in improving their employability.

2.35 Looking at the issue of those out of work in more depth revealed that:-

- 37% of the unmet demand group who were unemployed at the time of their application were still unemployed at the time of the survey (which is likely to represent a period of up to 1 year);
- 59% of the unmet demand group who were unemployed at the time of their application had progressed into employment by the time of the survey; and
- 16% of the entire unmet demand group were classed as lower achieving and at risk of disengagement at the time of the survey.

2.36 This shows that while there is a degree of churn within this group there is a core group who have not progressed and remained unemployed for a period of up to a year. In addition, there was also a number who were classed as those in need of more choices and more chances.

2.37 Given the important role of qualifications in labour market outcomes and in progression through education the survey looked at the types of qualifications held by the different groups. The unmet demand group were less likely to have non-advanced qualifications than those who accepted a place (80% as opposed to 88%), though this was the main qualification held by each group. However, the unmet demand group were more likely to possess advanced qualifications (11%) than those who accepted a place (7%).

2.38 Analysing qualifications in more depth revealed that:-

- 46% of the unmet demand group possessed O Grade, Standard Grade, GCSE, CSE, Senior certificate or equivalent qualifications. This was higher than the proportion for those who accepted a place (39%);
- A lower proportion of the unmet demand group (13%) possessed SCE Higher Grade/New National Qualification Higher, or advanced Higher/CSYS/A Level advances senior certificate or equivalent than the percentage for those who had accepted a place (25%); and
- 7% of the unmet demand group had no qualifications, higher than the level for those who accepted a place (3%).

2.39 These results suggested that there are two broad groups within the unmet demand group – one who possessed lower qualification levels than the accepted a place group and a small core who were better qualified.

Table 2.10 **Highest Level of Qualification Achieved**

	Unmet Demand		Accepted a Place	
	No.	**%**	**No.**	**%**
Degree Level and above	9	3%	6	2%
HNC/HND	23	8%	14	5%
Non-advanced	228	80%	224	88%
None	19	7%	8	3%
Don't Know	8	3%	3	1%
Total	**288**	**100%**	**255**	**100%**

2.40 The home postcode of those taking part in the survey was recalculated to match the 2006 Scottish Index of Multiple Deprivation. **Analysing the results for the most deprived 20% of datazones in Scotland revealed that 23% of the unmet demand group were from the most deprived areas, while just 11% were from the least deprived areas.**

2.41 The final main socio-economic characteristic collected from the survey respondents was around household income. Over half of those asked about this did not disclose which band they were in, as such results should be treated with some caution.

2.42 The results showed that:-

- 25% of the unmet demand group had a household income of less than £15,000 per year, a higher proportion than found amongst those who accepted a place (19%); and
- 13% of the unmet demand group had a household income between £15,001-£35,000. This was the same as those who accepted a place.

2.43 While these results should be treated with some caution, it does suggest that the unmet demand group were more likely to be in a low income household.

Table 2.11 **Annual Household Income**

	Unmet Demand		Accepted a Place	
	No.	**%**	**No.**	**%**
Under £6,000	27	9%	19	7%
£6,001-£10,000	14	5%	16	6%
£10,001-£15,000	32	11%	15	6%
£15,001-£20,000	13	5%	12	5%
£20,001-£25,000	10	3%	8	3%
£25,001-£35,000	15	5%	13	5%
£35,001+	13	5%	14	5%
Don't Know	162	56%	152	60%
Refused	2	0.7%	6	2%
Total	**288**	**100%**	**255**	**100%**

2.44 Overall, the unmet demand group appeared to be slightly more disadvantaged than those who accepted a place at college (or university). The group were more likely to have been unemployed at the time of the survey, have been unemployed longer, and marginally more likely to be in a low income household.

Unmet Demand Application Types

2.45 Having reviewed the socio-economic characteristics of the unmet demand group against all those who accepted a place we now move on to look at the types of application made by this group.

2.46 The unmet demand groups were largely applying for national certificate courses, with 74% of course one applicants applying at this level. A similar picture emerged from multiple applications at 75% for course two and 64% for course three applying to National Certificate level courses. This is different from the accepted a place group – where a lower proportion were applying to National Certificate courses (66% of course one applicants) and around a quarter were applying to HNC/HND courses.

Table 2.12 Level of Application by Unmet Demand Applicants

	Course 1		Course 2		Course 3	
	No.	**%**	**No**	**%**	**No**	**%**
Leisure/Non Vocational	3	1%	0	0%	0	0%
Access Course	11	4%	3	5%	2	18%
National Certificate	214	74%	42	75%	7	64%
HNC/HND	46	16%	5	9%	1	9%
Higher Education Level	3	1%	0	0%	0	0%
Don't Know	12	4%	6	11%	1	9%
Total	**288**	**100%**	**56%**	**100%**	**11**	**100%**

2.47 Unmet demand applicants were largely applying to full time courses, with 84% of course one unmet demand applicants in this group. The number of full time unmet demand applicants increased with multiple applications, increasing to 91% for course two unmet demand applicants and all course three unmet demand applicants. This was broadly in line with the results from the accepted a place group.

2.48 The unmet demand applicants followed a similar rationale for application as the accepted a place group. In total, 43% applied to get a job, while a further 38% applied out of interest or for personal development.

Table 2.13 **Reason for Application by Unmet Demand Applicants**

	No.	%
In Order to Get a Job	124	43%
To Help Get a Different Job	36	13%
To Enhance Skills Within Current Job	34	12%
To Achieve Promotion With Current Employer	2	1%
Out of Interest, For Personal Development	108	38%
Other	13	5%
Don't Know	2	1%
Total	**288**	**100%**

2.49 As in the case of the reason for application, the unmet demand group show little real difference in terms of the importance of the college against the course. As in the case for all applications around three fifths stated that there was an equal balance between the college and course in terms of importance. Further, there was also a slant in favour of the course being more important than the college.

Table 2.14 **Importance of College Versus Course by Unmet Demand Applicants**

	No.	%
Course Much More Important	64	22%
Course Slightly More Important than College	41	14%
Equal Balance Between the Two	166	58%
College Slightly More Important than Course	8	3%
College Much More Important than Course	5	2%
Don't Know	4	1%
Total	**288**	**100%**

2.50 As the unmet demand group had essentially missed out on a place in the college system the survey looked at the extent to which they were likely to re-apply to colleges in the next year. Around 56% of the unmet demand group were likely to reapply in the next year. While this suggests that most have not been put off by their rejection, there is still a sizeable group who would not be applying again. Some of this group will have moved into employment, but it is also equally likely that a proportion will become unemployed (or remain unemployed).

Table 2.15 **Likelihood of Applying for Another Course in the Next Year by Unmet Demand Applicants**

	Unmet Demand	
	No.	**%**
Have a formal offer	0	0%
Definitely will apply	74	26%
Probably will apply	85	30%
Unlikely	48	17%
Definitely not	55	19%
Don't know	26	9%
Total	**288**	**100%**

College Feedback

2.51 Survey respondents were asked if they had been told why their application had been unsuccessful. In total 61% of course one respondents had received feedback, while 39% had not. This picture was broadly consistent across those who applied for more than one course.

