

Unit Delivery and Credit Accumulation and Transfer within the Qualifications and Credit Framework (QCF)

Evaluation 2011/12

Final Report

April 2012

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Executive summary

Introduction

This report records the outcomes of work undertaken by NIACE for the Skills Funding Agency in 2011-12. The NIACE project built on previous work commissioned by the Agency evaluating Unit Delivery Trials in 2010-11. In addition to surveying the activities of a sample of Unit Delivery Trial sites, NIACE also looked at a number of providers offering unit-based programmes as part of the Agency's Offer for the Unemployed.

The focus of the evaluation was the experience of providers in organising and delivering a curriculum based on individual units from the QCF. In order to understand some of the drivers and constraints on a unit-based offer the NIACE project team also interviewed representatives of QCF awarding organisations (AOs) and other organisations (e.g. Job Centre Plus, Sector Skills Councils, Ofqual) with an interest in supporting providers and AOs in realising some of the potential flexibilities of the QCF.

The scope of 'unit delivery' within this evaluation was an offer to learners made up of a single unit or coherent package of units where achievement of the units, rather than a qualification, was the learning aim. Providers were advised that, with the exception of the Offer for the Unemployed, single units should not be offered, but learners should be encouraged to achieve credits that could be accumulated towards a target qualification. In a number of instances, providers were involved in both Unit Delivery Trials and the Offer for the Unemployed and made few distinctions between the two initiatives in their practical arrangements for unit delivery. The report reflects this approach.

In addition to the organisation and delivery of a unit-based offer the NIACE project team also looked at the operation of credit accumulation and transfer (CAT) within the QCF. Here the focus sometimes moved beyond the scope of the current unit-based offer and considered the development of the QCF credit system in a wider and longer-term context. In a number of cases the potential barriers and impediments to the development of CAT were considered by both providers and AOs, as well as the potential benefits to users of the QCF in promoting the wider development of CAT in the future.

Key issues

The Executive Summary records the key issues identified through the report and groups them under a series of sub-headings. These sub-headings are then used to structure different sections of the report. The main body of the report also includes selected extracts from project interviews, plus short case studies of individual learners, to illustrate the key points raised. It also makes

recommendations on many of the key issues. These recommendations are grouped together at the beginning of the report and are intended to be read in conjunction with this Executive Summary.

The report also identifies the potential benefits to learners, providers and employers in making a unit-based offer. Some of these benefits are currently being realised through the Unit Delivery Trials and the Unit Offer for the Unemployed. Others are potential rather than current benefits and the report suggests to the Agency and to other organisations how these potential benefits can best be realised in the future. The following sections summarise these key issues and these current and future benefits.

Support for the QCF

1. There is widespread support for the aims and potential benefits of the QCF

There was enthusiasm for the principles behind the QCF from many of the providers interviewed through the project, and a good appreciation of its potential benefits, coupled with frustration at the apparently slow rate at which they were being realised. Support for the QCF from AOs was more ambivalent. Some were unequivocally positive, while others saw it as challenging some of their existing practices and systems.

2. The ability to deliver individual units is seen as critical to achieving the benefits of the QCF to learners, providers and employers

All those interviewed agreed that the ability to deliver individual units was critical to the success of the QCF in supporting more flexible and responsive provision. Some providers saw this as the prime benefit of the Framework, while AOs and other organisations accepted that the delivery, assessment and certification of individual units was critical if the QCF was to realise its potential benefits to learners and to employers. Learners themselves were conscious of these benefits in relation to their abilities to access provision, confirm success and plan progression to more substantial programmes.

Unit Delivery

3. There is considerable frustration about the Agency's practical arrangements for supporting unit delivery to date

This frustration focused primarily on the list of units published by the Agency to support unit-based provision in 2011-12. Although there are some 19000 units on the list, many providers were concerned because particular units were apparently 'missing' from the list. Some original plans

to offer units had to be changed because they simply weren't available. When asked, the Agency acknowledged that in some cases certain units should have been included and that the process of compiling the list had led to inconsistencies. Evidence to date suggests (as in 2010-11) a very small proportion of the 19000 units will actually be offered to learners. Annex G to the report gives more details of this.

4. Most learners involved in the Unit Delivery trials share similar characteristics to learners accessing the Offer for the Unemployed

Although a small number of providers in the project sample are offering some units through employer-based training, most have found this a difficult market to break into. However, providers involved in the unit delivery trials are making use of the funding criteria for this initiative to support learners who are unemployed but who do not meet the eligibility criteria for the Offer for the Unemployed because they are not registered on JSA or actively seeking work. There is little difference at this juncture in cohort profiles between unit delivery trial sites and other providers making a unit-based offer within the project. Of course this might well change if a significant offer could be made outside the Offer for the Unemployed as part of 'standard' (as opposed to 'trial') Agency funding.

5. There is a considerable expansion in the number of learners undertaking unit-based provision in 2011-12 from the previous year

The scale of the Offer for the Unemployed needs to be noted. As the facility to make a unit-based offer is open to any provider, not only are far more providers involved in this initiative than unit delivery trial sites, but the scale of the offer to unemployed adults through these providers is considerably greater than through trial sites. However, the nature of the target group for this Offer, and the referral mechanisms through JCP tend to mean that provision for the unemployed is very similar in content and structure in different parts of England.

6. There are significant similarities across different types of provision in the range of units offered to learners

There were noticeable similarities in unit-based provision offered through many providers. Although some small providers specialised in a particular curriculum area (e.g. ICT) and other larger providers targeted two or three curriculum areas (e.g. health and social care, catering, customer service) many providers based their offer around employability or 'work readiness' units of different kinds. Again these combinations of units were similar for both unit delivery trial sites and other providers.

7. Relations between providers and Job Centre Plus are generally positive and there is some evidence of local responsiveness to needs

Both providers and JCP representatives reported positively about local arrangements for both referral and curriculum planning. Several providers had been involved in delivering sector-based work academies for local employers in collaboration with JCP advisers and this model was working well. Although JCP staff needed to be kept up-to-date about the curriculum offer, details of an individual learner's unit-based programme were usually left to providers to determine. This division of responsibilities apparently works well in most cases.

The impact on provision

8. There is some evidence that a unit-based offer is having an impact on curriculum design and delivery methods for some providers

Most providers interviewed were offering a unit-based curriculum separately from their 'mainstream' qualification-based offer. In most cases this decision was pragmatic – there had been no time to organise and timetable such provision as an integral part of the mainstream curriculum. Others saw benefits in this separation, enabling them to address particular learner needs directly and timetable provision and start dates flexibly without adversely impacting commitments to qualification delivery, especially in the context of entitlement to a first full Level 2 or Level 3 qualification. A few providers however (all of them with previous experience of unit-based provision) made no distinctions in curriculum design and delivery between learners taking an individual unit and those planning to go on to complete a whole qualification.

9. Both providers and AOs have confidence in their in-house resources and expertise to support a unit-based offer

In general people were comfortable about the QCF, familiar with its terms and processes, and confident that they needed no external support or help to implement unit delivery. It was also clear that most providers and AOs understood the difference between 'unit-based' and 'unitised' qualifications. Although previously training and support from QCA/QCDA, LSIS and NIACE were all referred to, any continuing training needs were met in-house, with experienced staff leading training and briefing sessions for new staff. Both providers and AOs had similar approaches to staff development and training.

10. There are some additional costs to some providers in delivering individual units, but the benefits outweigh these costs

In general, providers were confident that the organisation and delivery of a unit-based curriculum was not significantly more costly or time-consuming than a qualification-based curriculum offer. There were some additional costs, for example in enrolment and tracking arrangements, but these were offset by better achievement and retention rates on unit-based provision. Providers did express some concerns though about AO costs in relation to unit-based provision. These are considered below.

The impact on learners

11. The ability to offer individual units enables providers to reach new groups of learners, particularly those most disadvantaged

There is clear evidence from a number of different providers of all kinds and in different parts of England that the ability to offer individual units to learners enables them to attract and to retain groups of learners that previously had not been able to access appropriate provision. The ability to combine units at different levels and to link vocational units with employability and work-readiness units was seen as a significant advantage in being able to deliver a curriculum offer suitable for a wide range of individual needs. Unit-based offers were more easily accessible to learners.

12. There are other groups of learners who are currently not able to access unit-based provision, but who could benefit from it

Having said this there are some groups of learners who providers think could benefit from unit-based provision but who are not able to access it through the Offer for the Unemployed. These include learners with learning difficulties and/or disabilities for whom Entry2 or Entry1 units might be appropriate (these are not on the approved list, though the Agency did add Entry3 units to the list during the course of the evaluation). Similarly some providers would have like to link their pre-employment provision to ESOL units for some learners but recognised that these are simply not available in the QCF and so were not on the approved list. Other providers reported significant demand from people who were out of work but were not eligible to access the Offer for the Unemployed.

13. Many providers would like to make a unit-based offer to younger learners as well as adults

Some providers were extending their unit-based offer to learners under the age of 19 (though of course these learners were not eligible for Agency funding). Others would have liked to do so but had less flexibility in their arrangements for delivery. A number of providers pointed out that

the target group for the Offer for the Unemployed shared many of the characteristics of the NEETs group, and suggested that EFA and the Agency should collaborate to extend the unit offer to these younger learners.

14. As the QCF develops patterns of achievement for individual learners will become more diverse

It is possible to detect within the responses from both providers and AOs a more diverse range of patterns of achievement among learners on QCF provision. Although most of the learners in scope of the evaluation are on their first programme leading to achievement in the QCF, some are not. Providers also report progression routes for learners with previous achievements in the QCF where more individualised patterns of credit and qualification achievement are becoming noticed. Learners enrol on provision with some credits towards a qualification, or perhaps a complete qualification at a lower level, or sometimes with both a qualification and additional credits. In order to ensure all relevant achievements are able to count towards an identified qualification, providers need to be able to recognise an increasing variety of both credit and qualification achievement from a learner's previous achievements in the QCF so that personalisation of the curriculum can be supported. There are some instances where this more innovative approach to curriculum design and delivery is becoming evident.

Employers

15. The ability to offer individual units enhances providers' ability to meet employer needs

Where providers had been successful in developing provision for employers, the ability to combine individual units in a programme to meet employer needs was seen as a major advantage of unit-based provision. In fact the kind of programme that most employers wanted, based around communication skills, customer service and work readiness, was similar to that provided to many unemployed people. The facility to use units to summarise the content of the curriculum to employers was also seen as a useful benefit of the QCF. Sector Skills Councils (SSCs) were particularly supportive of a unit-based approach, seeing it as an important way of meeting employer needs.

16. Some providers are successful in progressing people to employment from unit-based provision

There are some good success stories from providers that have developed unit-based programmes in conjunction with employers that have been able

to support progression into local employment opportunities. The ability of employers to select units that meet their particular needs has been an important factor in engaging them in the delivery of the programme and in ensuring its success. Unit-based provision has proved particularly suitable in supporting a number of sector-based work academies.

17. Other providers have found it difficult to develop a unit-based offer for employers

Despite these successes, some providers have found it difficult to engage employers in unit-based provision. For some employers, even relatively small units from the QCF are seen as too big to deliver through traditional day-long training programmes (i.e. the kind of provision that employers would pay for themselves). For others, investment in employee training is seen as a major item of expenditure and whole qualifications, rather than units, are seen as appropriate in these cases. These very different cases arise from different employment sectors.

18. The Sector Skills Councils in the survey were enthusiastic about the positive impact of unit-based provision for employers

Both the SSCs interviewed through the project were positive about the potential impact of unit delivery and CAT on the workforces in their sectors. They saw the ability of employers to structure training around individual units as appropriate to the structure of training provision in their sectors. Equally importantly they saw the ability of employees to access unit-based training provision as important in supporting workforce flexibility and labour mobility in their workforces, while at the same time protecting individual career development paths. Although SSCs are becoming less closely involved in the process of developing QCF units and qualifications, they remain key representative bodies through which employer demands can be articulated in relation to qualification design.

Assessment and certification

19. There is continuing frustration among some providers about the lack of responsiveness of some AOs to a unit-based offer

In general, most providers were content with the level of support they received from AOs in making a unit-based offer to learners. However, some AO systems were clearly not sufficiently responsive to provider needs. Some AOs had difficulty in accommodating learner registrations on individual units. Others were not able to award credits quickly or separately from a qualification. There were several instances where providers felt that AO charging arrangements were not appropriate to a unit-based curriculum.

20. There are clear signs of change in both strategies and operational systems from some AOs in response to unit delivery

Having noted these instances there are clear signs that some AOs are changing practices and systems in response to provider demand for more flexibility. Some AOs have standardised unit registration arrangements. Others are able to award credits to learners rapidly on completion of units. There are several examples of charging policies being revised to support unit delivery, and to link charges more closely to the credit values of units and qualifications. Where this has been done, providers are more positive about AO responsiveness to their needs.

21. Assessment and verification/moderation systems place some constraints on the ability of AOs to support unit delivery

Although providers have been rightly critical about what they see as some outmoded and unhelpful AO business models and IT systems, there is more understanding about some of the constraints placed on provider unit offers by the demands of AO quality systems relating to assessment and verification or moderation. So, for example, most AOs in the project sample required a provider to offer the whole qualification if they also wanted to offer any of the units within it. In this way verification and assessment sampling requirements could be met cost-effectively. However, not all AOs insisted on this constraint and some had clearly progressed further than others in linking verifier or moderator contracts to units rather than to whole qualifications.

22. There are continuing additional costs to AOs in supporting a unit-based offer but for most AOs development costs are not significant

With one exception, AOs did not identify any significant additional costs in supporting unit-based provision within the QCF. Of course some AOs saw this as a marginal activity anyway, with little impact on their mainstream 'qualification-based' provision. However, although several AOs had identified significant additional costs in making the transition from the NQF to the QCF there was a general acceptance that the QCF was now 'business as usual' and that AO systems would evolve gradually to become more flexible as demand from providers for these flexible approaches grew over time.

Flexibility within the QCF

23. The continuing availability of shared units is critical to the further development of unit delivery and CAT within the QCF

Although some AOs have been reluctant to embrace the sharing of units between AOs in the QCF, most of the AOs in the project sample were supportive of the principle behind shared units and some were making active use of shared units in the development of qualifications. However, some units that were designated as 'shared' were actually not being used outside the AO that submitted them to the QCF databank. Several AOs that accepted the principle of transferring credits between shared units did not accept credit transfer for 'equivalent' units within their qualifications. More needs to be done to extend the use of shared units through QCF rules of combination, but shared units will continue to be the main vehicle through which credit transfer operates in the near future and the Agency needs to ensure that it continues to promote the sharing of units between AOs through its funding arrangements.

24. Credit accumulation is well understood as a concept and systems are in place in most cases to support the process of accumulation

The principle that credits can be built up towards a qualification over time and perhaps through different courses and different providers is well understood and seen as a positive benefit of the QCF. Although most AOs and providers in the sample continue to promote qualifications rather than credits, the language of credit accumulation is used by tutors and by learners themselves in talking about learning and progression. In general AOs have no problem in tracking the process of credit accumulation towards achievement of a qualification through their IT systems.

25. Credit transfer is less well understood and the impediments to development of credit transfer arrangements remain significant

Although credit accumulation is becoming a normal part of the qualifications system, the same cannot be said for credit transfer. Some AOs still appear to believe that credit transfer is a concession that may be offered to some learners, rather than an entitlement for learners within the QCF. Some AO IT systems are not geared up to support credit transfer and some AOs see the ability to transfer credits between AOs as a threat to their competitive position. However, the unit delivery initiatives themselves are creating some demand from providers to support credit transfer, and some AOs are aware of this and are responding to it. Ofqual needs to ensure that AOs are not placing unnecessary barriers to the operation of credit transfer between AOs as the QCF develops.

26. Some SSCs have supported the development of credit transfer opportunities within approved qualifications, but others have not

The previous influence of SSCs over qualification design has resulted in a range of different approaches to the operation of credit transfer arrangements within qualifications. Indeed it may well be the case that some sectors are more concerned to promote workforce flexibility and movement between occupations than others. The SSCs interviewed through the project were very supportive of the principle of credit transfer. However, several AOs reported concerns about SSC policies or approaches that had (perhaps unintentionally) erected barriers to credit transfer between qualifications and AOs. Where such barriers have been created, the withdrawal of SSCs from the detailed process of qualification design in the future should enable AOs to remove such impediments as qualifications are reviewed and updated.

