

QCF Unit Funding Trials Evaluation Interim Report Update

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Purpose

- 1 This paper summarises the findings and emerging recommendations from the interim evaluation report of the Qualification and Credit Framework (QCF) unit funding trials, undertaken by HOST Policy Research (HOST). The evaluation is intended to examine and review the progress of the unit funding trials, particularly with regard to how far units can facilitate enhanced engagement with and progression to qualification achievement. The evaluation will also take an overview of the issues and challenges, within the present funding and performance approach, of supporting flexibility in delivery of QCF provision.
- 2 The QCF is a part of the wider vocational qualification reform programme, looking to ensure that learning opportunities are demand-led and addressing the skills needs of employers and UK economy. The QCF is designed to enable greater flexibility in the way learners undertake vocational qualifications, so that the provision can better meet the needs of employers and individuals, giving them a greater opportunity to achieve qualifications in their own time, depending on their circumstances and the way in which they are able to balance work and learning. This is made possible by the introduction of units and credit. This means that credit achieved for QCF units can be used at a later date towards a qualification.
- 3 The QCF unit funding trials form part of the LSC's work to support the vocational qualification reform programme and the implementation of the QCF in England. The trials have been agreed across both Adult Learner Responsive (ALR) and Employer Responsive (ER) funding in January 2009, and have included small-scale trials during 2008/09 and 2009/10.
- 4 Employer Responsive unit funding trials were a specific package linked to the Small Medium Enterprises (SME) Flexibilities in Train to Gain, which were introduced for a period of time to respond to the immediate challenges of

economic downturn, and which have now ended. Consequently, the unit funding trials in this area will be also concluded.

Evaluation aims

- 5 In 2009 the LSC commissioned HOST to undertake the evaluation of the unit funding trials. The formative evaluation started in mid summer 2009 with a focus on the early stage of the trials from 2008/09 for the Adult Learner Responsive (ALR) and Train to Gain.
- 6 The interim evaluation report has focussed on establishing the level of provider participation and engagement to date, as well as the issues and challenges faced by providers in seeking to exploit the flexibilities offered by the QCF within current funding and performance systems. The interim evaluation also includes some preliminary evidence and conclusions in terms of the QCF units enabling progression to full qualifications.
- 7 The final report at the end of March 2010 will draw on further stakeholder and provider reflections to finalise conclusions regarding the unit funding trials effectiveness to date, and it will present, where available, further evidence regarding the impact of the unit delivery on progression to full qualifications. The final report will also bring forward recommendations on the ways in which trials can be improved and used to support implementation of QCF flexibilities going forward.

Key findings

Level of provider participation

- 8 Historically the providers have delivered units of learning by offering National Qualification Framework (NQF) and non-NQF units that were used to encourage the wider participation and engagement of some priority groups of adult learners and re-entrants to learning. However, NQF units did not offer flexibility to accumulate achievement towards a qualification, or to transfer credit between different providers and awarding organisations.
- 9 Over time LSC has managed down this provision in line with the policy drive to deliver on the PSA targets. And from 1 August 2008, LSC has removed funding for these units in order to focus funding on the QCF provision and ensure that unit delivery is working within the QCF flexibilities.
- 10 Some 440 approved units within QCF were initially approved for the trials, with this being slightly expanded in early autumn 2009. The units available for the trials were identified by Sector Skills Councils (SSCs). In the ALR the units were aligned to specific sectors. The scope of the trials was linked to defined areas of provision initially within six target sectors,¹ and from particular QCF qualifications.

¹ The six SSCs agreeing to participate were: Cogent, e-Skills UK, Lantra, People 1st, Skillsmart Retail, and SkillsActive.

Adult Learner Responsive

- 11 The interim evaluation has confirmed that in the period to 1 May 2009, there had been 3,815 enrolments at 44 providers. However, the subsequent analysis has shown an increase to 10,135 enrolments across 69 providers.
- 12 The top thirteen providers for enrolments on the ALR unit funding trials had more than 200 enrolments on the trial each. These providers accounted for just under two-thirds (64%) of all learner engagement in this trial, with nine general further education colleges dominating the overall provision.
- 13 While the overall number of providers in the trials has increased over time, there remain a large number of providers in both ALR and ER with fewer than ten enrolments, raising a question as to whether this is a true involvement in the trial as numbers are inadequate to make up class groups.
- 14 Subject take up in the unit funding trials to date has been uneven, with three quarters of all ALR trial enrolments being in Information and Communication Technologies (ICT) and a further eighteen percent in Preparation for Life and Work. The other six sector subject areas provided for just seven percent of enrolments. It seems that the unit funding trial provision in the early stages may have been meeting a niche area of demand for specific ICT provision.
- 15 Overall 124 units out of 440 available units have been taken up in the trials, but most of them at very low levels of enrolment. The above mentioned clustering of the ICT provision meant that the fifteen most popular units together account for over seventy percent of enrolments to date.
- 16 Over eighty percent of enrolments are at Entry and Level 1. To a degree this take up appears to support re-engagement of those who have not been involved in learning in the recent past. However, it should be noted that thirty percent of learners that have taken Level 1 units already had qualifications at full Level 2 or higher, while further third had an unknown level of qualification.
- 17 In terms of mode of delivery, the provision delivery is seventy percent continuous day-time or evening delivery, with seventy one percent class contact and twenty eight percent open learning.