2.52 For those who had received feedback, they were then asked what reason had been given for not being successful in their application. The course being full was the main reason for a lack of success. Issues around entry qualifications and age, which could be seen as more academic or individual barriers, were rarely cited as reasons. This picture is consistent across those who applied for more than one course and generally stood at between 50-62% of respondents as outlined in Table 2.17 below.

2.53 The issues of courses being full provided further evidence of the existence of unmet demand for certain courses, with the number of places being more of an issue than entry criteria or personal attributes.

Table 2.16 **Reason Application Was Not Successful**

	Course 1		Course 2		Course 3	
	No.	**%**	**No.**	**%**	**No.**	**%**
Didn't Have Entry Qualifications	57	17%	3	6%	1	6%
Course Was Full	180	54%	31	62%	10	56%
Course Was Not Running	11	3%	3	6%	1	6%
Age	10	3%	2	4%	0	0%
On the Reserve List	17	5%	3	6%	2	11%
Other	47	14%	6	12%	4	22%
Don't Know	15	5%	2	4%	0	0%
Total	**333**	**100%**	**50**	**100%**	**18**	**100%**

2.54 All the respondents who were unsuccessful in their application were asked if the college had suggested other courses to which they might apply. Overall, 30% of respondents stated that something had been suggested – breaking down as 26% in all cases and 4% in some cases. This ultimately means that around two thirds of those who had at least one unsuccessful application were not offered something else in the college system.

2.55 This is at odds with the evidence gathered from the qualitative interviews component of the study with key personnel from colleges. This is explored in greater detail in Chapter 3.

Conclusions

2.56 From the survey of rejected applicants some key findings have emerged:

- 78% of rejected applicants had applied to one college, while a further fifth had applied to two;
- 49% of rejected applicants applied to one course, while a further third applied to two courses;
- Using the typology developed for the study around 35% of rejected applicants can be classified as unmet demand;
- The profile of unmet demand applicants was not significantly different from those who subsequently accepted a place, although they did appear to be marginally more disadvantaged;
- Unmet demand applicants were largely applying to non-advanced, full time courses, little different from the accepted a place group;
- When applications were not successful it was largely because courses were full rather than any reason of personal attributes or employability; and
- 59% of the unmet demand group who were unemployed at the time of their application had progressed into employment by the time of the survey.

CHAPTER THREE COLLEGE FEEDBACK

Introduction

3.1 This Chapter looks at feedback from colleges from two main sources. The first covers data received from the colleges on rejected applicants (both from colleges involved directly in the study and from those who completed a separate survey pro-forma). The second covers qualitative discussions with key senior staff from those colleges that provided data, in addition to a small number of extra colleges who believed they had issues with unmet demand. A full consultation list is provided in Appendix 1.

Overall College Acceptances and Rejections

3.2 Colleges were asked to provide data on the number of applications they received and how many of these were accepted. Although data was supplied for different time periods overall application: acceptance ratios were fairly consistent and averaged 1:0.6. This suggests that on average, just over half of the applications made to colleges result in acceptances. One college had the highest ratio at 1:0.9 whilst two others had the lowest with 1:0.3. It is important to note that an initial rejection does not mean a rejection from the college system, with colleges working with applicants to find them something suitable (be that a different course or a different level).

3.3 Nine Colleges also provided data on the number of applicants that were rejected[8]. Table 3.1 shows the number of colleges that rejected applicants within a given range and shows that the sample was fairly balanced amongst those that rejected a large number of applicants and those that rejected a small number. However, rejections were largely in proportion to applications: with 2 exceptions, all colleges rejected less than 5% of applications.

Table 3.1 Applications and Rejections

Number of Rejections	Number of Colleges
0-100	4
101-500	2
501+	3
TOTAL	**9**

3.4 Rejections by course data supplied by some of the colleges also showed the number of people that had been rejected from each DPG/course. DPGs from which applicants were rejected across colleges varied, but in many cases related to Health and Social Work. For example:

[8] Data was sourced from an e-mail survey of colleges who did not provide contact details for the survey. This included a return for one college that provided data for the sample

- One college rejected 11 applications from Social Work, which accounted for 29% of its 38 rejections;
- Another rejected 788 from Health, which accounted for 27% of their 2,959 rejections; and
- Another rejected 878 people from Health which accounted for 29% of its 2,990 rejections.

3.5 Other colleges provided information on the number of applications that they had received for each course. This showed that beauty and hairdressing courses were massively oversubscribed; one of these colleges received 220 applications for 12 places on SVQ1 Hairdressing whilst another received 75 applications for 45 places on SVQ2 Beauty Therapy.

3.6 However there were a number of colleges from which the greatest proportion of their rejections came from more uncommon courses such as Sport and Recreation (83% of their rejections); Transport (42%) and Art and Design (21%).

3.7 As shall be seen in subsequent sections, these figures largely corresponded to the views of colleges consulted on over-demand. The majority of colleges felt that there was over-demand in construction, health & beauty and social care. Although a large proportion of rejections should not be seen as wholly indicative of over-demand, it could reasonably be expected that it would make some contribution to the overall number of rejections.[9]

College Planning and Provision

3.8 The review process through which colleges go to determine course provision is multi-faceted and incorporates a number of internal and external intelligence sources. The process is ongoing and rarely confined to a single point in the year. There is usually an annual or bi-annual curriculum review. Following this a series of targets are set by broad subject area and progress with recruitment in each of these areas is monitored frequently to ensure full use is made of the funding allocated to the college and that each college remains responsive to local and national skills needs and demands from local employers and the local community.

3.9 This flexibility is however balanced by the fact that there are inherent rigidities which colleges cannot mitigate. For example, they are set overall targets around the number of WSUMs that they must deliver each year. This means that if they wish to increase the number of places available on a particular course, they must make corresponding reductions in other courses and so do not have a completely free hand in setting the "mix" of their provision level. Further, college staff have certain specialisms and departments are resourced in certain ways to reflect the curriculum offering of each college. Therefore it is not possible to hire and fire staff in the short-term just because

[9] Colleges do not have a completely free hand when setting provision levels for Modern Apprenticeships (MAs) on construction courses. This is because the CITB in conjunction with employers set the number of MAs available through college attendance, thus constraining supply.

the college wants to change provision levels. Staff usually have contracts which colleges cannot break without good reason, although colleges are clearly well placed to offer re-training and up-skilling to staff to ensure they continue to deliver relevant and responsive learning opportunities.

3.10 Feeding into this process, the main determinants of college course provision (i.e. the nature of the course offering and the appropriate number of places) are largely historical and come from internal intelligence sources. Firstly, colleges have over time built up a comprehensive picture of the courses that have proved popular and therefore can make informed estimates of the number of applications that they will receive for any one course. Secondly, a number of colleges use the past performance of students and the extent of drop-out rates to determine whether it is worthwhile to run a course in the coming year. If it can be demonstrated that a particular course was neither well attended or its students performed relatively poorly over time (perhaps leading to an inefficient use of staff resources) then it is likely that the course will be considered for discontinuation.