27. The concepts of RPL and exemption are not clearly understood and remain underused in most provision

Although the term RPL (or similar) was used several times in the interviews with providers and AOs, examination of the case in point revealed that in most instances people used the term 'RPL' to refer to what is technically credit transfer within the QCF. (Indeed it is possible that this incorrect use of the term RPL obscures examples of credit transfer.) These mechanisms have only a marginal impact on the focus of the project itself and are not necessarily appropriate to the target group for much unit-based provision. However there is little evidence that either facility is being used systematically within unit-based provision.

28. The lack of a fully-populated Personal Learning Record (PLR) is an impediment to developing a fully operational CAT system

A number of providers referred positively to the Personal Learner Record and to its potential importance in supporting the operation of credit accumulation and transfer within the QCF. Indeed several providers thought that CAT could not work effectively without it. Providers were also enthusiastic about the PLR as a tool for guidance and induction, helping staff to plan the most appropriate routes to achievement for learners. There was frustration among providers about the continuing lack of take-up of the PLR by some larger AOs. At the time of writing this report over 50 AOs had signed up to trialling and/or using the PLR so usage has increased significantly during the life of the project and it is possible that some of the frustrations voiced by providers will be addressed in the near future. The LRS and the Agency need to continue to work AOs, particularly with the larger AOs, to resolve their concerns if the PLR is to be used to support a future CAT system within the QCF.

29. Regulatory systems to support a unit-based offer need further improvement and development

Ofqual will conduct a review of the QCF during 2012 and then implement any outcomes arising from this review as part of its 'Healthy Markets Programme'. The relationship between the new General Conditions and the Regulatory Arrangements of the QCF will form part of this review. However Ofqual is clear that if government continues to support the development of qualifications in the QCF, these will be regulated according to the QCF requirements. There is a concern among some AOs that, despite Ofqual's previous reviews, units of poor quality still exist within the QCF. Some AOs also suggest that Ofqual should be more proactive in promoting CAT by insisting on greater flexibility in rules of combination. There was disquiet about some of the requirements of the new General Conditions for AOs which some AOs saw as being contradictory to some of the design features of the QCF. Some AOs also pointed out problems in using the Regulatory IT system to support the design features of QCF qualifications. It is to be hoped that the forthcoming review of the QCF will enable these continuing concerns to be addressed.

Performance measures and funding

30. Both credits and qualifications are seen as equally valuable measures of achievement by most providers (but not by some AOs)

Where providers integrate unit-based provision within a broader offer of qualifications the distinctions between credits and qualifications as formal recognition of achievement start to become unimportant to both tutors and learners. Indeed, even where unit-based provision is offered separately from qualifications a similar dissolving of these distinctions can be observed. It is formal recognition by an AO that is important – learners themselves see both credits and qualifications in most cases simply as testament to their achievements. Some AOs share this view, but others are very clear that it is qualifications that are the 'real' representation of learner achievement, and that credits are a form of compensatory award for those people who fail to achieve a 'whole' qualification. It would appear that different AOs are at different stages on their journey from a qualification-based to a credit-based qualifications system.

31. The lack of success measures linked to unit delivery is an impediment to wider-scale development of unit-based provision

Although providers appreciated the fact that units could be offered to learners through the Agency's unit delivery initiatives without having an impact on provider performance measures, several providers noted that this would only continue to work if unit-based provision remained a marginal activity. Very few people were familiar with the Agency's

exploratory work on a credit success rate to support unit delivery and also discussions underway around how a qualification success rate could take better account of qualifications with the attributes of unit and credit. For some providers the ability to demonstrate learner success on unit-based programmes would be essential if such provision was to develop beyond the margins of their current offer.

32. Agency proposals for streamlining the funding of Adult Skills may have positive and negative impacts on unit delivery and CAT

The updated Agency plans for a streamlined funding system for adult skills were published in February 2012 after most of the interviews for the project had been completed. Provider and AO opinions of Agency funding proposals are based primarily on the October 2011 document which is in some respects considerably different from the later version. The proposals to base funding allocations on credit values rather than on glh was welcomed enthusiastically by those providers and AOs interviewed later in the project. However this positive view of the Agency's plans was offset by concerns about the 'cliff-edges' in the proposed funding bands for QCF qualifications. Although the number of cliff-edges had been increased from three to seven from October to February, many of those interviewed drew parallels with the problems of FEFC funding bands and were concerned about the potential distorting consequences of funding bands on qualification design. The Agency needs to model the potential impact of its proposals on the design of QCF qualifications during 2012-13.

33. Providers need certainty and consistency in future funding arrangements to embed unit delivery and CAT into provision

One theme that returns in several instances during the report is that if only providers and AOs could be confident that unit-based delivery would be supported as a continuing and standard feature of Agency funding arrangements, much more could be done to ensure this type of provision was planned and delivered effectively to meet both learner and employer needs. Neither the unit delivery trials, nor the first few months of the Offer for the Unemployed have given providers and AOs the continuity over time they need to develop a genuinely flexible and responsive curriculum offer, combining units and qualifications to meet individual needs. We suggest that the Agency needs to commit to the funding of units within its streamlined funding system from 2013-14, and should use 2012-13 to support providers and others to make best use of this approach in the future.

Recommendations

1. Recommendation One

The ability to deliver individual units rather than qualifications to learners should become open to all providers within the Agency's streamlined funding system for adult skills from 2013-14. BIS, the Agency and Ofqual all need to work together to support providers in delivering the benefits of the QCF to learners and employers.

2. Recommendation Two

The scope of unit delivery in 2012-13 should be extended. One aspect of this extended scope should be that providers would be free to choose any unit they wished from the QCF, providing it was active within a qualification approved for funding. The Agency's separate list of approved units for the Offer for the Unemployed should be discontinued as soon as is practically possible, recognising that it may take time to establish an alternative approach to listing units before 2013-14.

3. Recommendation Three

In 2012-13 the expansion of unit delivery should be based on an extension to the eligibility criteria for learners within the Offer for the Unemployed, to include self-declared unemployed adults as well as those actively seeking work, an end to the Unit Delivery trials, and a move of previous trial sites to become 'pathfinders' for the 2013-14 streamlined funding system.

4. Recommendation Four

The Agency should signal as early as possible in 2012 its intention to implement Recommendation One in this report, and should plan a series of provider readiness activities during 2012-13 in order to ensure that learners are able to take full advantage of unit delivery within the streamlined funding system from 2013-14.

5. Recommendation Five

As part of the preparations for the streamlined funding system in 2013-14, the Agency should identify a number of 'pathfinder' providers based on 2011-12 unit delivery trial sites. These pathfinders could then be used to begin using elements of the proposed streamlined funding system in 2012-13 and to evaluate their impact on provision.

6. Recommendation Six

The ability of providers to meet the needs of new and different learners through a unit-based curriculum needs to be recognised as a positive benefit of the new streamlined funding system, and a legitimate objective of unit delivery in its own right. BIS needs to confirm its support for such provision prior to 2012-13 in order to give providers the confidence to respond positively to this change from the outset.

7. Recommendation seven

While recognising that funding arrangements for 16-18 year-olds in full-time education or training will be based on a different model from older learners, the Agency and EFA should consider an approach to funding for the full 16-25 NEETs group that supports the ability of providers to offer a unit-based curriculum to this group.

8. Recommendation Eight

Ofqual should consider reviewing the use of both shared units and equivalent units within QCF qualifications and should ensure that the future application of the regulatory arrangements for the QCF within the General Conditions for AOs prevent the unnecessary proliferation of similar units and support the operation of credit transfer between qualifications

9. Recommendation Nine

Within the streamlined funding system for Adult Skills the Agency should continue to be active in promoting provision based solely on shared units at all levels of the QCF

10. Recommendation Ten

The Agency should ensure that its funding arrangements and performance measures continue to support, or at the very least do not unnecessarily inhibit, the gradual development of credit transfer opportunities across the QCF.

11. Recommendation 11

AOs should continue to develop credit transfer arrangements within QCF qualifications as they are reviewed and updated over time

12. Recommendation 12

The Learning Records Service and AOs should make continuing efforts to ensure that the PLR is used in future by all AOs in the QCF.

13. Recommendation 13

Ofqual should keep under review the developing relationship between the General Conditions for AOs and the Regulatory Arrangements of the QCF to ensure that there are no unintended constraints on flexibility within the operation of the QCF resulting from the application of the General Conditions.

14. Recommendation 14

Ofqual should continue to monitor and sample units from the QCF to ensure a continuing improvement in unit quality over time

15. Recommendation 15

Ofqual should review the functioning of RITS to ensure that it is capable of supporting rules of combination for QCF qualifications without undue bureaucracy or costs to AOs

16. Recommendation 16

The Agency should continue to work on the development and modelling of a unit/credit success measure with a view to introducing this from 2013/14. The Agency should also work with key partners in reviewing how the current QSR can take better account of qualifications and their attributes in the QCF within an updated Performance Measures system.

17. Recommendation 17

In its modelling of the potential impact of the streamlined funding system during 2012-13 the Agency should aim to model the potential impact of the proposed system on provider arrangements for unit delivery. In addition the Agency should also aim to assess how AO behaviour in relation to qualification design and assessment has an impact on unit delivery.

18. Recommendation 18

As part of its preparations for implementation of the streamlined funding system during 2012-13 the Agency should invite the proposed 'pathfinder' providers to monitor and report on the potential impact of the proposed funding arrangements on unit delivery and CAT from 2013-14

19. Recommendation 19

BIS should announce in the spring of 2012 its intention to classify both qualifications and units as 'QCF learning aims' within its streamlined funding system for Adult Skills, and to confirm that, from 2013-14, providers will be free to select any QCF learning aim that is appropriate to any particular group of eligible learners.

Unit Delivery and Credit Accumulation and Transfer within the Qualifications and Credit Framework (QCF)

Evaluation 2011/12

Final Report

March 2012

Introduction

Purpose

1. The purpose of this report is to inform the Skills Funding Agency of the key outcomes of the 2011/12 evaluation of unit delivery and credit accumulation and transfer (CAT) within the QCF, and to make recommendations to the Agency and other organisations on the future development of unit delivery and CAT within the QCF.

Background

2. The Agency has contracted NIACE to undertake this evaluation in 2011/12. The project builds on previous evaluation of unit delivery undertaken by Ekosgen in 2010/11. However the 2011/12 evaluation work is broader in scope, encompassing not only unit delivery but the demand for and operation of CAT within the QCF.
3. The 2011/12 evaluation project also includes two strands of activity in relation to unit delivery. In addition to work with Unit Delivery Trial sites this report also covers unit delivery funded through the Offer for the Unemployed arrangements within the single Adult Skills budget. This second strand of funded activity has led to a considerable expansion of unit delivery in comparison to 2010/11.
4. As part of its preparatory work for the project, NIACE produced a briefing paper for providers outlining the aims and methodology of the evaluation work. (A similar briefing note was produced for awarding organisations). This briefing note is attached as Annex A, as an *aide memoire* to readers of this report. NIACE also produced an Interim Report in February 2012. This Interim Report identified many of the key issues now addressed in this Final report.
5. Five people were involved in the work of the project. Joyce Black directed the project on behalf of NIACE. Rob Gray at NIACE provided administrative support, helped with the conduct of interviews and was closely involved in identifying and contacting potential participants. Peter

Wilson led the work in the field and was supported in the interviews by Beverly Sand and Ruth Perry.

6. The project team developed a detailed questionnaire for providers, and a similar set of questions for AOs. The provider questions are included for information as Annex B to this report. The questions formed a basic agenda for semi-structured interviews, as well as an organisational framework for recording and reporting on interview outcomes. For interviews with other organisations different questions were developed on similar themes to the example shown.
7. In addition to the evidence collected through interviews, team members kept in touch with interviewees by phone and e-mail to follow-up particular issues or to request further information not available at the interview itself.
8. The project team also followed up a small number of initial provider visits with a further visit to talk with learners on unit-based provision. A sample provider case study is included in Annex C to this report, and extracts from these interviews with learners are included in the body of the report, together with extracts from interviews with providers and AOs.
9. The February 2012 Interim Report was shared with the people interviewed through the project and with the Agency's Strategic Advisory Panel. Feedback from these sources on the issues raised in the Interim Report also informs this Final Report. NIACE wishes to place on record its thanks to all those people who contributed to the work of the project.

Project implementation

10. An initial Position Paper for the project was produced in September 2011 that aimed to summarise previous progress on unit delivery and to set out the aims of the 2011/12 evaluation work. In effect, this was the first output of the project and is attached as Annex D to this report.
11. A further Position Paper was produced in March 2012, based on some of the issues recorded in the Interim Report. This second Position Paper, on *Awarding Organisation support for unit delivery and credit accumulation and transfer* is attached as Annex E to this report.
12. As the project aimed to encompass work undertaken through the Offer to the Unemployed as well as the Unit Delivery Trials, it was agreed that the project team would interview a sample of providers covering both these areas of activity. In October 2011 an initial list of nine providers was identified that were involved in unit delivery through the Offer to the

Unemployed. In November 2011 a further nine providers were added to the list from those approved to participate in the 2011/12 unit delivery trials. One further provider was added subsequently, making a total of 19 in scope of the project.

13. Of these 19 providers, nine were FE Colleges (including one land-based college) and the remainder were Local Authorities, Independent Training Providers, Voluntary Organisations and an Offender Learning Institution. A list of the providers involved is attached as Annex F. Interviews were eventually conducted with 17 of these providers. Eight of these providers were involved in the Unit Delivery Trials, a little over 10% of the total number of providers in the Trials.
14. The NIACE project team has also identified nine awarding organisations (AOs) to be part of the evaluation. These included three large AOs, several medium-sized AOs and one small, specialist AO. Annex F lists these AOs. Together, these AOs offer around 75% of all the qualifications in the QCF. Interviews were conducted with all nine of these AOs.
15. In addition to providers and AOs, interviews were also conducted with eight other organisations with an interest in the development of the QCF. These organisations are also listed in Annex F.

Timescales, case studies and learners

16. Where providers were approved to participate in the 2011-12 Unit Delivery Trials, interviews with the project team were undertaken early in the time frame since approval in mid-November. Where possible, providers were selected that also took part in the 2010-11 trials, and that therefore had an established track record in this area. However, some providers were new to the trials and in some cases it took time for their plans for unit delivery to be implemented. Even by March 2012 some providers had enrolled very few learners on unit-based provision within the scope of the trials.
17. Providers delivering units through the Offer for the Unemployed have had more time to prepare provision for 2011-12. However, even within this group some original plans have been disrupted or amended because the scope of units available through the Offer to the Unemployed did not include all those units that providers had expected.
18. This final report draws on opinions and information from people involved in 34 different organisations. However, some of these organisations have much greater experience of unit delivery over a longer period of time than others. Although the project is not able to provide comprehensive statistical data on the full range of unit delivery and CAT within the QCF in 2011-12, it is clear from the sample organisations that the scale of the unit

delivery offer (i.e. the number of learners involved in a unit-based offer) will be far greater than in 2010-11.

Statistical returns

19. Some providers have made statistical records of enrolments and achievements on their unit-based provision available to the project team. Others have found it more difficult to provide these returns. However, the Agency itself has been tracking and monitoring the scope and scale of unit delivery since August 2011 and a summary of the main patterns of provision revealed by these returns to the Agency is included as Annex G to this report.
20. These statistical returns should be treated with an element of caution. They were collected part-way through the 2011-12 year and many of the providers interviewed anticipated a continuing or perhaps expanded offer of unit-based provision from April to July 2012. The final take up of units may look quite different from the patterns revealed in these interim figures.
21. One thing can be confirmed from these figures however, and that is that the number of units actually offered to learners in 2011-12 will be a small fraction of the 19,000 units on the Agency's approved list. At present a little over 3% of all units have been offered. Even an unlikely doubling of this figure through the remaining months of 2011-12 would leave around 94% of listed units outside the scope of the current offer. The case for continuing to base unit delivery on a list of approved units cannot be sustained by these figures in Annex G.

Unit delivery, unit-based qualifications and unitisation

22. Within the report a particular concept of 'unit delivery' is used that is consistent with the aims of the project but is more precise than the term when applied generally to the delivery of a curriculum leading to achievement within the QCF. The term 'unit-based curriculum' is also used and again this has a more precise meaning within this report than in the wider context of the QCF. A note of explanation follows.
23. The QCF is a unit-based Framework. In other words all the qualifications in the QCF are built from units and all units are developed to a standard set of design features. In this respect qualifications in the QCF are the diametric opposite of their predecessors in the NQF. These were 'unitised' rather than 'unit-based'. In other words qualifications in the NQF were 'broken down into' units rather than being 'built up from' units. This is a distinction that appears in the very first iterations of the QCF proposals in

2004 and is now well understood by most users of the Framework (though it is still possible to come across the term 'unitisation' from time to time).