Employer Responsive

- 18 The ER trials have been less extensive. Overall 25 providers had at least one enrolment and there were 1,976 enrolments on the unit funding trials by those aged 19 and over in 2008/09.
- 19 There were five providers who had over 100 registrations each and these account for a little under nine out of ten enrolments (89%). All but one of these providers with significant levels of engagement were independent sector providers, with very limited engagement in the ER trials by further education colleges.
- 20 In ER trials the QCF unit enrolments occurred in three sector subject areas – Information and Communication Technology, Retail and Commercial Enterprise and Business, Administration and Law. However, the emphasis

was mostly on Retail and Commercial Enterprise units, with over eighty eight percent of enrolments in this subject area.

- 21 The top four units account for three quarters of enrolments, dominated by customer care units. The main occupations where these units have been delivered include nearly 700 enrolments by Care Assistants and Home Carers, and nearly 300 further enrolments by people in Customer Care occupations.

Provider engagement

- 22 While unit-based delivery is not new to providers, their past experience did not necessarily translate into direct engagement with the trials to date. This in part reflects the limited scale of the trial provision to date. However, while the evidence is still limited, it seems that the trial take up has potentially been lower than it could have been due to providers looking to reduce perceived risk to their achieved funding and/or knock on effects to their performance measurement. Other factors that also might have held back recruitment were the late start within the delivery year, and cautious provider approaches to marketing something 'new' and potentially disruptive to the institution.
- 23 Some providers recognised the need to change their provision in a more strategic way in order to benefit from the QCF flexibilities, but they felt that this was held back by the lengthy lead-in time to plan and market unit-based programmes.
- 24 The most extensive engagement remained with a single provider which provided 11 of the approved units – all of which were seen as part of this provider's core offer. This provider also remained the only one in the ALR trials to date which could be said to have taken a structured approach to engagement, and had determined its focus within the eligible units from a combination of past demand intelligence and capacity constraints in their assessment team.
- 25 While we need to be mindful of the limited scale of unit funding trials to date, it seems that the take up of units did not result in any changes to the overall approach and capacity for teaching and assessment.
- 26 The most common implementation concern was around potential opportunities that were not covered in the eligible trial units. The providers commented that the units that were previously available in NQF and for which there was proven demand, were not replaced with the equivalent QCF units in the unit funding trials. While the trials were not centred on, or anticipating, that QCF unit-based provision was aimed at filling gaps of the withdrawn pre-trial provision, this was an issue for providers.
- 27 Some other common implementation issues and concerns noted include:
- Capacity constraints on staffing or staff skills;
 - Registration issues, and in particular the proportionately greater administrative workload both in terms of LSC and awarding organisations requirements;

- Assessment issues such as keeping separate portfolios and/or separate 'schemes of work logs and reviews for each unit;
- Additional demands on advice and guidance capabilities and the need to become more flexible to support unit registrants; and
- Concerns about high registration cost regimes from awarding organisations that might affect cost-effectiveness or even propensity for individuals to take an incremental approach to building unit-based full qualifications.

Funding

- 28 While only limited evidence is available as yet, early findings are that funding and funding processes did not constrain initial take-up within the trial sites, but that providers did feel constrained by performance measures.
- 29 While there remains a lack of quantified evidence or illustrations to date, the concerns were raised in terms of:
- Viability of unitised delivery set against proportionately greater provider costs; and
 - Potentially prohibitive costs of unit registration, certification and delivery.
- 30 There is some early evidence that employers might be interested in funding the full-cost of specific units in order to optimise flexibility of delivery. This is likely to apply most of all to those employers with whom providers have established commercial relationship.

Policy alignment

- 31 The case studies to date have shown some examples, but not the systematic evidence, of learners transferring from units to full qualifications, mostly within ICT applications offer.
- 32 Two providers offering unitised delivery through mixed ability (mainly ICT based) classes in outreach centres saw considerable early benefits, including for learner success rates. One of these providers is now looking to extend their unit offer beyond ICT.
- 33 One case study had identified that unitised provision meant that a provider could now offer a great deal of flexibility in terms of delivery in outreach centres. For example, this provider now offers classes for 12 learners with different needs and starting points who could all be doing different units through facilitated workshop type courses. This enabled this provider to maintain its provision in outreach locations and it helps with critical mass issues for funding.
- 34 Within employer-responsive models, it has been observed that some employers have welcomed the ability to customise provision by adding individual units to publicly-funded full awards. It is not yet clear if there are similar effects in learner-responsive models.
- 35 The evaluation identifies that one of the constraints to having more progression from units to qualifications within the current unit funding trials

was in respect of the nature of units selected for the trials, especially for the learner-responsive trial. A large proportion of units on offer to date is highly specialist in nature, potentially with limited appeal to those not in employment and not already engaged in learning. This occurred in part due to the early constraints on the number of units that were available in the QCF when the trials started and the sectors represented by the SSCs initially involved in the trials.

Next Steps

- 36 The unit funding trial evaluation will report at the end of March. The final report will provide recommendations of how trials can be used more effectively to support progression to full qualifications going forward.
- 37 The unit funding trials in Train to Gain are now being concluded.
- 38 The unit funding trials have recently been introduced in the Offender Learning and Skills Service (OLASS). These trials will run from January 2010 to August 2011. For these trials, an initial list of units has been drawn from the vocational strand within the OLASS core curriculum, but it also covers employability skills. This list is now available and will be regularly updated on the OLASS website.
- 39 LSC is currently working with OLASS providers to ensure their understanding of the trials aims and objectives, emphasising the importance of trials to test how learners can progress from QCF units to full qualifications.
- 40 In 2010/11, unit funding trials are being extended in ALR. This will include further units becoming available for the ALR unit funding trials. LSC will further engage with the SSCs to ensure that units added to the ALR trials are specifically targeted to enable progression to full qualifications.