3.11 Complementing this historical data, the "Heads of School"/ Faculty" and specialist course teams in each college provide an expert view of developments in their specialist field. Therefore any discussion about provision is contextualised by the knowledge of the Heads which allows for a more qualitative assessment of potential demand. A number of college Principals said that they expected their Heads of School/Faculty to play an informal intelligence gathering role over the course of the year.

3.12 This process is influenced by the use of external intelligence sources. Whilst this was largely consistent across colleges, the particular sources of this intelligence were not. For example, several of the colleges cited the importance of local labour intelligence to help determine provision. This was for two main reasons. Firstly it was felt that it would be wrong to continue to offer places on popular courses if the labour market could not offer secure employment upon completion. Secondly, forward looking labour market data (often from Future Skills Scotland) was used to give an insight into what local employers were looking for in the future. Although this may not affect provision much in that particular year, the data would form part of a longer term picture of local needs.

3.13 The source of economic data varied, for example:

- In one college, a private economic development company has been commissioned annually to produce a labour market report;
- In another, a wide variety of publicly available data from sources such as Future Skills Scotland, the Census and HMI reviews were used to inform provision;
- In another, strong ties with the Local Enterprise Company meant that they could easily obtain tailored labour market statistics; and
- Finally, in one college the prominence of a major shipyard meant that they kept up to date with the latest developments in engineering to assess how these would affect the employment prospects of engineering students.

Marketing

3.14 A variety of marketing techniques are employed by colleges to promote both their course offering and the college "brand." The methods used are largely consistent and comprised what could be described as "direct" and "indirect" marketing.

3.15 Direct forms of marketing included traditional means of reaching target markets such as:

- Advertisements in local print media;
- Radio and in some cases television advertisements;
- Visits to secondary school career departments;
- Organising pupil visits to the campus;
- Visits to local community organisations;
- Prospectus publication;
- Attendance at career shows; and
- Website development.

3.16 Although the techniques used by colleges to market themselves were largely the same, the times at which they were directed were often different. For example:

- One college focused the bulk of its marketing activity between February and April;
- One college focused its marketing between December and January;
- One college focused its marketing activity in August;
- One college concentrated its marketing campaign in the summer months; and
- Another college directed its marketing between March and September.

3.17 Clearly some colleges had a much lengthier period for marketing whilst others preferred a short burst in one or two months. However, there seemed to be no common factors amongst those colleges that prolonged their campaign and those that had a more focused approach.

3.18 What also emerged was the fact that the marketing effort has been around the same level over the last few years. There was no impression given that marketing had increased or decreased, which suggests that colleges relate their marketing effort to their WSUMs target. That is, increased marketing to generate extra demand would be counter-productive as colleges only get funded for a certain level of WSUMs and have to pay for any "over provision" from alternative funding sources.

3.19 Perhaps surprisingly, it was the indirect marketing such as word of mouth that was deemed to be the most important by many of the colleges. Although harder to achieve in the longer term, a number of college Principals highlighted the fact that if one student has a bad experience at college, they are likely to dissuade their friends from attending. Forms filled in by students revealed that word of mouth was often the means by which students first became interested in going to college. It was then that they

requested more traditional sources of information such as the college prospectus or course factsheets. Therefore safeguarding a good reputation was seen as crucial to maintaining a consistent level of applications.

Demand Issues

3.20 From almost all of the colleges a consistent picture emerged of the courses for which there was significant over demand. This did not vary by geographical location, population density, or regional industrial mix. It seemed that there was a core of subjects for which there was a consistent level of applications which could not be satisfied by current college provision. These were:

- Construction (especially joinery and plumbing);
- Health and beauty; and
- Social care.

3.21 In one college, there was 400% over demand for construction courses whilst one Principal remarked that they could open a college purely for beauty courses, such were their popularity.

3.22 There were however isolated examples of over demand in what could be described as specialist courses. For example, one college reported over demand in agricultural technology. In this case the college had a strong agricultural offering and was seen as a specialist institution in this regard.

3.23 Several reasons emerged as to why colleges did not meet this extra demand. First, as highlighted earlier, **colleges find it very difficult to increase the number of places available on courses without making corresponding reductions in other courses.** This is because the overall activity of each college is constrained by the number of WSUMs, and consequent funding, made available by the Funding Council. This means colleges would have to fund any extra provision either by spreading more thinly their existing WSUMs-based income from the Funding Council, or by identifying other less predictable funding streams some of which may be less sustainable in the long term.

3.24 The second related to the **external labour market intelligence used by colleges to help determine provision**. As has been highlighted earlier, if a college felt that the local labour market would not support the outcomes generated by a particular course (even if it proved popular) then it would not create extra capacity to satisfy this demand. An example of this was said to be hairdressing; the local economy can usually only support so many and the displacement effects upon other hairdressers are usually significant. Therefore it would not be serving the best interests of either students or the wider economy to train more hairdressers.

3.25 The third issue was around the **physical capacity of college campuses**. The courses highlighted above are space intensive (for example health and beauty students need salons; construction students need workshops) and so it is often not possible to

expand provision given space constraints. Related to this is the issue around finance. It emerged from discussions that colleges simply do not have the financial resources to expand these types of facilities (due to their resource intensive nature) even if they had the space to do so.

3.26 Fourthly, the **number of candidates for some courses (particularly in construction) is controlled by industry bodies**. Colleges cannot therefore accept a greater number of students than specified for them by intermediary organisations. Related to this is the fact that the number of students on care courses is often determined by the number of placements available. Colleges cannot offer someone a place on a course if they cannot find an appropriate placement for them.

3.27 A small number of colleges also highlighted the **difficulty they have in attracting appropriately qualified staff** to teach these courses. The strength of the private sector (especially in construction) meant that college lecturing was a financially less attractive option to well qualified people. Although this was by no means cited as the main barrier to expansion, staffing did emerge as an issue in a minority of colleges.

3.28 Finally, **students often struggle to finance their attendance at college**. Although bursaries are available at the start of the year (i.e. September) this source of funding is finite and this can put students who wish to attend college in January at a disadvantage.

3.29 Few colleges offered explanations as to what could constrain demand for courses. One suggested that their **geographical location meant that they had less of a population from which to attract students and so faced a "natural" disadvantage**. Another college suggested that the **poor transport links in their region dissuaded people from attending** and impacted on the number of students they could attract from groups that typically had no access to a car (e.g. unemployed and lower achieving and at risk of disengagement).

Supply Issues

3.30 **Over-supply was not perceived to be as much of an issue as over-demand.** The planning and provision process, underpinned by various sources of internal and external market intelligence, means that colleges are usually able to minimise the extent of spare capacity on courses. However, a few colleges cited specific examples of courses for which a lack of demand has caused difficulties:

- Business studies;
- Engineering;
- Catering and hospitality;
- Computing; and
- Horticulture.