24. In a literal sense, any curriculum designed to lead to achievement in the QCF must be unit-based (as all qualifications are unit-based). Similarly the concept of 'unit delivery' must apply to any programme of learning leading to achievement in the QCF – no other form of delivery is possible. These broader uses of the terms 'unit-based' and 'unit delivery' are not necessarily useful in the context of this report. The report therefore uses more precise definitions of these terms.
25. Thus 'unit delivery' in the context of this report refers to the delivery of a unit-based curriculum leading to achievement in the QCF in which the identified learning aim is represented through credit or credits rather than through a qualification. All learners on a unit-based curriculum are aiming to achieve credit or credits as recognition of their achievements. Some of these learners may accumulate these credits towards a qualification.
26. This definition is consistent with the broader usage of the terms 'unit delivery' and 'unit-based curriculum' in the wider context of the QCF, but is linked more explicitly to the remit of the evaluation project. The term 'unitisation' is used here for the last time in this report.

Key issues

27. The key issues raised through the project are identified below and expanded in the following sections of this report. Although some issues are particular to providers and others to AOs, many are common to both types of participant and so no attempt is made here to separate them by type of organisation.
28. Similarly, no distinction is made within this report between the two different sets of eligibility criteria that support unit delivery in 2011/12. Not only are most key issues common to both sets of criteria, but nearly every participant in the project that is a Unit Delivery trial site is also making a unit-based Offer to the Unemployed.
29. The following key issues are identified and expanded further through the following sections of this paper:

Support for the QCF

- 29.01. There is widespread support for the **aims and potential benefits** of the QCF

29.02. **The ability to deliver individual units** is seen as critical to achieving the benefits of the QCF

Unit Delivery

29.03. There is considerable frustration about the Agency's practical **arrangements for supporting unit delivery** to date

29.04. Most providers involved in the **Unit Delivery trials** are targeting similar groups of learners to those in the **Offer for the Unemployed**

29.05. There is a considerable **expansion in the number of learners** undertaking unit-based provision in 2011-12 from the previous year

29.06. There are **significant similarities** across different types of provision **in the range of units offered** to learners

29.07. Relations between providers and **Job Centre Plus** are generally positive and there is some evidence of local responsiveness to needs

The impact on provision

29.08. There is some evidence that a unit-based offer is having an impact on **curriculum design and delivery methods** for some providers

29.09. Both providers and AOs have confidence in their in-house resources **and expertise** to support a unit-based offer

29.10. There are some additional **costs to some providers** in delivering individual units, but the benefits outweigh these costs

The impact on learners

29.11. The ability to offer individual units enables providers to reach **new groups of learners**, particularly those most disadvantaged

29.12. There are other groups of **learners who are currently not able to access unit-based provision**, but who could benefit from it

29.13. Many providers would like to make a unit-based offer to **younger learners** as well as adults

29.14. Many learners accessing unit-based provision aim to progress to a qualification in due course

29.15. As the QCF develops patterns of achievement for individual learners will become more diverse

Employers

29.16. The ability to offer individual units enhances providers' ability to **meet employer needs**

29.17. Some providers are successful in **progressing people to employment** from unit-based provision

29.18. Other providers have found it difficult to develop **a unit-based** offer for employers

29.19. The Sector Skills Councils in the survey were enthusiastic about the positive impact of unit-based provision for employers

Assessment and certification

29.20. There is continuing frustration among some providers about the **lack of responsiveness of some AOs** to a unit-based offer

29.21. There are clear signs of **change in both strategies and operational systems** from some AOs in response to unit delivery

29.22. **Assessment and verification/moderation systems** place some constraints on the ability of AOs to support unit delivery

29.23. There are continuing additional **costs to AOs** in supporting a unit-based offer but for most AOs development costs are not significant

Flexibility within the QCF

29.24. The continuing availability of **shared units** is critical to the further development of unit delivery and CAT within the QCF

29.25. **Credit accumulation is well understood** as a concept and systems are in place in most cases to support the process of accumulation

29.26. **Credit transfer is less well understood** and the impediments to development of credit transfer arrangements are considerable

29.27. Some **SSCs** have supported the development of credit transfer opportunities within approved qualifications, but others have not.

29.28. The concepts of **RPL and exemption** are not clearly understood and remain underused in most provision

29.29. The lack of a fully-populated **Personal Learning Record (PLR)** continues to be a major impediment to developing CAT

29.30. **Regulatory systems** to support a unit-based offer need further improvement and development

Performance measures and funding

29.31. Both credits and qualifications are seen as equally valuable **measures of achievement** by most providers (but not by some AOs)

29.32. The lack of an established **success measures linked to unit delivery** is an impediment to wider-scale development of unit-based provision

29.33. Agency proposals for **streamlining the funding of Adult Skills** may have positive and negative impacts on unit delivery and CAT

29.34. **Providers need certainty and consistency** in future funding arrangements to embed unit delivery and CAT into provision

Support for the QCF

There is widespread support for the aims and potential benefits of the QCF

30. Providers are almost universally positive about the potential benefits of the QCF. Although some referred to the benefits to employers, most benefits were described in terms of advantages to learners. A number of providers expressed frustration at the slow rate of progress in realising the benefits of the QCF. Some accepted this as a necessary feature of a long-term change.

The QCF is a great idea but its taking a long time to get it working as we'd like to see it

College curriculum manager

31. This view is shared by most of the AOs interviewed. The majority were positive about the benefits of the QCF, again the advantages to learners being the most often-mentioned reason. Representatives of one AO expressed scepticism about the benefits of the QCF. Several AOs expressed the view that, having gone through considerable cost in the developmental period of the QCF, they were now in a position to see the potential benefits more clearly.

We've been through a lot of pain with the QCF but now we're beginning to see some of the benefits

Senior manager, AO

32. There was widespread concern about a perceived lack of 'leadership' or 'championing' of the QCF. Both providers and AOs were concerned that there was a lack of clear policy direction in taking forward the QCF. It was too early (in some views far too early) to assume that the QCF was fully operational and no longer needed support and development.

Who's responsible for the QCF now? It doesn't seem to have anybody leading it or being an advocate for it.

Deputy CEO, AO

33. There was consensus that, whatever the problems in introducing the QCF might have been, the Framework needed clear commitment from government to its continuing development, and now required driving into its next stage of development in order to begin delivering benefits to all its users. Although it was recognised that the QCF continued to be

referenced in key policy documents (e.g. *New Challenges, New Choices*) there was little active promotion of the Framework in practice.

If we knew some of these changes [i.e. unit funding] were going to be permanent we could commit resources to making them work much more widely across the college. But while it's still a trial we just can't afford to risk major changes

Vice principal, FE college

The ability to deliver individual units is seen as critical to achieving the benefits of the QCF

34. For a number of providers the ability to deliver individual units to learners rather than qualifications was seen as the single most important benefit of the QCF. Both providers and AOs supported the further development of unit-based provision, and funding arrangements to support it, as a necessary feature of a fully functioning qualifications system.

If we can't offer individual units and award people credits for them, what's the point of the QCF?

Manager, Adult Learning Service

35. For some providers, particularly those Independent Learning Providers utilising the Offer for the Unemployed, the ability to offer individual units, and to award credits for those units, was seen as an important objective in its own right. Other providers had a different perspective. Although for some learners the ability to achieve credits on individual units was indeed important as a learning goal, for other learners the ability to accumulate credits towards a qualification was seen as equally important.
36. None of the providers or AOs participating in the project made operational decisions based on the distinctions between awarding credits and accumulating credits towards a qualification. Unit-based provision was planned and delivered to both unemployed and employed learners in the same groups. Whether a learner intended to achieve credits only on the units offered, or to take these credits forward to a qualification was of no significance in provider or AO arrangements for unit delivery or assessment.

Some of these people will achieve credits and then go into work, if they can. Others want to go on to a qualification in the college. There's no difference between them as far as we're concerned.

Course leader, FE college

37. Similarly, few distinctions were made between an offer of units drawn from a single qualification and units drawn from more than one qualification. The ability to construct a programme relevant to an individual learner, or group of learners, was the starting point for most providers in making use of a unit-based offer. The qualification or qualifications from which the units were drawn was of secondary or little consideration in most cases. As all units formed part of at least one qualification, credits achieved through these units could count towards a qualification if the learner chose to pursue one.

We don't even start talking about credits until people are well into their course. Putting together a group of units to suit the individual is the most important thing. Thinking about what to do next and what they can do with their credits comes later.

Curriculum manager, FE college

38. Providers were concerned however to ensure that learners were offered a coherent programme of study that met their particular needs. Many unit-based offers combined units from a single vocational area with units in personal skills development and/or work readiness. The planning of individual programmes was informed by both local labour market needs and individual circumstances.

People sign up for the programme [in Health and Social Care], then we spend the whole of the first day with them, sometimes in a group, sometimes individually, going through what's available, doing some initial assessment, and then agreeing with them what's best for each person

Course tutor, FE College

39. In planning such programmes, providers were concerned to ensure that assessment and certification on a unit-based offer was able to be supported by a single AO. Although a provider might use different AOs in different subject or sector areas, the project team came across only one example where more than one AO was involved in supporting assessment for a single group of learners. (This point is picked up later in relation to the development of CAT arrangements).

40. Recommendation One

The ability to deliver individual units rather than qualifications to learners should become open to all providers within the Agency's streamlined funding system for adult skills from 2013-14. BIS, the

Agency and Ofqual all need to work together to support providers in delivering the benefits of the QCF to learners and employers.

Unit delivery

There is considerable frustration about the Agency's practical arrangements for supporting unit delivery to date

41. Both providers and AOs were critical of the practical arrangements for supporting unit delivery in 2011/12. Those providers accepted into the Unit Delivery trials had particular concerns about the delays in agreeing their participation as a trial site. Where providers had previously been involved in Unit Delivery trials the requirement to repeat the process of expressing interest and acceptance was seen as unnecessary, time consuming and an impediment to continuing development of a unit-based offer.

I took one look at the paperwork [for the 2011-12 Expression of Interest in the Unit Delivery Trials] and I thought 'I can't be bothered'. Why they couldn't have just carried over the trial sites from 2010-11 I don't know.

Vice principal, FE College (involved in the 2010-11 trials)

42. All providers expressed concerns about the lists of units available to support the two strands of unit delivery in 2011/12. Those providers involved in the 2010/11 trials were surprised to find that some units available then were excluded from the current list. Several providers questioned the logic for the exclusion of units from the list. Many also had lists (some of them lengthy) of units that they wanted to see added to the Agency's current lists.

I don't see why they had to have a list anyway. We're supposed to be taking on more responsibility for decision-making within our budget but the list takes responsibility away from us

Vice principal, FE college

43. Some providers were frustrated that their initial plans for unit-based provision had to be amended because some units were missing from the Agency's lists. Nearly all mentioned units that they would have liked to offer if they had been available on the lists. Areas such as Entry Level units were often quoted as examples of 'missing' units in the Offer for the Unemployed. (Although Entry3 units have recently been added to the list, this has come too late in provider planning cycles for many and there is still demand for Entry2 and Entry1 units). Providers were also bemused by

the fact that a unit from their preferred AO was not on the list, but a similar unit from another AO was included.

We were all set to offer a course built around [xxxx] units and then when the list was published they weren't on it and nobody seemed to know why

Curriculum manager, FE college

44. There is also concern among AOs that they were given inadequate information about the units to be included on the lists, and that there was no proper strategy from the Agency to inform AOs that units were included on the lists (though it is understood that the Federation of Awarding Bodies was notified of the publication of the initial list).
45. From both AOs and providers there were complaints that the format in which the unit lists were constructed and published did not give them sufficient information to identify the units concerned. One provider had produced a 'user guide' to search the lists. Several AOs said they had had to devote considerable time and effort to identify those units on the list that were part of their qualifications offer. Those AOs that were dependent on drawing information from the Regulatory IT System (RITS) to support their unit offer had difficulty matching units to qualifications as RITS does not identify all AO users of a unit, only the organisation that has placed the unit in the QCF databank.

It took us days to identify all the units on the list that we offered

Manager, AO

46. This last complaint actually reveals an interesting feature of the information systems of some AOs. The reason why the units could not easily be found is because the Agency's list (quite rightly) did not tie the units to a particular qualification. In other words, although the Agency's list was unit-based, some AO information systems remain unequivocally qualifications-based. Those AOs that had no difficulty in identifying units separately from qualifications appear to be the ones most easily able to support providers wishing to make a unit-based offer.

On the day the list was published we produced a list of all the units that we offered and put a link to the list on the home page of our web site, encouraging people to contact us if they wanted to offer any of the units

Senior manager, AO

47. Both providers and AOs voiced concerns that, having published the list, the Agency did not have the capacity to respond to queries about the units on the list and was not able to fully resolve queries about why some units did not appear on the list. (Since some of these complaints were recorded by the project team the list of units has been updated, which will no doubt address some of the concerns expressed by providers.)
48. This lack of response to queries has apparently aggravated the concerns of many participants that the concept of an approved list is an outdated and overly bureaucratic method of supporting unit-based delivery. This concern needs to be set alongside the yet-to-become-available data on the proportion of usage of units from the 16,000 listed. However, information from providers involved in the project suggests that a small proportion of the total have actually been offered to learners.
49. It should be emphasised at this juncture that many providers did recognise the work involved by the Agency in maintaining an active list of units within the QCF with funding allocations. Indeed it was appreciation of the time and cost of doing this that was behind much of the criticism about the creation of a separate list for the Unit Delivery Trials and the Offer for the Unemployed.
50. If Recommendation One above is accepted, then each unit needs to be separately identified as a potential Learning Aim. It is appreciated that this creates logistical problems for the Agency, but these should be capable of resolution prior to the implementation of the streamlined funding system for Adult Skills in 2013-14. In 2012-13 some interim arrangements may be necessary that extend the scope of unit delivery without necessarily making every unit available to all providers.
51. **Recommendation Two**

The scope of unit delivery in 2012-13 should be extended. One aspect of this extended scope should be that providers would be free to choose any unit they wished from the QCF, providing it was active within a qualification approved for funding. The Agency's separate list of approved units for the Offer for the Unemployed should be discontinued as soon as is practically possible, recognising that it may take time to establish an alternative approach to listing units before 2013-14.

Most learners involved in the Unit Delivery trials share similar characteristics to learners accessing the Offer for the Unemployed

52. The target groups and eligibility criteria for the Unit Delivery trials and the Offer for the Unemployed are different from each other. Although the main driver for the Trials was the use of unit-based provision to support progression to an entitlement qualification, one of the expectations of Trial sites was that providers would also target unit-based provision at local employers. Indeed some providers have attempted to do this, with varying degrees of success (see below).
53. Most of the trial sites involved in the project sample are organising and delivering a unit-based curriculum offer that is promoted and offered to similar groups of learners. Some of these learners are funded through the Unit Delivery trial arrangements and some of them are supported through the Offer for the Unemployed.

Gaynor and Nicola

Gaynor and Nicola are both learners on a short programme at St Helens College designed to prepare people for progression either to employment or to further learning at the college. The programme is based on units in Health and Social Care and is offered over three days a week for four weeks. The college is a Unit Delivery Trial site and also makes a substantial unit-base Offer for the Unemployed.

Gaynor has been made redundant twice in recent years, firstly from her long-term job in the clothing industry and more recently from a local elderly care centre that had been forced to close. Her motivation for attending the course was clear and unequivocal – she wanted to get back into work, preferably in care for the elderly. She was prepared to consider any kind of work, including voluntary work if necessary as a stepping stone to paid employment.

Nicola had not worked for many years. She was making the first tentative steps back into work after many years at home raising her family. Although she also was interested in working in care for the elderly, she first wanted to get a qualification that would better prepare her for work.

Gaynor and Nicola came to the college with very different motivations. For one, a rapid return to work was the key priority. For the other a slower and more carefully planned process of preparation for work was essential. Their eligibility for benefits was also different – Nicola received job-seeker's allowance, but Gaynor did not (an issue of some concern to Gaynor). Although neither of them was aware of the fact, one of them was funded through the Unit Offer for the Unemployed, the other through the college's participation in the Unit delivery trials.

Despite their very different previous experience, motivations and personal

circumstances, both were actually targeting very similar progression opportunities. Gaynor, reluctantly, accepted that she would need to get a qualification of some sort if she was to get back into employment. If she could find voluntary work in caring for the elderly then she could go back to the college to get a qualification at the same time. Nicola, for very different reasons, also wanted to combine voluntary work with a qualification. The reason for her choice was that the qualification she wanted to do required an element of work-based assessment, and it was essential that she had a workplace (albeit voluntary) in which she would be able to produce evidence of her practical skills.

Given different circumstances, Gaynor would be looking for work based on her previous experience and wouldn't bother with any further learning. Nicola would choose a college-based programme that gave her lots of support and enabled her to build up both her skills and her confidence in preparation for future work. In the current economic climate however, both women accept that a combination of work (which may have to be voluntary) and further learning will be necessary if they are to progress with their immediate aims in life.

The college was able to support both women on the same programme. It was able to offer them both a place on the programme despite their different eligibility for funding. It was able to support Gaynor's immediate and self-confident aim to get back into work by combining college-based learning in social care with work readiness and interview preparation skills. For the less-confident Nicola, support to improve reading and writing skills alongside a unit-based programme designed to prepare for progression to a QCF qualification was offered.

Good curriculum planning based around individual needs and supported by committed and well qualified staff form the key to the success of this programme. Despite their different backgrounds, access to benefits and aspirations, Gaynor and Nicola were learning side-by-side on the same unit-based programme that aimed to progress them to the next steps in their very different lives.

54. The critical distinction between the two groups is not that their needs are different but that some of them are eligible for the Offer for the Unemployed and some are not. Nearly all of them are out of work, but some qualify for Job Seekers Allowance and others do not. All are seeking a route into (or back into) employment, either directly or through a qualification. It is eligibility criteria rather than need or aspiration that divides one group from another.

All our courses are targeted mainly at people who are trying to get back

into work. The trials are useful because it allows us to fund people who aren't on the right benefits to qualify for the Offer for the Unemployed. We offer the same courses, but we can offer them to more people.

Senior manager, Adult Learning Service

55. This blurring of the distinction between the two sets of eligibility criteria for the Unit Delivery trials and the Offer for the Unemployed was further emphasised by a trial site that was working with a local employer. Although the college concerned had designed a customised, unit-based programme for new employees in collaboration with the employer, the curriculum offer was almost identical to that provided through the Offer for the Unemployed. It seems that the needs of employers and the unemployed may not be so different from each other.

What [employer x] wanted was some basic communication skills and customer service training. They didn't want us to do anything specific to the company – their own training would do that. Although the course was designed with them it looked almost identical to our other [Offer for the Unemployed] courses.

Vice principal, FE college

56. Several of the positive examples noted by the project team involved Sector-based Work Academies (sbwas). These are short courses, targeted at a particular local employment opportunity (e.g. the opening of a new store), organised through a local provider with the support of JCP. It would appear that some of the most innovative and successful provision that is designed to meet the needs of local employers is actually funded through the Offer for the Unemployed. A case study of a successful sbwa is included as Annex C to this report.
57. It would seem that, despite the different objectives and eligibility criteria for the Unit Delivery trials and the Offer for the Unemployed, most providers involved in both initiatives have planned a delivered a single curriculum offer supported by both of them. Whatever the rationale for separating these two different sets of funding arrangements within the Agency, providers have viewed them as very similar in practice.

58. **Recommendation Three**

In 2012-13 the expansion of unit delivery should be based on an extension to the eligibility criteria for learners within the Offer for the Unemployed, to include self-declared unemployed adults as well as those actively seeking work, an end to the Unit Delivery trials and a

move of previous trial sites to become 'pathfinders' for the 2013-14 streamlined funding system.

There is a considerable expansion in the number of learners undertaking unit-based provision in 2011-12 from the previous year

59. Despite the relatively early stage in the 2011/12 year in which the initial interviews with project participants were conducted, it is already clear that the numbers of learners involved in a unit-based offer in 2011/12 will increase considerably from the previous year. The final report includes sample data from some providers to support this contention.
60. Of course the single most important factor in this increase has been the extension of the scope of funding support for unit delivery through the Unit Offer for the Unemployed. As a significant proportion of provision in the 2010/11 Unit Delivery Trials was targeted at this group of learners, it comes as no surprise that a number of providers involved in the 2010/11 trials chose not to apply to continue as a trial site in 2011/12, but are making significant unit provision through the Offer for the Unemployed.
61. The most useful data in this area comes from those providers involved in unit delivery trials in 2010/11 that have expanded their offer in 2011/12. Several providers report a two- or three-fold increase in enrolments across these two years. Most anticipate continuing increases throughout 2012.

Last year we had just over 700 enrolments [on unit-based provision]. This year we're already [in January 2012] past 1000 and we expect to at least double that by the end of the year

Vice principal, FE college

62. This increase should be set in the context of the practical problems in dealing with the Agency's unit lists. Although the Agency's Offer for the Unemployed was announced in March and the list of available units was published in May 2011, several providers noted that this was still too late in relation to their planning cycle for 2011-12. If the same arrangements could be guaranteed for 2012-13 more resources could be deployed in relation to this Offer.
63. The delay in agreeing arrangements for the 2011/12 Unit Delivery trials has also meant that some approved trial sites have been able to offer very limited unit-based provision to date. We should note here that considerable expansion has occurred in far-from-ideal circumstances. If providers were confident that the ability to offer individual units to learners

was part of the Agency's ongoing funding arrangements, it would seem that unit-based provision would expand considerably

64. It is clear from talking to providers through the project that there is still considerable latent demand for unit-based provision that is not being met through the current arrangements. Even those providers that are making a considerable unit-based offer in 2011-12 are planning for a further expansion in 2012-13. There are still many providers where unit-based programmes are focused on one or two curriculum areas rather than being an institution-wide offer.
65. If we add to this the number of organisations involved in the project (including several large FE colleges) where, despite the best of intentions, a unit-based curriculum offer has yet to be delivered, then it seems that the scope for expansion of unit delivery is considerable. We consider in the following sections of the report some of the reasons for this slow growth in the development of a unit-based offer in some providers.
- 66. Recommendation Four**

The Agency should signal as early as possible in 2012 its intention to implement Recommendation One in this report, and should plan a series of provider readiness activities during 2012-13 in order to ensure that learners are able to take full advantage of unit delivery within the streamlined funding system from 2013-14.

There are significant similarities across different types of provision in the range of units offered to learners

67. It should be noted that, although the evaluation project deliberately chose provider participants from both the Offer for the Unemployed and Unit Delivery Trial strands of support for unit delivery, the number of learners involved in the first of these two strands is far greater than those in the second. Extrapolated nationally outside the scope of the project, this balance is weighted even more heavily towards the Offer for the Unemployed, as one would expect.
68. As provision through this Offer is constrained by the particular needs of unemployed adults, by the specific requirements of the Job Centre Plus referral system, and by the time-constrained limits of programme structure, it is hardly surprising that there is a significant element of shared characteristics across provision based on this strand. These shared characteristics are reflected in the relatively small number of units being utilised by most providers from the list available to them.

We've agreed with JCP what our basic offer should look like and it's

based on a small package of work readiness and employability units plus one or two units from the three vocational areas that we're concentrating on this year.

Vice principal, FE college

69. As noted above, most unit-based provision is planned and delivered without explicit reference to the separate funding criteria that apply to the Unit Delivery trials and the Offer for the Unemployed. Although some types of provision (e.g. work-based academies) are organised particularly to meet the needs of people in employment, there is actually considerable overlap between the curriculum offer made through the Unit Delivery trials and the Offer to the Unemployed. In this context marking some units (e.g. at Entry1 or Entry2) as 'only available through the unit delivery trials' simply exacerbates providers' frustrations.
70. A further constraint on the variety of units available to learners is located in the legitimate concerns of AOs about the quality of assessment and verification arrangements for unit-based provision, especially on short-courses or roll-on, roll-off programmes. Although most AOs had particular arrangements in place to support unit-based provision (of which more below) only two had separate arrangements for recognising centres to offer units rather than whole qualifications.
71. In effect this means that, in many instances, individual units of qualifications can only be offered where the provider also offers the whole qualification to other learners in that centre. The practical restraints on providers in organising and delivering individual units to individual learners are exacerbated further by the similar constraints on AOs in supporting assessment and verification of these units through their quality systems.

The only way we can organise verification cost-effectively is to ask our verifier to include a sample from unit-based provision alongside his or her normal qualification sample from that centre

Senior manager, AO

72. At this juncture it is too early to predict what proportion of the total number of over 19,000 units will actually be offered to learners in 2011-12. However, data returns to the Agency from providers indicate that, to the end of March 2012 a little over 3% of the total number of units available had actually been offered to learners. This figure may increase by the end of 2012, but not significantly. We suggest this simply reinforces our recommendation to discontinue such a list in the future.

The impact on provision

Relations between providers and Job Centre Plus are generally positive and there is some evidence of local responsiveness to needs

73. In general, providers reported good relationships with their local JCP. JCP officers had familiarised themselves with providers' unit-based curriculum offer and were positive about short-course provision based on QCF units as an appropriate vehicle to prepare people for work. Some JCP advisers were located in provider's premises. Some college staff spent part of their time in the JCP offices. Both sides reported positive working relationships.
74. In some cases JCP staff had been actively involved with a provider in planning their Offer for the Unemployed. In other instances JCP officers did not see it as their responsibility to do this. Although JCP officers were aware of course titles and levels of provision, the details of the curriculum offer were seen as the responsibility of the provider and not JCP itself.

We don't get involved in that 'under-the-bonnet stuff. We trust the college to put together the right course to meet the needs of the people we refer. So far that's worked well.

JCP District Manager

75. Having said this, JCP staff were aware of the Offer for the Unemployed and supportive of unit delivery as enabling providers to design flexible learning opportunities to meet individual client needs. However, they weren't concerned to know which units were available through the approved lists, only that short courses could be offered in a range of different vocational areas.

It's making the local colleges work in different ways, for example offering roll-on roll-off courses with lots of start dates. Some colleges have been really pro-active and are really embracing this change.

JCP Partnership Manager

76. It seems that in some districts these working relationships between JCP and college staff are starting to have a positive impact on the nature of the local offer, and that the ability to structure short interventions based on units is addressing local employment needs.

It's a much better use of our resources than forcing people to do whole qualifications

Local manager, JCP

There is some evidence that a unit-based offer is having an impact on curriculum design and delivery methods for some providers

77. Some providers are offering unit-based provision (funded through both strands of Agency funding) alongside their qualification-based provision. A cohort of learners is recruited, primarily through JCP referrals, and offered a short course structured around a small number of units. Although some choices of units are offered in many cases, the cohort of learners moves through the unit offer as a distinct group, and the units themselves are offered separately to this group, even though the same units may also form part of a 'mainstream' qualification offer to other groups of learners. This model is common in larger FE Colleges.

We run all this [unit-based] provision separately from the rest of the college programme. It's partly practical – it means we can organise start dates and timetables to meet the needs of these groups, and partly because we haven't had time to organise it any other way.

Vice principal, FE College

78. In the case above the introduction of a unit-based curriculum, though effective in meeting the needs of some learners, has yet to have a significant impact on other areas of the curriculum offered by the provider. However in other instances (including at least one large FE College) the effect on the overall curriculum offer has been more significant.
79. The project team came across several instances where, in one or two subject or sector areas, the introduction of the QCF and the ability to offer individual units to learners had led to distinct changes in curriculum design and delivery. So, rather than organise a course to deliver a single qualification, the curriculum offer was organised around a cluster of individual units that formed part of a number of different qualifications.
80. Some curriculum areas appear to lend themselves better than others to this type of change. Providers referred to their work in ICT, in Health and Social Care and in Hospitality and Catering in this respect. One provider was also applying this approach to some of its programmes on Construction. Another was planning a similar approach in the Financial Services sector.
81. Large groups of learners were registered on these 'core' units and were taught together, irrespective of their target qualification. In a number of instances learners were able to join these groups through the Offer for the Unemployed or the Unit Delivery trials. All learners were working towards

credits through these units; some learners were accumulating these credits towards a qualification.

I think M.... will probably go on and finish the whole qualification, but J... and H.... only want to do this particular unit. It makes no difference to how we run the class or how it's assessed.

Tutor, Community Education Centre

82. As noted above, this model can be supported more easily by AOs, as assessment and verification for unit delivery is effectively integrated with a wider qualification-based offer. It seems that child care, health care and IT programmes supported this model more than other curriculum areas. A combination of high demand and easily accessible assessment opportunities appear to be the key factors in supporting this approach.
83. Providers pointed out that the ability to support a large group of learners on these 'core' units also enabled them to support more specialist options available within some qualifications where only small numbers of learners registered on some individual units within the qualification. So unit delivery in some instances can also enhance the flexibility of a qualifications-based offer to other learners

For some of these units we can pull in good numbers. That gives us some flexibility to offer less popular units to smaller groups.

Manager, Adult Learning Service

84. There is evidence of considerable experience in some providers of designing and delivering a unit-based offer. A number of these providers are in their second year as Unit Delivery Trial sites. Others were Trial sites in 2010-11 and now make a significant unit-based Offer for the Unemployed. Many of these providers plan further expansion (often into new sectors or curriculum areas) in the future. Others are more cautious, linking plans for expansion of unit-based provision to future Agency funding intentions.
85. We recommend above that 'Unit Delivery Trials' are discontinued from 2011-12. We also make recommendations later in this report on preparation for future funding of units from 2013-14. In the intervening 2012-13 year the Agency has an opportunity to build on the experience of some of these experienced providers in preparing for unit delivery within the streamlined funding system for adult skills from 2013-14.

86. These 'pathfinder' sites would operate as far as possible within the proposed streamlined funding arrangements for 2013-14. They would be free to offer units or qualifications to learners, based on an assessment of their needs. To qualify as a pathfinder site they would need to have demonstrated a certain scale and scope of experience to date in unit delivery. These pathfinder sites would run for 2012-13 alongside the proposed expansion in the Offer for the Unemployed, which would itself anticipate the streamlined funding system for adult skills from 2013-14.

87. Recommendation Five

As part of the preparations for the streamlined funding system in 2013-14, the Agency should identify a number of 'pathfinder' providers based on 2011-12 unit delivery trial sites. These pathfinders could then be used to begin using elements of the proposed streamlined funding system in 2012-13 and to evaluate their impact on provision.

Both providers and AOs have confidence in their in-house resources and expertise to support a unit-based offer

88. Although both providers and AOs had brought in external expertise during the implementation of the QCF, or had made use of external training courses organised through FAB, LSIS, NIACE, LSN or other organisations, there was very little evidence of continuing use of external support or training in relation to unit delivery. All those interviewed were confident that there was sufficient expertise and experience in the organisation itself to support unit delivery and CAT in the future.

We run half-day training sessions for all new staff on the QCF and we give them all copies of the LSIS training pack. We go through selected units with them and encourage them to claim credits whenever they feel is best for the learner.

Manager, Adult Learning Service

89. There were mixed views from providers about the value of AO training courses or briefing sessions. Some were seen as useful, especially where new initiatives or changes in assessment requirements were covered. In other instances providers were critical of AO training courses that had to be paid for and attended as a condition of ongoing centre or qualification recognition but which added little value for experienced staff.

90. Despite the confidence of many people in their in-house expertise, discussions about credit transfer, exemptions and RPL revealed a great deal of confusion and misunderstanding about the distinctions between

these terms and the arrangements that needed to be in place to support them. Both providers and AOs are probably over-confident about supporting these processes effectively in practice.

There are some additional costs to some providers in delivering individual units, but the benefits outweigh these costs.

91. For some providers, particularly those that had been involved for some time in community-based learning, or in making provision for the unemployed, the ability to offer a unit-based curriculum leading to the award of credit was seen as an enhancement of existing approaches to curriculum design and delivery. For these providers, the additional costs of making a unit-based offer were often reported as zero.
92. For others, the availability of units has enabled them to add the offer of achieving credits to a curriculum that was already designed in bite-sized chunks. The additional costs of registration and certification leading to the award of credit were seen as acceptable in relation to the benefits to learners. Several providers also noted that the offer of credits had improved retention and completion rates, which more than offset the charges made by an AO for verification and certification.

It's definitely improved our success rates and once people get credits for a small chunk of learning they're more likely to come back for more.