3.31 With the exception of business studies (which was mentioned fairly often in discussions with colleges) **the decline in popularity of the other courses often related to fluctuations in economic opportunities available in the local area**. For example one college attributed the decline of popularity in computing in part to the loss of the electronic manufacturing companies that were once prevalent in the area. A similar scenario was encountered by another college's engineering department which had seen interest fall away as engineering had receded. Other courses such as catering and hospitality have suffered from the somewhat **negative perceptions that people have of the industry, i.e. a low wage, long hours culture** with little chance of career progression.

Rejection Issues and Follow Up

3.32 The view from colleges was that they try not to "reject" an applicant outright. In comparison to the university application process where applicants can be rejected on the basis of their qualifications, this seemed to be rare in the colleges consulted with. If an applicant is unsuitable for the course they have applied for, they would generally be offered something else. However, as highlighted earlier, 39% of course one respondents had not received feedback on their application and 30% of respondents stated that an alternative had been suggested. This ultimately means that around two thirds of those who had at least one unsuccessful application were not offered something else in the college system.

3.33 Colleges see themselves as part of the local community and are conscious of the role they have to play in increasing social inclusion. This can be attributed to two main factors. Firstly, colleges tend to attract a higher proportion of people that have fewer educational opportunities (i.e. their qualifications may not be as good as university applicants) therefore turning them away from college may mean that they never return to education. Secondly, they tend to attract people that have more limited geographical mobility (many colleges commented on the fact that their students are more unwilling to travel outwith their local area and often do not have the means to do so anyway). As a consequence colleges have a higher proportion of local people studying at them than universities do.

3.34 The colleges therefore believe that it is important to ensure that as many local people as possible are able to attend some form of course to further their life choices. Colleges try to put into place a ladder of progression, the starting rung of which will vary for different people depending on their ability and background.

3.35 However a variety of reasons were cited as to why applicants would initially be turned down for their chosen course. In many cases there was often a mismatch between what applicants expected they would need to do the course and what was actually required. For example, one college has found that engineering applicants often have no conception of the degree of maths involved in the course and consequently have to be rejected due to a lack of maths skills. Similarly applicants for care courses often do not

appreciate the "mix" of skills that are required and consequently often fall at the first stage.

3.36 Related to this, college consultees were often of the view that there was a lack of core skills amongst many of those "rejected" applicants and especially amongst those who need more choices and more chances and adult returner groups. In some areas, the comparatively poor performance of local schools has meant that young people apply for college lacking a proper grounding in subjects such as Maths and English, without which they would find it difficult to progress through a college course. Similarly, adult returners often face the same issues but may also need additional assistance to build their confidence, social skills and general employability. It is to courses that help to build social skills and confidence that the college would often refer these applicants before they embarked on a full programme of learning.

3.37 However, the process for following up "rejected" applicants was often not consistent across colleges. In some colleges, an applicant would be telephoned or lettered about the outcome of their application and at this point would be offered an interview to discuss the other options available to them. In other cases applicants would be invited to interview as part of their application at which their suitability for the course would be determined.

3.38 **The key point about this part of the application process was the level of resources which some colleges allocate to assist failed applicants**. The nature of the application process (in which people can make multiple course applications to multiple courses) means that getting a response from individuals is often "last minute." The challenge is more acute with groups such as those who need more choices and more chances and the adult unemployed who often need additional support before they can even begin a college course. **Therefore some colleges choose to employ a disproportionate level of resources at the end of the application process in order to properly assist their most disadvantaged applicants**. **However, the level of support provided to failed applicants varies across the sector and this is an issue which should be addressed.**

Funding Sources

3.39 The range of funding sources accessed by colleges was fairly consistent. The main sources other than that provided through the Scottish Funding Council were:

- European Social Fund;
- Local Enterprise Companies; and
- Commercial activity.

3.40 However, although the sources were consistent the importance attached to them by each college was not. For example, one college said they were very reliant on ESF funding and that it accounted for almost 10% of their turnover. In other colleges however a conscious effort had been made over the last few years to reduce their reliance on ESF

funding and to strip it out of college budgets. The fact that ESF funding is due to come to an end in December 2007 was the primary reason for this.

3.41 In those colleges that said ESF funding was important, it was mainly used to enhance existing provision (and to increase social inclusiveness) rather than to attract an increased number of students. This took a variety of forms. In one college, ESF funding was used to increase the number of childcare places available to students. In another college, ESF funding was used to provide financial support to some of their poorest students to enable them to come to college. Another college used the funding to organise outreach learning at community venues to make it easier and less intimidating for hardest to reach groups to come along to.

3.42 Another source of support that was widely mentioned was that from Local Enterprise Companies. The importance of this varied amongst colleges and often related to very specific courses, such as construction apprenticeships and engineering. It must also be noted that with the exception of one college that had a £1m contract with a LEC, the remainder of those consulted did not apportion a large proportion of their turnover from LEC sources.

3.43 The final source of income was from commercial activity. However this did not feature prominently in discussions with colleges and no clear picture emerged as to the importance of private sector income. Many stated that its volatility meant that it could not be relied upon as a stable funding source on which to base decisions around provision. **Although in one college courses were sometimes subsidised using income generated from commercial activity, in another they had seen a decline in both companies seeking training for their staff and individuals seeking night-schooling. No explanations were offered as to why this was the case**.

Conclusions

3.44 From the discussions with colleges some key findings have emerged:

- Colleges rely on a wide variety of information sources in order to set their recruitment targets, however internal knowledge is viewed as most important;
- Colleges are adept at marketing and most use a wide variety of media to promote themselves in their locale and region, however, marketing has been kept at a fairly constant level for the past few years;
- Over-demand was said to be most prevalent in construction, health & beauty and social care courses;
- However for a variety of reasons (such as a lack of employment opportunity for completers; restrictions on WSUMs, finance and campus space) colleges were unable or unwilling to meet this demand;
- However colleges stressed that they hardly ever "reject" an applicant outright and prefer to work with them to explore other course options, even if that course is at another college;

- The sector should look to improve the consistency of the follow up information, advice and guidance offered to those applicants who fail to secure a college place; and
- Alternative funding sources were of variable importance. Some colleges continue to rely on ESF funding for extra income whilst others have taken a deliberate decision to phase ESF out of their budgets.

CHAPTER FOUR ASSESSING UNMET DEMAND

Introduction

4.1 This Chapter develops a quantitative estimate of unmet demand across the college sector in Scotland. The chapter outlines the broad steps taken to develop the estimate as well as the key assumptions for each of the steps. The chapter then looks at the level of unmet demand and places that in the wider context of the college system.