Curriculum manager, FE college

93. For other providers there had been additional costs in developing a unit-based offer. In most cases these were not seen as significant – timetabling complexities, managing staff time and liaising with AOs were all mentioned as additional, but acceptable costs. Again, the benefits in retention and completion rates were seen to outweigh these additional costs.
94. One note of caution needs to be sounded in relation to provider costs, and this relates to the relatively small number of units being offered in some places. In some cases a cost-effective cohort of learners can be registered on a single unit. In effect some providers are 'adding' a unit-based offer to run alongside their 'standard' qualifications offer. Clearly such an approach could be seen to marginalise a unit-based offer and will have little impact on the overall flexibility of the provider's curriculum.
95. Again we should note here the importance of forward planning for providers in relation to unit-based provision. If the ability to deliver units were to become a standard feature of the Agency's funding arrangements then it would be possible for a provider to restructure planning and delivery in a curriculum area to 'integrate' unit-based and qualification-based

provision. Without a stable context for forward planning, unit-based provision may well remain 'parallel to' rather than 'integrated with' a qualifications-based offer for many providers.

The impact on learners

The ability to offer individual units enables providers to reach new groups of learners, particularly those most disadvantaged

96. A number of providers made very explicit connections between the ability to offer individual units for credit and their engagement with new and different groups of learners. The concept of a qualification as simply 'too big' to be accessible and 'digestible' to many learners was mentioned on a number of occasions.

Vic

Vic ("don't you dare call me Vicky") is a young woman taking part in a construction skills programme offered by Wakefield Adult and Community Education Service. The programme is offered as a number of short courses and each course is organised round a single unit from a Level One qualification in Construction Skills.

Vic has a young family, and being able to organise the course around her child care arrangements is a big plus for her. She knows this from a clearly painful experience. Vic attended a Parenting Programme and went on to join the Parents group, a SureStart Management Board, and volunteered as a Breast Feeding Peer Supporter. The pressures of these roles plus her child care responsibilities simply overwhelmed her. In Vic's own words it 'did her head in'. Now she's recovering from the experience and learning at her own pace. The construction skills unit is one of a number of short courses she's done at the local community centre. In Vic's words, she's 'building up her credits' in these related skills, though she has yet to achieve a qualification.

What she wants to do, Vic says, is to get back into some practical work where she can manage her time and her family responsibilities. The construction skills short courses suit her and she's coping with them well. She's not sure if she'll carry on to do the whole qualification or not. What she'd like to do is voluntary work for Wakefield District Housing where she thinks her construction skills would be useful. She realises she would need a more substantial qualification at a higher level if she wanted recognition for a more specialist skill.

The other important thing about the course to Vic is that it's very close to her home. In fact the course based on the construction skills units moves

around Wakefield district. The workstations and equipment are portable, and at the end of each session they are folded up and stored away to leave space for a different class. At the end of the course they'll be loaded onto a truck and taken to another centre in the district. For Vic, local access is essential so she can finish the class and get back to the family that clearly means so much to her. She's fortunate to have a creative and committed local education service to support her as well as a tutor who's happy to a bit of heavy lifting.

97. Also referred to by several providers was the idea that a unit enabled a learner to 'have a go' at something without entering into a longer term commitment. Of course one of the benefits of a credit system is that the credits achieved through 'having a go' can be counted towards a future qualification if the learner chooses to use them to progress. This ambivalence about short-term and long-term learning goals was evident in a number of the learners on unit-based provision.
98. The presence of introductory units as part of a wider programme of work-related skills or work-readiness was a common feature in several different areas of provision. 'The right to change one's mind' (i.e. to start out with the intention of achieving a whole qualification but deciding that it wasn't appropriate and shifting to an alternative learning aim) without significant penalties was mentioned by several learners (an interesting concept in relation to the development of unit-based success measures) as a positive feature of a unit-based curriculum. In all cases a strong connection was made between units, choice and individual programmes of learning.

Julie

Although Julie had previously worked in a care home she'd been on long term sickness benefits for a number of years and had, as she put it, 'lost touch' with work. Her sickness benefit has recently been withdrawn and she was now on job seeker's allowance and had been referred to a short course at St Helens College by JCP.

Returning to work was clearly a challenge for Julie, but she was actually enjoying the course (her first experience of learning for many years). She had chosen units in residential care because it was something she was familiar with, but also because 'if I don't like it I can change to something else and I haven't really lost much time'. Behind this negative construct lies an important opportunity for Julie to test herself on one or two units in a particular area before deciding what would suit her best as a progression opportunity.

Julie needs some support from the college if she's going to get back into work. She herself is already looking at a Level Two qualification as the next 'stage' in her journey back to work, but both she and her tutor recognise that she also needs to improve her communication skills and her job readiness before she can really think about getting back into work. As Julie says, 'getting me out of the house' is half the battle for her. Being able to take her time to choose a route back to employment that she feels in control of and doesn't put her back 'on the sick' is the other half. The college's unit-based short course programme seems to be working on both counts for her.

99. Some providers were clearly using units as an intensive initial assessment vehicle. This was especially the case where progression to a whole qualification was a learning goal. Using initial assessment and learner-centred evaluation focused on an individual unit leading to the award of credit was seen as an important tool by some providers in ensuring learners progressed to an appropriate qualification (or an appropriate pathway) at an appropriate level. Providers reported that using units in this way has positive results in relation to future qualification success rates.

We put a lot of time and effort into that one unit. It's worth it so we can make sure that people are put on the right qualification at the right level. It's like an induction unit really, but of course people can take their credits with them into lots of other things.

Manager, Training provider

100. One provider offered a completely unit-based curriculum. Those learners that registered for a whole qualification were still offered it through a 'chunked down' curriculum. So learners supported through both the Unit Delivery trials and the Offer for the Unemployed were learning alongside learners progressing to whole qualifications, without any distinctions in their learning experiences. The structure of the curriculum had changed little, but now different groups of hard-to-reach learners were accessing this provision.

It's partly psychology. It's just easier for some people to sign up for a short course leading to credits and then decide if they want to continue instead of signing up for a whole qualification. The course is exactly the same, and we get the same proportion of people completing the qualification, but we get more people signing up in the first place if we just offer a unit.

Manager, Adult Education Service

101. Other providers linked the ability to offer units to the development of 'outreach' or community-based provision. In some cases a meaningful programme could be offered leading to the award of credits in a particular locality. In other cases selected units were offered in community-based provision and learners were encouraged to complete the process of accumulation towards a qualification on the main college site. In both cases unit-based provision was made accessible to new and different learners.

We've just started to offer this [unit-based] course in [a nearby neighbourhood]. It's only about a mile away but no-one there would have dreamt of coming to a course here [the main college site]. Now half the students want to go on to something else at the college.

Curriculum manager, FE college

102. Recommendation Six

The ability of providers to meet the needs of new and different learners through a unit-based curriculum needs to be recognised as a positive benefit of the new streamlined funding system for adult skills, and a legitimate objective of unit delivery in its own right. BIS needs to confirm its support for such provision prior to 2012-13 in order to give providers the confidence to respond positively to this change from the outset.

There are other groups of learners who are currently not able to access unit-based provision, but who could benefit from it

103. In a number of instances providers were being creative in making a unit-based offer to an individual learner or to a group of learners who did not meet the eligibility requirements for Agency funding. In effect one or more learners are added to a 'fundable' group and the available resources are effectively spread around a wider group of beneficiaries. This might be called a time-honoured practice, but it can only work on a 'marginal cost basis' and in cases where, for example, learners pay or contribute to the cost of their own AO fees
104. A number of providers expressed concerns about the limitations of the current list of available units in relation to their own list of preferred unit choices. Although a small number of these were specialist units in a particular subject or sector, other complaints about excluded learners were more widespread. There was frustration among a number of providers that the eligibility criteria for funding their unit offer forced them to make distinctions between individual learners who were seen by the provider as

a homogenous group with similar needs. So, for example, one person actively seeking work could be supported whereas a dependent family member could not.

The group works well because basically everybody's in a similar position. None of them are in paid work and all of them want to get a decent job. But some of them qualify for fee remission and others don't. I have to make sure that those that do make up at least 75% of the course.

Course leader, FE college

105. Several providers referred explicitly to the absence of units appropriate to ESOL learners on the approved list. Of course the absence of ESOL qualifications within the QCF itself lies at the root of this problem. However these concerns were apparently shared by local JCP staff, who viewed language development as an essential component of a meaningful work-readiness programme for some unemployed people. This is clearly a wider issue for the QCF and lies outside the scope of this report to make recommendations about.

If there were some ESOL units on the list we could double our numbers. And JCP would be very pleased too.

Vice principal, FE college

106. A slightly different set of concerns was expressed in relation to Entry level units, which at the time of interviewing were absent from the list of units available to the unemployed. One provider noted that some unemployed people had Entry level needs (and not just at Entry 3, where units have now been added) and they were effectively excluded from the unit offer. Another noted that job-seekers with learning disabilities, some of whom may be aiming for supported employment, were not able to access unit provision because of the lack of Entry level units at all Entry sub-levels.

It's true that there are some small Awards at Entry level, but it's not the size that's important, it's the ability to put together two or three units that meet a particular individual need.

Principal, FE college

107. Providers also called for the availability of funded unit delivery for learners with learning difficulties and/or disabilities more generally (where accredited provision was an appropriate route) on the grounds that small chunks of learning were more accessible than qualifications for these learners and better matched their needs to accumulate credits over a

longer period of time than might be the case for a typical learner. Such provision may be made in some circumstances, but some providers clearly saw their options restricted in relation to the needs of this group of learners.

108. Our previous recommendation that providers should be free to select active units from the QCF to offer to eligible learners from 2012-13, rather than from an approved list, should ensure that maximum flexibility is accorded to all providers to make appropriate provision for any kind of learner within the QCF. It is recognised that this may take some time to implement through the Agency's current systems.

Many providers would like to make a unit-based offer to younger learners as well as adults

109. Several providers shared the view that the kind of unit-based short programmes offered to adults through Agency funding would be equally valuable to many younger learners. Indeed, in one or two cases 18-year-olds were part of a unit-based offer (though of course they weren't eligible for Agency funding) through 'infilling' into a group of older learners.

It's daft isn't it? B... and D... are good mates and they're both out of work and desperate to find a job. B qualifies for fee remission because he's 19 but D is 6 months younger and we don't get any funding for him at all.

Course leader, FE college

110. A number of those interviewed made explicit reference to the problem of young people not in education, employment or training (NEET) and were frustrated that the current unit-based Offer for the Unemployed could not be extended to this group of learners. The similarities in background, profile and needs between all ages in the 16-25 NEET group and unemployed adults were referred to on many occasions.

111. Recommendation seven

While recognising that funding arrangements for 16-18 year-olds in full-time education or training will be based on a different model from older learners, the Agency and EFA might consider an approach to funding for the full 16-25 NEET group that supports the ability of providers to offer a unit-based curriculum to this group.

Many learners accessing unit-based provision aim to progress to a qualification in due course

112. Although much emphasis has been placed above on the ability of providers to offer individual units to learners, and the benefits to learners of being able to achieve credits for individual units, it should be emphasised at this juncture that many learners are accessing unit-based provision with the clear intention of moving on to achieve a whole qualification in the future. Often it is current personal or family circumstances that make a unit-based offer appropriate, rather than any negative views about the value of a qualification.

Owen

Owen has a full plumbing qualification and worked for six months as a plumber. He's also worked in the past as a fitness instructor. Last year he experienced a traumatic personal event that made him want to change both his job and his life. He quit his work as a plumber and (after a few months at home with his girlfriend) decided that he wanted to work with children. As Owen himself was in care as a child he has a very particular personal commitment to bring to his intended new career.

Owen's passion and commitment to his new employment goals were clear from the first minute of the conversation with him. Although he recognised that the short course he was on was a useful first step towards the qualifications he would eventually need, his overwhelming desire at present was to actually work with children. Like many of his contemporaries he was happy to work voluntarily. Indeed, for Owen getting paid for work was simply not a priority – being able to 'do something' for children – particularly 'kids with problems' – was what motivated him.

The unit-based short course offered him the chance to 'pick up a few credits' in areas that he knew would be important to any employer. Once in work he would then be able to carry on building up credits towards 'all the qualifications I could possibly need' in whatever work presented itself to him. He had no wish to stay on at the college to take a full-time qualification, he wanted to get out into work and start doing things.

Owen is far from a typical learner. His tutor thinks the course was as much as he could possibly have managed at the time – any greater commitment would simply have been seen as an impediment to achieving his goals, rather than a stepping stone towards them. He recognises that in the future he'll need qualifications to be able to fulfil his desire to help kids in any way he can. But at the moment, the credits on his short course are as much as he can manage without losing sight of his burning ambition.

113. In one instance unit-based provision was being used by a provider as a way of managing a recent increase in demand in a particular curriculum area where it was simply not feasible to offer a qualification to all those wishing to register. In part this was to do with the availability of teaching staff in a particular specialist area, as well as to the need to ensure the availability of work-based assessment for some units of the qualification. So learners were accepted onto units from the qualification that could be delivered and assessed on the provider premises, with an option to register at a later date for the remaining units of the qualification when the provider was able to deliver and assess these.
114. Clearly the facility to make this kind of offer is a primary intention of the Unit Delivery trials and indeed some of the learners in the above example were being funded through a Trial site. However, many of the learners who had taken up this offer were unemployed and some of them were actively seeking work. Once again there is no simple connection between the eligibility status of individual learners and their progression goals.

As the QCF develops patterns of achievement for individual learners will become more diverse

115. Most of the learners that form the focus of this project are learning on provision leading to their initial credit achievements in the QCF. However, some learners are entering unit-based provision with some credits already achieved from previous learning.

We had initially planned to offer everyone an Entry3 unit in Employability but we found that some people had already got credits for that so we ended up offering both Entry3 and Level 1 units

Curriculum Manager, Adult Learning Service

116. In addition to these examples of individual learners on current unit-based programmes that had previously achieved credits within the QCF, providers were also asked at interview about progression opportunities from unit-based provision. It was clear that some providers were beginning to notice increasing numbers of learners enrolling on provision leading to achievement in the QCF who already had some credits for previous achievements. Indeed, where a provider had previously been involved in Unit Delivery trials, this was becoming a familiar feature of provision.
117. Of course a learner may enter a programme leading to a qualification in the QCF and have credits from previous achievements, but none of these credits may count towards their target qualification because they fall outside the rules of combination for that qualification. Such cases were reported, and of course the provider still needs to check the learner's

previous credit achievements to ensure that this is the case. In the future, as some credits fall 'out-of-date' in relation to particular rules of combination, this initial checking will become more important.

118. Another case involved a learner with an Award that counted in full towards a Certificate in the same suite (a relatively common progression route in the QCF). However the learner had achieved some credits through two additional optional units in the Award and credits from one of these units (but not the other) also counted towards the Certificate. Again the learner's pattern of previous achievement was slightly more complex than was originally anticipated on enrolment.
119. A further case involved a learner who had achieved an Award in one pathway of a qualification and now wished to proceed to a Certificate in a different pathway. Although some credits from the Award did count towards the Certificate, some of them fell outside the rules of combination for the new pathway. The process of checking which credits could and could not be used for the new progression route again required time and expertise from the provider to ensure that all the learner's relevant achievements were recognised.
120. None of these examples is surprising and indeed each one represents an important feature of flexibility within the QCF. As AOs review qualifications and develop more flexible qualifications and pathways within the QCF, and as more and more learners achieve credits within the Framework, we may anticipate that patterns of individual achievement will become more varied. Providers will need to ensure that all previous achievements are evaluated in relation to proposed progression opportunities. Indeed their status as a recognised AO centre will require them to do this. It is in this context that the potential value of the PLR becomes apparent. This issue is addressed in a later section of this report.

Employers

The ability to offer individual units enhances providers' ability to meet employer needs

121. Providers and AOs noted that the ability to offer individual units to employers, rather than whole qualifications, was a major benefit of unit-based provision within the QCF. Where providers constructed individual programmes to meet employer needs, the ability for learners to achieve credits through their programme was seen as important, but the relationship to qualifications was less significant.
122. In addition to the ability to design a programme that meets their particular, it seems that many employers also value the ability of credits to attest to learner achievement through a reputable assessment and certification process. So the ability of a provider to operate as an AO centre seems to be important in engaging employers through unit-based provision.

Employers like the idea that people get an [AO] certificate at the end of the course. It enhances its value and it also reassures them that people have actually learned something, rather than just attending a course.

Vice principal, FE college

123. In some instances individual units leading to the award of credits are combined with in-house training specific to the employer. Some parts of the learner's training programme are externally recognised, others are not. In other instances employers select units from a 'bank' offered by the provider. In these cases no reference is made to any 'host' qualification, and indeed units are often selected by the employer from different qualifications. This combination of employer-specific training that is paid for 100% by the employer, and more generic training that is of benefit to the employee as well as the employer seems to strike an appropriate balance between the use of public funds and the employer's own training responsibilities.