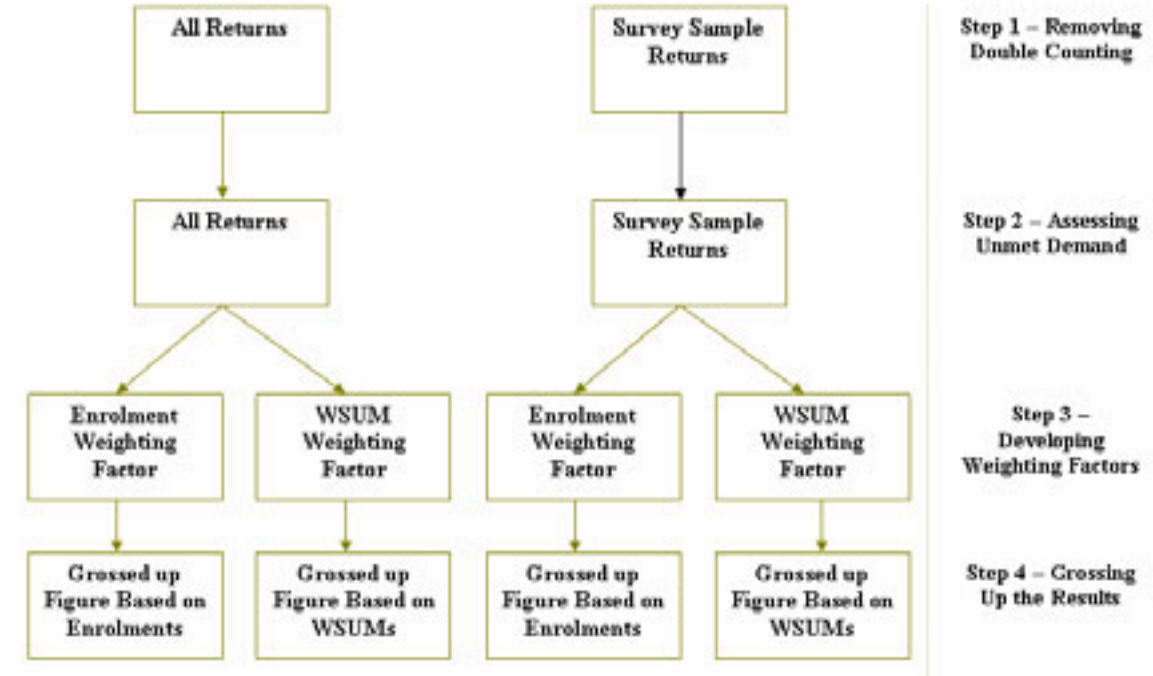
Assessing Unmet Demand

4.2 The process for assessing unmet demand across Scotland followed a four stage process, covering:

- Removing the double counting effects of multiple applications;
- Assessing the overall level of unmet demand for colleges for which we have data;
- Developing weighting factors to be used to gross up the sample to the population of the whole sector; and
- Grossing up the results using the weighting factors.

4.3 In order to develop a range of estimates of unmet demand, figures were developed using data supplied by all the colleges (All Returns) and then based on the data supplied only by the colleges which provided data for the survey (Survey Sample Returns)

Figure 4.1 Stages in Assessing Unmet Demand

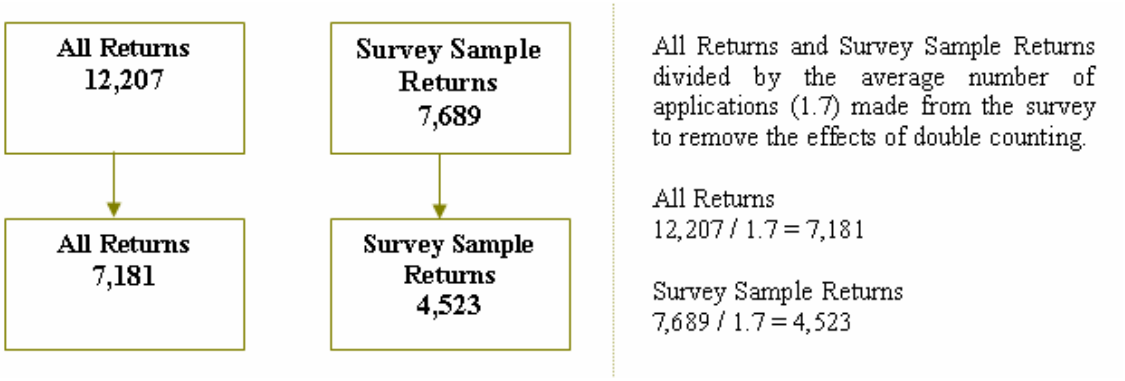


4.4 The first stage involved adjusting for the effect of multiple applications to courses using survey data on the average number of course applications per person (1.7 applications per person). Data from colleges on the number of rejections was divided by the average number of course applications per person. This resulted in the development of a realistic estimate of the number of rejected individuals for each of the 24 colleges which provided information to the study. The number of rejected applicants ranged from 10 to 1,759 rejected applicants, with an average value of 299 per college.

4.5 The same process was then followed using rejected applicant data received from the 16 colleges which provided data for the survey. In this case the number of rejected applicants ranged from 10 to 910, with an average value of 283. This was a narrower range for this group, but with a slightly lower average number of rejected applicants. That said that the two numbers are very similar provides some reassurance as to the robustness of the estimate.

4.6 **The key assumption in this stage was that average number of courses applied for from the survey was equal across all Scotland's colleges. The calculation of the figures for this stage is outlined in Figure 4.2 below.**

Figure 4.2 Stage 1 Calculations: Removing Double Counting

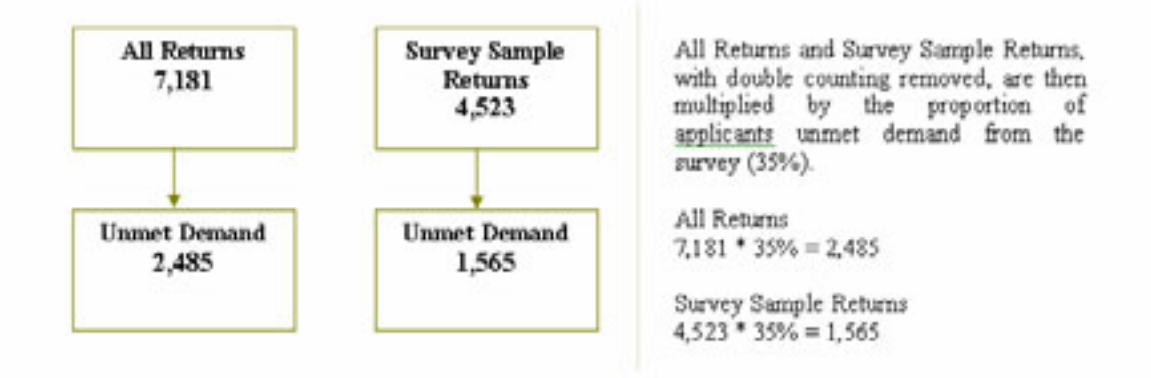


4.7 The unmet demand figure (35% of all rejected applicants) developed through the survey was then applied to the total number of rejected applicants. This brought the numbers down to just over one third in each case and provided an assessment of the total level of unmet demand from the 24 colleges who supplied rejected applicant data. The overall level of unmet demand ranged from 3 to 609 people with an average value of 104 per college.