We're getting pretty good at anticipating what an employer will want. I'll go into an initial meeting with a selection of units from the QCF database and they choose the ones they want, which a pretty close to the ones we thought they'd want.

Vice principal, FE college

124. In one instance learners achieved credits through a 'work-based academy' based on two units from the same qualification. They were then offered the opportunity by their employer (through co-funding) to return to the provider on a part-time basis to complete the remaining credits leading to a full qualification. Though an excellent model of practice in employer engagement, it should be noted that this planned progression to a qualification is exceptional. For most employers, the award of credits is sufficient to satisfy them that someone has learnt a particular skill.

Some providers are successful in progressing people to employment from unit-based provision

125. As noted above, the project team has come across several examples of short courses based on QCF units that have been successful in progressing people into employment. In particular the sector-based work academy approach seems to have been successful in a number of places, especially in the retail and hospitality sectors. The case study in Annex C focuses on a sector based work academy in the retail sector.

I would never have got the job without doing the course

Sector based work academy learner, Newcastle

126. This approach has worked well when there is close cooperation between local JCP staff and a provider. Most providers in the project sample have been very keen to work closely with JCP to develop provision to meet particular local employment opportunities. Annex C lists some of the employers who have been involved in this approach.

If these short interventions can be seen as making clients employment ready then they will be seen as valuable by employers

JCP District Manager

127. Not all successful courses are based on the work academy approach. Sometimes a local employer will be very specific about the particular skills they require before taking on new staff, and in some cases a single unit appears to be enough to begin the process of getting into work and beginning the process of accumulating credits to a full qualification.

[Local employer] said if I did this unit they could give me a start. I need to know the basics before they'll let me on the job. Then when I've started I can build up to a Level 2 over time – that's what I need to get fully qualified.

James, Unemployed learner, Wakefield

Other providers have found it difficult to develop a unit-based offer for employers

128. Several of the providers interviewed through the project have found it difficult to set up and promote a unit-based offer to local employers. In these cases the work on the Unit Delivery trials was being led by a unit or team within the provider (usually an FE college) responsible for work with employers. In one or two cases it was clear that the provider simply had not had enough time to prepare a strategy for approaching local employers with a unit-based offer. In other cases it appears that the local employment context (e.g. the presence of large numbers of small employers) makes a unit-based offer less attractive than for larger organisations.

We need to re-think our approach for next year. Although we targeted local employers nearly all our take-up has come from unemployed people. Employers simply haven't been interested.

Senior manager, Adult Education Service

129. One provider had attempted to promote short courses to employers based on units with a value of three credits. This was seen as too much of a time commitment for an employer to make. What was needed were units with a value of one credit, but these were not available at the appropriate level in that sector. An employer was more likely to pay full cost for a one day customised course that didn't lead to the award of credit than a longer course that did.
130. The costs of AO registration and certification were also referred to in this context as a disincentive to a unit-based offer for employers. If these were passed on to the employer then they could (for some AOs) constitute a considerable additional cost which most employers were simply not interested in paying.
131. In those instances where providers had struggled to develop an offer for employers, this had not necessarily had an impact on their offer for the unemployed. Indeed some providers were keen to draw distinctions between the two areas of provision, stressing that although they were having difficulties in developing a unit-based offer for employers their work with unemployed adults was growing rapidly, both through the Unit Delivery Trials and the Offer for the Unemployed.

We think a unit offer is great for learners, but our experience is that it's not what employers want.

Director, FE college

The Sector Skills Councils in the survey were enthusiastic about the positive impact of unit-based provision for employers

132. As part of the evaluation activity the NIACE project team interviewed representatives of two Sector Skills Councils (SSCs) about the impact of unit delivery and CAT on qualifications in their sector. Both SSCs were enthusiastic about the potential benefits of unit-based provision in their sector, and saw this as important for employers in developing flexible training programmes to meet particular employment needs.
133. The main perceived benefit for individual employers was the ability to organise and deliver training around individual units, 'topping up' qualifications when some units became outdated, or adding specialist units in new areas as an organisation grew and developed into new areas. The ability to offer individual units could also help to raise overall skill levels in a sector.

For some people smaller episodes of learning are best. There are lots of people in [the sector] that don't have a Level 2 qualification...and could be tempted into training by starting with a unit and then signing up for more.

SSC Qualifications Manager

134. The ability to transfer credits between qualifications was also seen as an important feature of flexibility within both sectors, and an important guarantee to an employee that training with one employer would be recognised in a move to another employer. In sectors with high labour turnover and without well-established training leading to a qualification, the ability to transfer credits gained through two or more employers towards a qualification recognise across the sector was an important in supporting career development for employees.
135. This same concern about the ability of individual employees to gain qualifications and thus to improve the general skill levels of the whole workforce led one SSC to argue strongly for public funding to support individual units, even where these addressed a very particular employer need. Without public funding, it was suggested, the opportunity to achieve credits would be lost.

In some specialist areas in [the sector] neither the employer nor the employee is interested in a whole qualification. However, if a training course was publicly funded (in whole or in part) then the employee could get credits for that unit as part of a longer term career path.

Without public funding the employer would still offer the training, but there'd be no assessment leading to credit and no benefit to the employee if they changed jobs in the future.

Qualifications manager, SSC

Assessment and certification

There is continuing frustration among some providers about the lack of responsiveness of some AOs to a unit-based offer

136. Notwithstanding this impression of a gradual shift in AO perceptions and operational systems in relation to the QCF, there is ongoing frustration on the part of a number of providers interviewed that some AOs are not able to support their unit-based offer as effectively as they would like. Alongside this there is a perception by other providers that some AO systems are beginning to change in response to this growing demand.
137. Some providers were critical of AO registration costs for learners enrolling on provision based on one or two units. In the most extreme case, the costs of registration on a single unit were the same as registration on a whole qualification. At the other end of this spectrum were the two AOs that linked their charges explicitly to the credit value of the learner's individual programme. There is some evidence that AOs are reviewing their charges in this respect – often driven by the more flexible charging arrangements of their competitors.

[The AO] is charging us x per unit and then if people go on to the whole Award they charge us y for that as well. So [the AO] charges are about 30% of the funding we get for the course. We just can't pay that.

Senior manager, FE college

138. A further complaint from providers was that some AOs simply could not support assessment and verification on short courses based on one or two units. In some cases moderator and verifier contracts did not permit frequent enough visits to short-course provision. In another case the sampling requirements of an AO were seen as unnecessarily burdensome in relation to roll-on, roll-off provision, with unreasonably high charges resulting.

In some areas this works OK, it depends on the AO. We've had real problems with [AO] who want us to provide a 100% sample of work to their EV for every cohort on a roll-on, roll-off programme.

Vice principal, FE college

139. One provider was concerned that on-line assessment arrangements were not available through one AO, though other AOs did offer them. Several providers were concerned that AO certification processes were either too slow to certificate learners on unit-based provision, or were based on the

assumption that credits were awarded together with (rather than separately from) a qualification. Claiming credits by themselves (i.e. without also claiming a qualification) is still a challenge to some AO systems.

We don't actually get credit certificates from [AO] when our learners complete. We get a letter confirming that credits 'will be awarded' and the claim for credits goes in alongside the 'normal' claims for qualifications

Senior manager, FE college

140. There is some evidence that providers are 'shopping around' for the best deal in relation to AO support for their unit offer. The cost of registration and/or certification is one factor in provider decisions about choosing a particular AO, but it is by no means the predominant reason. Most providers referred to the service they receive from an AO, including telephone and e-mail support to answer queries; handbooks and assessment guidance linked to units and credits; and knowledgeable and accessible verifiers or quality assurance staff as important in determining their choice of AO.

Actually [AO] isn't the cheapest of the ones we use but we get good support from them. They seem well geared up [to the Offer for the Unemployed] and there's always someone there I can talk to if we have a query

Curriculum manager, FE college

141. It should also be noted that providers were by-and-large reluctant to change AOs without real cause for concern. They were also understandably very reluctant to increase the number of AOs they worked with across the board simply to support their unit offer (though one provider had felt it necessary to do just this). However within larger providers, subject and sector areas do shift between AOs over time. Where a provider plans a significant unit-based offer, the support of an AO for this offer is an important factor in deciding which AO to use in that subject or sector area.

We're going to drop [AO X] next year. They're obviously not set up for this kind of provision. Of course we'll still use them for some qualifications, but [AO Y] has been much better for our unit offer

Director, FE college

142. The Position Paper included as Annex E to this report draws on this experience in identifying examples of good AO practice for providers. No recommendations are made on this particular issue, but the report and the Position Paper include some important messages for AOs, especially if Agency funding supports a considerable expansion of unit-based provision in the future.

There are clear signs of change in both strategies and operational systems from some AOs in response to unit delivery

143. Having outlined above some of the concerns of providers in relation to AO systems and procedures to support unit delivery, it should also be noted that many AOs are clearly amending and updating these systems and procedures to support unit delivery and (in some cases) CAT.
144. These changes in AO systems are being driven in part by explicit demands from providers and in part by a recognition by AOs that unit delivery arrangements (particularly through the Offer for the Unemployed) are becoming a more significant part of the overall offer of some providers. In some instances however there is little evidence of significant change in AO practice in response to changing demand.

There's no demand from providers for credit certification on individual units

Manager, AO

We're thinking of shifting our provision away from [AO X] because they can't respond quickly enough to our request for credits to be awarded

Director, FE college

145. Most disjunctions between AO and provider perceptions are less dramatic than this, and indeed some AOs are much less complacent about their current market position. One AO was particularly self-critical of its lack of responsiveness to date to unit delivery and CAT and had a deliberate strategy in place to win back market share as the QCF matured.

We simply didn't respond quickly enough to the changes brought about by the QCF and we've lost a significant amount of business because of it. We have to be more flexible in future if we're going to remain competitive.

Senior manager, AO

146. Several AOs reported that they were able to maintain or increase their market share because they had traditionally been able to support more flexible, unit-based provision. The Offer for the Unemployed in particular created a significant new market that some AOs felt they were well-placed to support. Indeed one AO has explicitly targeted providers involved in this Offer as potentially new customers that it can support.
147. This last AO was well-prepared for both the Offer for the Unemployed and the Unit Delivery trials, preparing promotional material in advance to support unit delivery arrangements and identifying available units on its web site within hours of publication of the Agency's unit lists. In contrast another AO said it had been taken 'completely by surprise' by the Offer for the Unemployed and it had taken 'ages' to get both internal support systems in place and information to providers about available units.
148. Another AO had just completed a review of its charging policies to facilitate registration on individual units. Another had upgraded its results reporting system to support faster certification of credits. While one AO claimed that it would cost them 'hundreds of thousands' of pounds to shift their current IT systems to automate certification arrangements for individual units, another claimed to be doing precisely that 'without any significant additional IT costs'.

I think we're finally catching up with some of the implications of the QCF. It's taken a while to amend our IT systems but I think we're now in a much better position to support this [unit registration and certification] than we were a year ago.

Manager, AO

149. Clearly some AO systems are able to change more rapidly than others. There is also a continuing level of uncertainty among some AOs about the long term strategy of the Agency in relation to unit funding and CAT. Several AOs (including large AOs) were reluctant to commit large sums to invest in upgrading systems to support unit delivery and CAT without a clear indication that these would be permanent features of the funding landscape in the future. In this context the concept of Unit Delivery 'Trials' does little to reassure these AOs.
150. It is interesting to note in this context that the development of unit delivery within the Offer for the Unemployed appears to have had an important impact on some AO systems and procedures. In some cases this appears to have created awareness of a demand from providers that was at least as important as the introduction of the QCF itself in changing AO perceptions of the needs of their centres. It should also be noted that, as

the QCF matures, providers become aware of the different practices of AOs in supporting the flexible use of the QCF.

151. These two trends, coupled with the recommendations above about supporting unit delivery within the streamlined funding system from 2013-14, should create a context within which AO systems and procedures can develop in the future to provide better and more comprehensive support to providers offering a unit-based curriculum.

Assessment and verification/moderation systems place some constraints on the ability of AOs to support unit delivery.

152. Some AOs were concerned about the problem of managing and conducting assessment and verification flexibly enough to support a unit-based system. The development of short programmes based on small numbers of units drawn from a range of subject or sector areas would, in the views of some AOs, be difficult and expensive to manage. One mechanism to mitigate these potential costs to an AO is referred to above: permission to use a unit is only given in cases where the provider also offers a whole qualification from which the unit is drawn. Thus assessment and (in particular) verification can be managed cost-effectively through this concept of units as 'additional' to a mainstream qualifications offer.
153. Other AOs do not impose this 'additionality' criterion and are more easily able to support assessment and verification on unit-based provision. Some AOs link moderator contracts to programmes rather than qualifications, or to particular clusters of units in a curriculum area, irrespective of the qualification in which they are located. These AOs (which also have well-established processes for unit registration and charging) are able to respond to requests to support assessment and verification on individual units, even where a whole qualification is not offered. One AO is offering to recognise new centres to offer individual units as a marketing strategy, assuming that in time the centre will also wish to offer its full qualifications.

If we're serious about supporting a unit-based qualification system then we have to make sure our own systems are unit-based. That extends to moderator contracts

Manager, AO

154. Another AO addresses this problem through its quality assurance processes and its guidance to centres on sampling. If a provider has good quality assessment systems in place (based on evidence from AO monitoring over an initial period of recognition) then the AO can support unit delivery in exactly the same way as qualification delivery. No additional verifier visits are required, as each visit is concerned only to

assure that good quality systems in place. If some units are offered outside a qualification then this will simply show up in an increased number of samples of evidence from those units over time. The centre will still need to be approved to offer the whole qualification from which units are selected, but no additional systems need to be put in place to support unit delivery.

155. There is also evidence from providers that units are being selected for delivery that are straightforward and cost-effective to assess by the provider, and which can easily be sampled by verifiers and moderators. So, for example, some providers have deliberately selected 'knowledge-based' units (rather than 'competence-based' units) as the basis of their Offer for the Unemployed so that they can be assessed in a classroom or workshop on the provider's premises and do not require work-based assessment or external examination. The outcomes of such assessment can often be sampled electronically by moderators/verifiers and the process of certification can be undertaken relatively quickly.

We chose these [Level 1] units because we can assess them here in the college and they form part of a large number of qualifications. It's also the kind of thing that an employer will notice, because they're essential for lots of jobs in the sector.

Course leader, FE college

156. Other providers have tried to use units wherever possible that can be assessed electronically. One provider in particular identifies this as the single most important feature of the units selected for the Offer for the Unemployed. Indeed it is not simply the availability of on-line assessment, but also the facility to return results promptly and to support the rapid award of credits that also drives unit choice for this provider, which focuses on ICT, numeracy, literacy and ESOL provision.

It's the most important thing we look for in a unit – can it be assessed on line. We tend to use [AO] because we're familiar with their [on-line assessment] system and people get confirmation of their results at the end of the test.

Manager, Training provider

157. In general, providers report few problems in conducting assessment and in arranging verification on unit-based provision. Some providers have selected units offered by AOs that they know can respond to the flexibilities and rapid turn-around of their unit-based offer. One or two have switched provision to a different AO so that appropriate support can be offered. Others may do so in the future, depending on the response of

chosen AO(s) to their current offer. It would seem though that the scale of the Offer for the Unemployed is an important factor for AOs in changing or adapting some of their more traditional practices to respond to these particular provider needs.

There are continuing additional costs to AOs in supporting a unit-based offer, but for most AOs development costs are no longer significant

158. The views of providers on AO costs are recorded above. AOs themselves reported a range of views on the additional costs to them in supporting centres to make a unit-based offer. Two claimed these costs were significant, three said they were non-existent and the remainder viewed these costs as 'marginal' or 'acceptable'. In this context it should again be noted that most AOs constrained the unit offer by supporting assessment and verification only in cases where the provider was also recognised to offer the full qualification in which a unit was located.

We've just invested in a new IT system that we know supports a credit system because it's being used by several other AOs. To be honest it's much cheaper to run than our previous [in-house] system and it can do more. People who tell me they're spending lots of money on new IT systems because of the QCF are either exaggerating wildly or are wasting money

Director, AO

159. Although some AOs did refer to the additional costs of registration, tracking and certification in relation to a unit-based offer most identified the monitoring and verification of provider-based assessment as the most potentially significant additional cost. In some cases organising additional or more frequent verifier visits for unit-based provision was the single significant additional cost. In some cases more frequent demands for certification also brought additional costs; in others demands for credit certification were handled without difficulty through existing systems.