4.8 The same process was then followed using rejected applicant data received from the 16 colleges who provided data for the survey. In this case the level of unmet demand ranged from 3 to 315 with an average value of 98 per college.

4.9 The key assumption in this stage was that the level of unmet demand developed from the survey results was equal across all Scotland's colleges. The calculation of the figures for this stage are outlined in Figure 4.3 below.

Figure 4.3 Stage 2 Calculations: Assessing Unmet Demand



4.10 Weighting factors were then developed to gross up the results to be representative of all colleges across Scotland. Two weighting factors were created to develop a range estimate for unmet demand across the whole Scottish college system. These were developed based on:

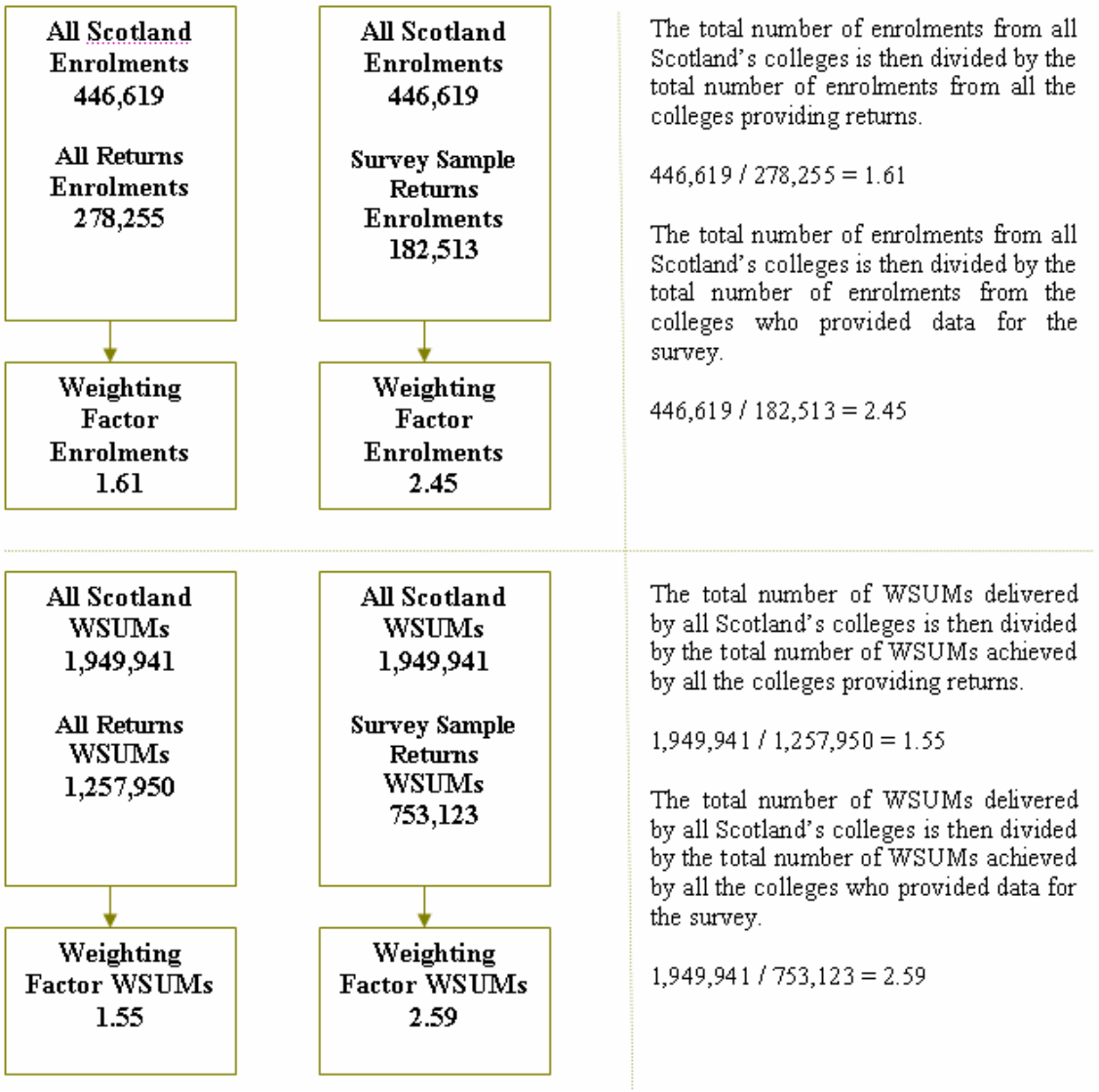
- Enrolments; and
- Weighted SUMs (WSUMs)

4.11 Both weighting factors were calculated for the 24 colleges for which data was available. The total number of enrolments/WSUMs were then collected using data from the Scottish Funding Councils INFACT database. The total enrolments for all Scotland's colleges was then divided by the total enrolments for the 24 colleges for which data was available to generate a weighting factor of 1.61. The total WSUMs for all Scotland's colleges were then divided by the total WSUMS for the 24 colleges for which data was available to generate a weighting factor of 1.55.

4.12 This process was also followed for the 16 colleges who provided data for the survey. In this case it generated a weighting factor of 2.45 for enrolments and 2.59 for WSUMs.