We've just introduced a new charging structure this year that's based on the number of units in a qualification. Now we have an IT system that can support it we can register learners on individual units at a reasonable price.

Senior manager, AO

160. Some AOs referred in general terms to the high additional costs of implementing the QCF. In contrast others were of the view that the costs of transition to the QCF were negligible. When asked to identify the source of these additional costs, this first group of AOs referred most often to the

imposed timetable of transition to the QCF by government. In other words the 'normal' process of reviewing and updating qualifications over a five year cycle had been compressed into two or three years and this had imposed significant additional costs during this period.

161. With one exception, all AOs interviewed were now of the view that this period of high additional development costs was over and that the 'normal' cycle of review and updating could now resume and would result in qualifications based on higher quality units and more flexible rules of combination. The overall impression is of AOs shifting from an initial phase of implementation of the QCF to a longer-term phase of gradual change and improvement that will lead to better and more positive support for a unit-based offer. Some AOs are clear that they are already in this position.

It's taken us a while, and its involved quite a few changes in our business processes, but I think we're now able to support centres to make better use of the QCF

Senior manager, AO

Flexibility within the QCF

The continuing availability of shared units is critical to the further development of unit delivery and CAT within the QCF

162. In selecting units to offer, providers were keen where possible to choose units that were shared between qualifications and AOs. Irrespective of whether the goal for an individual learner was the award of credits or progression to a qualification, providers were keen to keep as many options as possible open to learners. Shared units were seen by providers as critical to maintaining this choice of progression opportunities from unit-based programmes.

We've selected these units because we know they're shared between a number of different AOs. So if someone gets credits through [AO x] they can use them towards a qualification from [AO y] if they want

Curriculum manager, FE college

163. The ability to transfer credits between qualifications based on shared units is the simplest and most straightforward form of credit transfer available to learners in the QCF. However the QCF also permits credits to be transferred between qualifications even though the units through which these credits are achieved are different from each other. Despite this facility to accept credit transfer from such equivalent units, it appears that in practice most AOs are reluctant to accept credits for transfer unless they are based on shared units.

We've always accepted shared units – it was a feature of NVQs. But we don't recognise equivalent units. If they're not the same credits can't be transferred.

Manager, AO

164. It was pointed out to the project team that, in its first version, the Regulatory IT System did not support this concept of equivalence between different units. Recent changes in RITS now made it possible to identify 'equivalent units'. In this context we might anticipate a gradual expansion of credit transfer facilities in the QCF beyond the current transfer of credits based on shared units.
165. Having noted this, it would appear that for the foreseeable future the further development of credit transfer within the QCF is dependent to a great extent on the continuing availability of shared units. Although there was still some opposition to the principle of sharing units, the majority of AOs interviewed through the project were happy with the concept of

shared units, and operated on the principle that all the units that they developed should be made available to other AOs in the QCF. The majority of units in the QCF are shared and Ofqual sets conditions on the use of restricted units within recognised qualifications. However, there are still some practical difficulties that needed to be addressed in sharing units between qualifications.

166. One such difficulty relates to unit ownership and unit expiry dates. In theory the owner of a unit could block its use by another AO by refusing to review and update it before its expiry date, thus blocking its potential use in a competitor's qualification. Of course one way around this problem would be for the second AO to develop a similar unit which it owned. Indeed it seems that this is already starting to happen in some sectors, especially those in which SSCs are withdrawing from the unit development process.
167. In this context, despite the designation of units as 'shared' within the QCF, the reality may well be that individual AOs continue to develop 'parallel' units to others and that a gradual proliferation of very similar units begins to take place. If such a proliferation is coupled with a reluctance to recognise 'equivalent' units within rules of combination, this could stifle the operation of credit transfer and have a negative impact on the flexibility of qualifications within the QCF. This is an issue that needs to be considered by the regulators.
168. It was recognised that much of the impetus behind the sharing of units in the QCF has come from both SSC approval criteria and Agency funding arrangements. Both AOs and providers recognised the declining influence of SSCs in the unit development process. In this context several interviewees referred to the importance of the Agency in continuing to encourage the sharing of units across qualifications and awarding organisations, recognising that in some circumstances restricted units may be eligible for funding.
169. In considering how to address this issue a distinction needs to be made between 'shared' units and 'shareable' units. So, for example, an examination of four AOs offering units that covered similar content revealed that, although all the units in all the qualifications were designated as 'shared', three of the four AOs used only units that they had developed and did not identify any equivalent units from other AOs in their rules of combination. The units were 'shared' only between qualifications offered by that AO. The units developed by the fourth AO were actually used in 30 different qualifications offered by five AOs. Clearly this last case illustrates well the distinction between 'shareable' and 'shared' units.

170. If unit delivery and credit transfer are to operate effectively within the QCF in the future then systems and structures need to be put in place both to support the real sharing of units between qualifications and to stimulate the development of 'equivalent' units within rules of combination. It is suggested that both Ofqual and the Agency have a role to play in supporting the future development of credit transfer in the QCF through both shared and equivalent units in the future, not least to prevent the proliferation of more and more similar units.

171. Recommendation Eight

Ofqual should consider undertaking a review of the use of both shared units and equivalent units within QCF qualifications and should ensure that the future application of the regulatory arrangements for the QCF within the General Conditions for AOs prevents the unnecessary proliferation of similar units and supports the operation of credit transfer between qualifications

172. Recommendation Nine

Within the streamlined funding system for Adult Skills the Agency should continue to be active in promoting provision based solely on shared units at all levels of the QCF

Credit accumulation is well understood as a concept and systems are in place in most cases to support the process of accumulation

173. Some AOs continue to present units as simply subdivisions of a qualification, and make little or no reference to credits in their information and promotional literature. Others actively promote the award of credits and refer to the concepts of credit accumulation and (occasionally) credit transfer in their information and publicity materials. The concept of learners 'building up' credits towards a qualification is quite widely used in this context.

Credit accumulation is actually particularly useful to learners in our sector. There's a wide variety of providers and models of delivery so building up credits over time suits people well.

Senior manager, AO

174. Most of the providers interviewed were familiar with the concept of credit accumulation and were clear about how the process worked within the QCF. There was widespread support for the principle of credit accumulation and a clear view that the ability to achieve credits and count them towards a qualification was a key benefit to learners on unit-based

programmes. The opportunity to accumulate credits was promoted actively to all learners. Whether a learner's immediate goal was the achievement of credits or a qualification was irrelevant to this potential benefit.

I've got my credits for [the first unit] and now I've almost got my second lot. I'm not sure if I'll do the whole qualification, but I know if I do I've got some credits already.

Julie, Unemployed learner

175. It is interesting to examine the different rationales behind the Offer for the Unemployed and the Unit Delivery trials in this context. As noted above, many providers made little or no distinctions between these separate arrangements in developing unit-based provision. They also made little or no distinction between the intentions of learners with regard to credits and qualifications. It is the facility to count credits towards a qualification that is important. Whether or not the learner chooses to accumulate credits towards a qualification is of little importance in relation to the organisation and delivery of the curriculum. From the provider's perspective there are no meaningful distinctions to be made in the organisation and delivery of a unit-based offer that are related to the learner's long-term achievement goals.
176. In this context it appears that data related to credit accumulation will actually be difficult, or impossible, to collect. Where a learner progresses from a unit-based programme to a qualification-based programme, carrying forward credits from one to the other, such a process would not 'show' as exceptional in provider data collection processes. Where credits were accumulated across financial accounting periods this might be able to be identified more easily. For most providers in most instances, credit accumulation was simply the normal process through which learner achievements were recorded.
177. AOs gave similar responses. If a learner moved from a unit-based programme to a qualification-based programme, taking credits with them, there is no reason why an AO would be made aware of this process. Credits would be awarded through standard processes, and a qualification (if achieved) would also be awarded through completion of the rules of combination. The AO would not know (and would not need to be concerned) about a learner who had progressed to the qualification through two (or more) distinct types of programme.
178. In summary, credit accumulation is seen by providers as a standard process within the QCF, albeit one that becomes more explicit to learners who are offered unit-based programmes. Providers see no problem in promoting the principle of credit accumulation to learners, and see the

opportunity to be able to accumulate credits towards a qualification as important in all cases, irrespective of whether or not a learner chooses to use their credits in this way. Learners themselves often begin the process of building up credits without a clear qualification aim. Most AO systems are able to support this process of credit accumulation, though some AOs promote and facilitate it more actively than others. In most cases, credit accumulation is 'business as usual'.

Credit transfer is less well understood and the impediments to development of credit transfer arrangements remain significant

179. Although the term 'CAT' is widely used in relation to the QCF (and indeed is central to the aims of this evaluation project) a distinction needs to be drawn between the two processes of 'credit accumulation' and 'credit transfer'. As noted above, the former concept is developing steadily and without undue difficulty as the QCF matures. However, at the current stage of development of the QCF the concept of 'credit transfer' is more problematic, less well understood and certainly less utilised.
180. Where a learner achieves credits within a single qualification offered by a single AO the process of credit accumulation is clear and unproblematic. Where a learner achieves credits through one qualification and wishes to count them towards another qualification offered by the same AO, this is slightly more complex for a provider (funding rules need to be considered - providers were generally aware that funding could not be claimed for credits already achieved towards a qualification) but can be accommodated without undue difficulty through AO systems. Whether this second case is classified as 'accumulation' or 'transfer' varies between AOs.
181. It is the third case that is most problematic, where a learner seeks to transfer credits from a qualification awarded by one AO towards a qualification offered by another AO. This is the case most often referred to as 'credit transfer' by AOs and providers, and it is difficult to find examples of it working effectively in the QCF at present. Having said this, it is noted above that some providers are deliberately selecting units within their unit delivery arrangements that are shared between different AOs. The reason for doing this is to provide the widest range of opportunities for progression to different qualifications offered by these AOs. It therefore seems that the Agency's current initiative itself will generate examples of credit transfer.
182. It is interesting to compare the perceived importance of the principle of credit transfer as expressed by a number of providers with the apparent complacency shown by some AOs in making credit transfer actually work within their qualifications offer. The ability to work with a single AO to

support a flexible, individualised, roll-on roll-off programme based on a range of individual units, and to enable learners to progress from this programme to a range of qualifications offered by a number of AOs, is seen as important by providers making a significant unit-based offer, and who wish to expand this offer in the future. This view is not necessarily shared by all AOs.

There's no demand for credit transfer so it's not worth investing in systems to support it

Systems manager, AO

183. It should be noted that, despite the requirement within the QCF for all AOs to accept credits from all other regulated AOs, there are some practical impediments to the operation of this requirement that are operated by some AOs. We note above for example the policy of an AO not to identify any 'equivalent units' within its rules of combination. Another AO has a 'Credit Accumulation and Transfer Policy' which appears to show a positive commitment to the credit transfer principle. However the policy relates only to qualifications awarded by the AO itself. The concept of credit transfer from a qualification offered by another O is entirely absent from the policy. Other AOs appear to exclude credit transfer possibilities through less explicit means.

We need to be sure about the assessment methods used by another AO before we could accept credits for transfer. Not all AOs have quality systems in place like [ours] to ensure good quality assessment

Manager, AO

184. Having noted these problems, it should also be said that several AOs that were interviewed were extremely positive about the principle of credit transfer. Although the initial versions of qualifications developed for the QCF had not identified many opportunities for credit transfer, as these qualifications were reviewed and re-submitted for recognition, more such opportunities were being built in (though in some cases SSCs were reluctant to support this). The primary motive for developing such credit transfer opportunities by these AOs was to support providers in developing programmes responsive to individual learners and to maximise the value of credits awarded in the widest possible range of provision.
185. Another factor inhibiting the development of credit transfer arrangements in the QCF is the lack of a record of credit achievement common to all learners that is shared across all AOs and is easily accessed by all providers. The section below on the Personal Learning Record examines this issue in more detail.

186. Several providers noted that, in the context of Agency funding, there were no financial incentives for providers in transferring credits towards a qualification, especially if these credits had been achieved elsewhere (though such cases were few and far between). There was an acceptance that it was appropriate for the Agency to withhold funding for that proportion of a qualification that had already been achieved through credits, as well as an acceptance that it was the provider's duty to record and report on these previous achievements openly and accurately. Nevertheless it has to be accepted that supporting credit transfer through funding arrangements is problematic.

We'd be mad to promote credit transfer aggressively if we lost money in every case

Vice principal, FE college

187. Having noted this some providers recognised that there were distinct advantages in promoting opportunities for credit transfer in the context of co-funding, or in full-cost employer-based provision or (in the future) if an individual paid for learning through a loan. The ability to say to a learner 'you don't have to repeat that' (and therefore you don't have to pay for it) was extremely advantageous in this context. We might anticipate that credit transfer opportunities will develop more rapidly in areas where co-funding and/or student loans become widespread in the future.
188. It seems that there are a range of potential barriers that need to be overcome in order for credit transfer to function effectively across the QCF. It is also clear that it is a function that will need to be developed gradually over time, and that will always be an option for a minority of learners. Nevertheless, there is a demand for credit transfer in some instances, and as unit-based provision grows this demand is bound to expand.

189. Recommendation Ten

The Agency should ensure that its funding arrangements and performance measures continue to support, or at the very least do not unnecessarily inhibit, the gradual development of credit transfer opportunities across the QCF.

Some SSCs have supported the development of credit transfer opportunities in approved qualifications, but others have not.

190. In certain instances these impediments to credit transfer have been imposed (perhaps unintentionally) by an SSC requirement, for example a

'qualification assessment strategy'. A similar impediment exists within some of the overly prescriptive 'assessment requirements' for individual units that have been developed, often by (or with the support of) an SSC. Although a unit may technically be available for use in any qualification, in practice it cannot be shared because the prescriptive nature of the assessment requirements effectively 'locks' the unit into a single qualification.

191. Several AOs noted that they would like to be able to offer qualifications in a particular sector but had previously been prevented from doing so by the policy of particular SSCs to block access to their sector. There was anticipation in some AOs that it would be less easy for SSCs to do this in the future, but it seems that credit transfer opportunities have been limited in some sectors by limiting the number of AOs able to offer these opportunities for transfer.
192. As our examples of supportive comments from the SSCs interviewed through the project illustrate, these technical impediments to the development of credit transfer opportunities are not present in all sectors. However the cumulative effect of restricting access to a sector by some AOs, developing assessment strategies for whole qualifications and setting detailed assessment requirements for individual units have all placed obstacles in the path of easy movement of credits between qualifications in some sectors.
193. In this context the increased freedom of AOs to develop rules of combination for QCF qualifications without the need for detailed SSC approval needs to be used more creatively in the future if some of the previous impediments to credit transfer opportunities that have been imposed (perhaps unwittingly) by SSCs are to be removed.

194. Recommendation 11

AOs should continue to develop credit transfer arrangements within QCF qualifications as they are reviewed and updated over time

The concepts of RPL and exemption are not clearly understood and remain underused in most provision

195. Alongside questions about the development of credit transfer arrangements, AOs and providers were also asked about how RPL and exemption were being used within qualifications and within centres. Although these processes are only marginally related to unit delivery it is clear that they are both underdeveloped and misunderstood by many of the people interviewed through the project.

196. The definition of RPL in the QCF is

A method of assessment that considers whether a learner can demonstrate that they meet the assessment requirements for a unit through knowledge, understanding or skills they already possess and do not need to develop through a course of learning

197. Despite the clear definition of RPL as a form of assessment offer, many of those interviewed used the term 'RPL' to describe the CAT process. It seems more than possible that in fact both credit accumulation and credit transfer are operating more widely than thought within the QCF, but that people refer to these processes under the heading of 'RPL'. Meanwhile 'real RPL' remains underutilised, despite the availability of Agency funding to support it (which several providers were not aware of).

198. Similarly both providers and AOs confused 'exemption' with both 'compensation' and with 'condonement'. Very few AOs consciously built exemption arrangements into their rules of combination and the project team found little evidence of exemption actually operating in practice. Like credit transfer, it would seem that RPL and exemption are processes that will be developed gradually over time, and will always be utilised by a minority of learners. Having said this, both facilities become more important, and are more easily managed and promoted, within unit-based rather than qualification-based provision, and will become increasingly important as co-funding and loans develop through Agency funding.

The lack of a fully-populated Personal Learning Record (PLR) is an impediment to developing a fully operational CAT system.

199. There was frustration among a number of providers about the lack of useful information within the PLR. Several providers made an explicit connection between the functioning of an effective CAT system and the availability of a fully-populated PLR. Some thought that CAT would never be able to function effectively without the PLR. One provider (and more than one AO) thought that all AOs should be more actively encouraged to use the PLR.