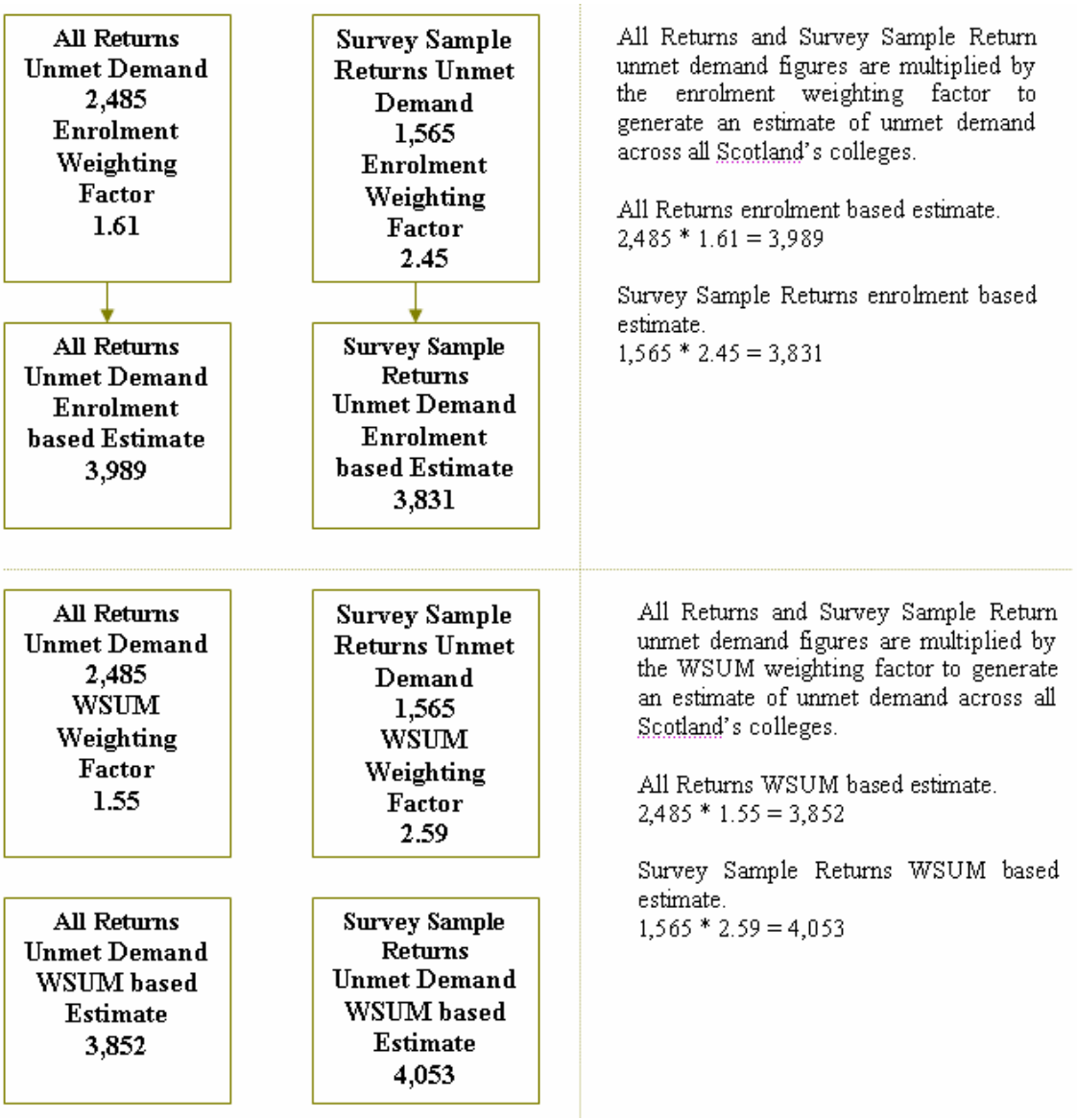
4.13 The key assumptions in this stage were that the level of rejections was proportionate to the level of enrolments or the level of WSUMs and that the survey sample was representative of all colleges. The calculation of the figures for this stage are outlined in Figure 4.4 below.

Figure 4.4 Stage 3 Calculations: Developing the Weighting Factors



4.14 In the final stage the weighting factors were then applied to the total unmet demand estimate from the 24 colleges to arrive at a full estimate for Scotland. This was done using data from the 24 colleges who supplied information and from the 16 who provided data for the survey element of the work. The calculation of the figures for this stage are outlined in Figure 4.5 below.

Figure 4.5 Stage 4 Calculations: Grossing up the Results



Glasgow Colleges

4.15 The data used to generate the variables to assess unmet demand is largely based on the results from the survey. For example, the average number of applications and the proportion of rejected applicants who were unmet demand were both developed from the survey. As there were no Glasgow colleges included in the sample this raised the issue of how different the Glasgow colleges would be and if this would skew the results.

4.16 In order to reduce any adverse effects, additional data was collected from a broader range of colleges than just those who provided survey data. From the 8 colleges who provided additional data 4 were from Glasgow. This data was then used to develop the overall estimate of unmet demand and then to gross up the results. While this would

not completely solve the issue of the Glasgow colleges it does ensure that some of the Glasgow college rejected applicants were included in the overall calculations.

Total Unmet Demand Across Scotland

4.17 Using the method described above it can be estimated that the total level of unmet demand across Scotland falls within a range of between:

- **3,831 people (when grossed up based on enrolments and using data supplied from the 16 colleges who provided sample data for the survey**); and
- **4,053 people (when grossed up based on WSUMs and using data supplied from the 16 colleges who provided sample data for the survey**).

4.18 The full detail is outlined in Table 4.1 below.

Table 4.1 Estimate of Unmet Demand Across Scotland's Colleges

	All College Returns	Total Sample Returns
Weighted Enrolments Based Unmet Demand	3,989	3,831
Weighted WSUMs Based Unmet Demand	3,852	4,053

4.19 The range is therefore equivalent to around 1% of the total students in Scotland's colleges in 2005/06. While this is not a major group of people in relation to the number of people in the college sector as a whole, it does still represent a large group of people who are unable to access the college system.

4.20 The figures also imply that for every 1,000 rejected applications, around 203 applicants would be unmet demand, or around 1 person from every 5 rejected applications.

4.21 Converting the range for unmet demand into WSUMs, based on a conversion factor of 20 for full time provision and 2 for part time provision would result in a range of between:

- 65,581 WSUMs based on a lower estimate; and
- 69,393 WSUMs based on a higher estimate.

4.22 This range amounts to between 3.4% and 3.6% of the total WSUMs achieved in 2005/06.

Implications

4.23 The survey suggested that around 56% of the unmet demand group would reapply in the next year. Taking this figure and applying it to the range suggests that between

2,145 and 2,270 unmet demand applicants may reapply in the next year. However, this may simply add further to unmet demand in the future.

4.24 Given that we know from the survey that 16% of the unmet demand group can be classified as those 16-19 year olds who need more choices and more chances, this suggested that around 613 and 648 of all those unmet demand are these very individuals for whom we wish to offer greater opportunity. This amounts to around 2% of the 36,000 16-19 year olds recorded as being in need of more choices and more chances in Scotland in June 2006, and most likely among the most motivated of that group.

Conclusions

4.25 From the assessment of unmet demand some key findings have emerged:

- These figures imply that for every 1,000 rejected applications, around 203 applicants would be unmet demand, or around 1 person from every 5 rejected applications;
- The level of unmet demand is within the range of 3,831 and 4,053 people;
- If converted to WSUMs this amounts to a total of between 65,581 and 69,393, or between 3.4% and 3.6% of all 2005/06 WSUMs;
- It can be estimated, using data from the survey, that between 2,145 and 2,270 unmet demand applicants may apply to college again in the next year; and
- It can be estimated from the survey data that around 600 unmet demand applicants could be classified as in need of more choices and more chances.

CHAPTER FIVE ISSUES ARISING

Introduction

5.1 This Chapter draws together the main conclusions emerging from the report and uses these to highlight a number of issues to be considered moving forward. These issues are set out in terms of those to be considered by the Scottish Government, the Scottish Funding Council and Scotland's Colleges.

Key Conclusions

5.2 The study was commissioned to test a series of unknowns: how far did people apply to more than one college and what did this mean in terms of unmet demand if they were rejected for one course. The research undertaken has provided answers to these questions. However, as we noted above the study was not asked to assess the extent of latent demand. Therefore, the analysis presented in this document focuses on the extent to which with no changes elsewhere there is excess demand for college provision in Scotland at present.

5.3 The study collected contact details from a sample of colleges about people whom they had rejected from programmes. A survey of this group was then able to divide it in to four groups covering those who:

- Had enrolled in a college course;
- Had not yet decided if they wish to pursue their application;
- Had withdrawn their interest; and
- Those where there was unmet demand.

5.4 We also tested how far people had applied for more than one course; and derived an average of 1.7 applications per person. Based on the survey we therefore conclude that around 35% of people who receive rejections can be classed as unmet demand. Allowing for multiple applications this means at a college level that 1,000 rejected applications amounts to two hundred unmet demand applicants (1 person from every 5 rejected applications).

5.5 Grossing from the sample to the population we estimate that across Scotland the total number of people who could be classed as unmet demand is between 3,831 and 4,053 (around 1% of all 2005/06 college students). This equates to around 65,581 and 69,393 WSUMs, or between 3.4% and 3.6% of all 2005/06 WSUMs. These are not insignificant numbers, but also suggest that the system is close to equilibrium at its current levels.

5.6 Looking in some more detail at the unmet demand highlights a number of findings:

- The demand is concentrated in a relatively small number of subject areas, namely construction, care (including childcare) and health & beauty;
- There is a suggestion that those who are unmet demand come from slightly more disadvantaged backgrounds than those who appear to be successful in their application;
- 59% of the unmet demand group who were unemployed at the time of their application had progressed into employment by the time of the survey;
- Around 16% of the unmet demand could be classified as those in need of more choices and more chances;
- A number of these people who are rejected are likely to re-apply later and so may not be lost completely to the system, although this may build up further unmet demand over time;
- In some cases the barrier at college level appears to be less one of WSUMs and more around the extent of bursary and other support that is available; and
- The number may go up in the next period as ESF resources reduce. This effect will be uneven across colleges.

5.7 Excess of demand is not consistent across colleges and the sector is not able to respond equally. It is apparent that the sector faces a number of barriers to its growth, especially physical and human capacity. This would need to be addressed if the demand identified is to be met. In this sense the Scottish system is at present a hybrid between one led by learner demand, yet constrained by inevitable inflexibilities in the system.

5.8 This analysis in the report leads to a series of issues to be considered by each of the stakeholders.

Issues for the Scottish Government

5.9 The study has highlighted that there is a relatively small number of people who can be classified as unmet demand. This occurs at a time when the college system can be characterised as close to capacity. That said, each year there appears to be some capacity at a small number of colleges, yet at the same time other colleges are consistently performing well above their WSUMs target. This position would suggest that some of the excess demand could be met by improved efficiency and consistency of performance across the sector. **Understanding this position would be important in any decision as to the need to allocate additional funding to meet the unmet demand identified by this study.**

5.10 If having considered these wider issues, which are beyond the scope of this study, it is decided that additional funds are required to meet the excess demand then the Scottish Government needs to consider if it should provide such additional resources. In making this decision it may also wish to consider how far the subject areas where there is an excess of demand are economically important. The evidence from this study and wider work by Futureskills Scotland suggest a high degree of match between supply and demand, with limited skill shortage vacancies. Therefore, a wider question is how far there is labour market demand for more people in these subject areas. The recent

Futureskills Scotland projections suggest that personal services occupations (including both care and beauty) will grow, while construction will decline[10]. At the same time there is a clear equity issue as to who should have access to such opportunities.

Issues for the Scottish Funding Council

5.11 The issues around sector capacity and efficiency raised above in many ways sit with the Funding Council. There is an issue around capacity across the sector, with 29 colleges performing above target in 2005/06. This suggests the possibility of efficiencies across the sector. We would anticipate that these considerations are part of the Funding Council's on-going review of the overall funding methodology.

5.12 The other issues for the Funding Council will arise primarily if additional resources are made available. That said, even within its existing resources it may wish to consider some of the following (especially as they fit to the on-going review of the funding methodology). In this context the key considerations will be:

- How additional resources should be distributed between additional WSUMs, hardship funding and revenue and capital investment. The study would suggest that all four areas may require attention;
- How far any additional resources should be evenly spread across the system or focused on a few key locations where a high level of excess demand (rejected applications) is identified; and
- Where is there capacity in the system, especially in terms of space at particular colleges, and can this be utilised to meet this demand.

5.13 In essence this is the approach that had been adopted in the allocation of the Strategic Growth of Activity Fund, where areas with low participation have been targeted. A similar method may be appropriate in this case.

5.14 This study is the first time that the issue of unmet demand has been addressed through primary research. It has provided robust evidence and quantified a previously much debated issue. Consideration should be given to the role of the Skills Committee in taking this forward, and whether it would be valuable for the Funding Council to repeat the exercise, most probably to fit with future spending review cycles.

Issues for Scotland's Colleges

5.15 The first point which arises from this review is that the records held by Scotland's Colleges about applicants provide an inaccurate picture of the current position. This is partly because of the systems used, which vary across colleges but are often developed to Departmental level. Moreover, the application process often becomes hurried around the start of term as people who had accepted places do not turn up and late substitutes have to be found.

[10] Labour Market Projections 2007-2017, Futureskills Scotland 2007

5.16 This combination of factors is likely to mean that college records are not as accurate as might be hoped. Moreover, the application process for individual applicants may be sub-optimal: if they could more easily apply to multiple courses / institutions then there may be more chance of spaces within the system being filled efficiently.

5.17 The sector should look to improve the consistency of the support, information, advice and guidance offered to those applicants who fail to secure a college place; and

5.18 Colleges are also affected by human rights legislation which means they have a legal requirement to accept all those applicants who meet the course entry criteria, assuming the course is not full. However, this system may work against those from the most disadvantaged backgrounds, whom evidence suggests tend to apply for courses later and often at the "last minute." Such an approach is sensible given the need to fill spaces, but may build in bias. That said, the issues raised above about capacity and hardship support may well be more significant at an aggregate level.

APPENDIX 1 – CONSULTATION LIST

Consultee	College
Angus Allan	South Lanarkshire College
Scott Anderson	Elmwood College
Robert Bellfield	Aberdeen College
Susan Bird	Stevenson College
Karen Brown	Elmwood College
Andy Dewar	Aberdeen College
Moira Fraser	Elmwood College
Graeme Hyslop	Langside College
Donald Leitch	Inverness College
Shelagh McLaughlin	Ayr College
David Neilston	Lauder College
Kim Park-Smith	Jewel and Esk
Iain Ovens	Dundee College
Gordon Patterson	Clydebank College
Elaine Proudfoot	Langside College
Hayley Rushton-Davis	Dumfries & Galloway College
Alan Sherry	John Wheatley College
Shona Warwick	Barony College
Steven Watson	Glasgow Metropolitan College
Neil Wood	Barony College
Gillian Young	Glasgow Metropolitan College

ISSN 0950 2254
ISBN 978 0 7559 6820 6
(Web only publication)

www.scotland.gov.uk/socialresearch

RR Donnelley B53690 10-07