They [the Agency] should make use of the PLR a condition of funding. If credits and qualifications had to be recorded in a PLR in order for providers to claim funding, AOs would change their position overnight

Manager, Training provider

200. At the outset of the project, although over 600 providers were registered to use the PLR, only five small AOs were committed to using it. In recent

months the picture has changed significantly following an agreement between the Agency, LRS and AOs to trial an updated version of the PLR. Here are now over 50 AOs committed to either trialling or using the PLR and although the envisaged comprehensive use of the LR by AOs is still some way from being realised, clear progress has been made. In addition LRS continues to hold discussions with AOs (particularly the larger AOs) to resolve their concerns about using the PLR.

201. Despite these continuing uncertainties, some AOs are positive about the PLR. However, each of them expresses a similar concern, which is that they are reluctant to invest time and resources in adapting systems to relate to the PLR unless there is a commitment from all other AOs (and in particular the larger AOs) to do the same. In short, most AOs are waiting for every other AO to commit to the PLR before they will risk doing so. In this context, 50 AOs is still considerably short of the number needed to support a comprehensive CAT system through the PLR.

We have no objection to using the PLR in principle, but it's going to require some investment in our IT systems to make it work and quite frankly we're not prepared to make that investment while the major AOs refuse to use the PLR

Senior manager, AO (in December 2011, prior to current progress)

202. The lack of comprehensive data on credit achievement in the PLR is seen by providers as an impediment to the development of CAT (and in particular credit transfer) across the QCF. Several providers noted that having to track down and enter data about previous achievement from paper-based sources or from individual AO systems, could involve them in considerable costs and would prevent credits from being transferred easily between qualifications and AOs. This frustration was felt particularly keenly by those providers familiar with the functionality of the PLR, and who recognised its potential value as a guidance and programme-planning tool.

It could be a really important tool for us if it worked properly. Being able to use it at enrolment and induction could help us a lot.

Manager, Training provider

203. This last point is significant in relation to the Agency's role in supporting providers to realise the benefits of the QCF. Although the barriers to usage of the QCF result from the concerns of AOs about the use of data about learner achievement, the wider use of the PLR as a tool to support learners in making informed and appropriate choices about progression routes to the achievement of credits and qualifications is of major

importance to providers. The problems of one group of users (i.e. some AOs) have previously blocked the realisation of potential benefits for a much wider group of users (i.e. providers and learners themselves). It is to be hoped that the current more positive progress signals the possibility of future use of the PLR by all AOs in the QCF.

204. Recommendation 12

The Learner Records Service and AOs should make continuing efforts to ensure that the PLR is used in future by all AOs in the QCF.

Regulatory systems to support a unit-based offer need further improvement and development

205. Most of the AOs interviewed identified concerns around aspects of the role of Ofqual in supporting unit delivery and CAT within the QCF. Some AOs perceived no indication that Ofqual was using its regulatory powers to support the policy intentions of the QCF and saw no encouragement from Ofqual to develop flexibility within the design of QCF qualifications. Some AOs questioned Ofqual's understanding of the QCF, though others recognised that the remit of the regulator made positive intervention to support the QCF problematic.
206. Ofqual itself recognised that there were both statutory and practical restraints on its ability to support the policy objectives of the QCF. There was no longer a dedicated team within Ofqual with responsibility for the QCF and the General Conditions under which all AOs now operated were deliberately conceived as a 'higher level' set of requirements than the more detailed regulations of the QCF itself. While government supported the QCF, Ofqual itself would continue to ensure that the Regulatory Arrangements governing the Framework would be applied. However Ofqual itself had no remit to enforce the initial policy objectives of the QCF (i.e. that it should be more accessible, more inclusive, more responsive and less bureaucratic than the NQF)
207. There was concern from some AOs that some of the requirements of the new single regulatory framework for qualifications, as manifested through Ofqual's General Conditions for recognition, could be contradictory to the regulatory arrangements of the QCF. Two AOs pointed to the certification requirements in the General Conditions as undermining the principle of credit as the currency of achievement in the QCF.

Every certificate we issue has to be related to a single qualification. It's exactly the opposite of the QCF requirement and directly undermines credit transfer.

Director, AO

208. Some AOs noted that the Conditions related explicitly to whole qualifications rather than to units and appeared to undermine the concept of unit-based qualifications central to the QCF. In some instances, individual sections of the General Conditions were highlighted. In other cases it was the concept behind the General Conditions that was seen as problematic.

This whole section [E3.2] is at odds with the QCF. It goes backwards to the NQF and re-defines a unit as part of a qualification. So much for a unit-based qualifications framework – the General Conditions spell an end to that.

Senior manager, AO

209. Ofqual confirmed that, in any conflict between the General Conditions and the QCF regulations, the General Conditions would 'win out'. However there was no intention to undermine the QCF in applying the Conditions. The Conditions would be kept under review and if an AO could demonstrate that the application of the Conditions was undermining the QCF regulations in any way then Ofqual had processes in place to deal with such cases. In due course the QCF regulations themselves would be reviewed to ensure they were consistent with the General Conditions (which of course may simply confirm the fears of some AOs).
210. Although the General Conditions exercised a number of AOs, concerns were also expressed about the Regulatory IT System (RITS) by almost all the AOs interviewed. Some AOs were critical of the whole system, believing that it wasn't fit for purpose for the QCF. Others highlighted particular design features as unhelpful or restrictive.

The problem is that RITS treats rules of combination as being the same as qualification structure. If that was true there'd be no point in having a credit system

Manager, AO

211. Several AOs pointed out that, despite the intentions of the QCF, it was still necessary to update the qualification structure field of RITS every time a unit was added or amended within a qualification. It was simply not possible to add a unit without also amending the qualification structure, even though the rules of combination were unaffected. This added time and cost to what should have been a simple process.

If the rule of combination is '12 credits at level 3 from optional group A', I should be able to add as many units as I want to optional group A without having any impact on the rule. RITS won't let me.

Systems manager, AO

212. Ofqual was aware of some of these criticisms and recognised itself that there were problems with some of the 'quirks' within RITS. In particular the problem of updating units quickly and of extending unit review dates were both recognised as problems within RITS, especially as problems in quickly updating units might lead to proliferation – which Ofqual clearly did see as a problem that lay within their remit to address. However there were no plans to develop an updated version of the System. Some of the inconsistencies in qualifications entered into the original version of RITS could be resolved as these qualifications were reviewed, but Ofqual saw this as an ongoing quality improvement issue, rather than a problem with the system itself.
213. A number of AOs also identified the continuing presence of units of poor quality, including units with very high credit values, in the QCF. There was little confidence among AOs that units of poor quality would be removed by the regulator, or that 'absurd' credit values would be challenged. Improvements in unit quality would be brought about by the actions of AOs themselves, not by regulatory intervention, was a shared view.

'Mutual confidence' is what we're supposed to have [between AOs] but we'll never be able to establish mutual confidence if Ofqual doesn't care about comparability of credit values.

Senior manager, AO

214. Again Ofqual itself was aware that there was a continuing problem of unit quality in the QCF

We are still unable to assert with confidence that unit quality is improving

Ofqual officer

Although acknowledging this problem, there were no plans within Ofqual to conduct any further reviews of units within the QCF. The view of some AOs, that improvement in unit quality would result from AOs' own actions, rather than through regulatory intervention, appears to be confirmed by Ofqual itself.

215. This negative view of the functioning of the regulatory arrangements for the QCF by nearly all those AOs interviewed is clearly of concern if unit delivery and CAT are going to develop further in the future. However, AOs saw the actions of Ofqual as essential if the 'level playing field' of the QCF was going to operate effectively and fairly across all AOs. The primary focus of concern in relation to unit delivery and CAT was that Ofqual should intervene more, not less, to ensure that the benefits of the QCF were realised. In this context the 'higher level' language in the General Conditions may not prove sufficiently precise to support the kind of regulatory actions by Ofqual that some AOs appear to expect.
216. If the Agency is to move forward with a more flexible approach to the funding of individual units within the Streamlined funding system for Adult Skills, as this report recommends, then it is critical for the success of such an approach that the Agency can have confidence in the consistency and comparability of unit credit values across different sectors and levels of the QCF. It is suggested that in this context Ofqual has an important and continuing role to play in underwriting unit quality as part of its statutory responsibility to maintain and develop public confidence in the qualifications system.

217. Recommendation 13

Ofqual should keep under review the developing relationship between the General Conditions for AOs and the Regulatory Arrangements of the QCF to ensure that there are no unintended constraints on flexibility within the operation of the QCF resulting from the application of the General Conditions.

218. Recommendation 14

Ofqual should continue to monitor and sample units from the QCF to ensure a continuing improvement in unit quality over time

219. Recommendation 15

Ofqual should review the functioning of RITS to ensure that it is capable of supporting rules of combination for QCF qualifications without undue bureaucracy or costs to AOs

Both credits and qualifications are seen as equally valuable measures of achievement by most providers (but not by some AOs)

220. As noted above, providers make very few distinctions in organising and delivering provision between learners who wish to achieve credits for individual units and other learners who aim to progress to a whole

qualification. Once a genuine unit-based curriculum offer is developed, these distinctions are simply not meaningful. (It is recognised that in other curriculum areas outside the scope of unit delivery arrangements the curriculum offer remains qualification-based rather than unit-based).

What people like about the course is that at the end of it they get a [AO] certificate. They really don't care if it says it's a credit certificate or a qualification. It's the [AO] logo that counts.

Curriculum manager, FE college

221. Some providers noted that it was easier to talk to all learners in a group about credits than it was to go into detail about the possible qualifications that some learners might go on to. Others made very little reference to either credits or qualifications until learners were well into their programme of learning and the first opportunity for assessment arose.
222. For the majority of AOs interviewed there was clearly a 'qualification-based' world view that informed their approaches and operations. Units were seen as subsets of 'host' qualifications. Credits were 'attached' to units or were seen as a measure of the size of a qualification. Few AOs represent credits as the currency of achievement within the QCF. The language in which their offer is presented (to learners as well as to providers) is still almost exclusively about qualifications, rather than units and credits.

We don't award credits. We award qualifications and occasionally we award unit certificates. We always have done.

Manager, AO

223. Having said this there are exceptions to this view within the project participants. It is these AOs that appear to be aligning their systems for registration, assessment and certification most closely to the emerging view from learners, employers and providers that in a unit-based curriculum the award of credits is as equally useful as a measure of learner achievement as a qualification. These different views are reflected in the Position Paper in Annex E.
224. If recommendation one above is taken up, it will be necessary for all AOs to ensure that they are able to award credits for the completion of individual units if they are to support providers in developing a unit-based offer.

Performance measures and funding

The lack of success measures linked to unit delivery is an impediment to wider-scale development of unit-based provision

225. The fact that current unit-based provision was excluded from the calculation of qualification success rates was seen as an important and welcome concession in enabling providers to extend unit delivery without risk to future funding. Several providers noted that, had both the Offer for the Unemployed and the Unit Delivery Trials been announced and launched earlier, they would have promoted the availability of unit-based provision to learners more actively, knowing it would not have a negative impact on performance measures.
226. While acknowledging the importance of this concession, several providers noted that such a concession would work well only in a context where a small minority of learner achievements were based on units rather than qualifications. The offer of unit-based programmes 'in parallel' to qualification-based provision, rather than integrated with it, is also based on this 'concessionary' model. It seems that several providers (mainly large FE Colleges) had introduced unit-based provision in one or two curriculum areas initially, and were now keen to extend this offer to other areas. As the proportion of learners on unit-based provision grew, the potential impact on qualification success rates would increase, and this, said some interviewees, could place a ceiling on the scale of future unit delivery.

Excluding it [unit delivery] from calculations about success rates was a smart move as it means we can try out different ways of using units without any financial penalties. But that won't work in the long term.

Vice principal, FE college

227. Very few of the providers interviewed were aware of the Agency's work on modelling a unit success rate and discussions with EFA, DfE and BIS about this and about a Qualification Success Rate (QCR) measure which could take account of qualifications and units. Similarly very few were aware of (or were unaware of people using) the ILR fields already in place to support credit success rates. When informed about this work, providers were positive about it (though some were wary about the potential costs in staff time in entering and tracking credit achievement data.) Those providers working with large groups of unemployed learners and with experience of unit delivery prior to 2011-12 saw the introduction of a measure able to accommodate credit and qualifications as an important part of any significant expansion of their unit-based provision in the future.

It would be really valuable for us. We're going to get increasing numbers of unemployed people through the door for a long time to come and if we can't measure success in what they do we'll never be able to expand provision enough to meet demand.

Director, FE college

228. It should also be noted here that some AOs also saw the importance of a future credit success rate. Those that had established flexible arrangements for credits to be claimed on demand, or that had established a charging policy linked to credit achievement rather than whole qualifications, saw the importance of a CSR in 'normalising' the award of credit as a measure of achievement in the QCF. Clearly in developing such a CSR measure the Agency will also need to consider the implications on the current QSR and the relationship between these two measures in the future.

I can see the benefits of that to us. Our system is set up to award credits whenever a provider asks for them. If the credits contribute to a college performance measure our centres should be happy with our system.

Systems manager, AO

229. Recommendation 16

The Agency should continue to work on the development and modelling of a unit/credit success measure with a view to introducing this from 2013/14. The Agency should also work with key partners in reviewing how the current QSR can take better account of qualifications and their attributes in the QCF within an updated Performance Measures system.

Agency proposals for streamlining the funding of Adult Skills may have positive and negative impacts on unit delivery and CAT

230. As part of the interview schedule of the project, organisations were asked their views on the Agency's funding simplification proposals and their potential impact on unit delivery and CAT. Discussions were based on the Agency's October 2011 document *A new streamlined funding system for adult skills*. Nearly all the interviews for the project were conducted based on this October 2011 document.
231. A small number of interviews, plus some follow-up exchanges with providers, were based on the Agency's revised proposals of the same title published in February 2012. In fact, despite its identical title, the February

2012 document includes some significant changes from October 2011. The following paragraphs of the report need to take account of the fact that some of the views expressed may have changed since the updates to the February 2012 document.

232. On a positive note, providers welcomed the shift to a funding system based on credit values rather than guided learning hours. Not only would this remove an administrative burden on providers in collecting glh data, it would also support more innovative approaches to curriculum delivery. Indeed, some providers are already thinking about new approaches to the delivery and assessment of some units

We would have liked to use voluntary work experience more in this unit but we needed to keep people in the classroom to meet the glh requirements. I'm sure they'll learn more through doing things for real than through simulation in the college.

Course leader, FE college

233. One AO highlighted a concern about basing funding on credit values rather than glh, fearing that it might lead to a system of 'prescribed' credit values that would reduce the flexibility of AOs to determine unit credit values

That might work if they did it like the Scottish system, where all units have a credit value of 4 or 8, but there are some units in the QCF with huge credit values – are they going to get lots more money than other units?

Manager, AO

234. Others saw benefits in a 'convergence' of credit values within the QCF and thought that this shift in funding to credit values would force Ofqual to focus much more on comparability in credit values if the new system was going to work.
235. The biggest concerns voiced by both providers and AOs about the streamlined funding system were the proposed funding rate bands for different sizes of QCF qualification. In the October 2011 document 4 funding bands were proposed, based on units, Awards, Certificates and Diplomas. In the new document 8 qualification bands are proposed, together with the funding of individual units based on credit values.
236. This change alleviates the acute concern voiced by nearly all those interviewed about the October 2011 document, that it effectively created three massive 'cliff edges' between funding bands and that AOs would be

forced to design qualifications based on the credit values at the bottom of each funding band. Many people reminded the project team that that was exactly what happened with the six funding bands in the original FEFC funding methodology.

237. The revised February 2012 proposals create seven cliff edges rather than three. In that sense they are an improvement on the October 2011 proposals, but mirror almost exactly the FEFC funding bands. The problem may have been alleviated, but the problem of 'cliff edges' between funding bands remains.

If they announce this in 2012 then by the beginning of 2014 all qualifications in the QCF will have one of seven credit values. And as half the qualifications in the QCF will fall into the bottom two funding bands there's going to be an almighty rush to the bottom over the next two years.

Chief Executive, AO

238. If such a 'rush to the bottom' does occur, then it is possible that unit funding will become irrelevant in a short space of time. In order to meet market demand AOs will be forced to develop single unit Awards in all sectors and subject areas and the assessment burden on providers and learners could increase significantly.

If this [funding bands] comes in we'll have to make sure all our units have a credit value of one, otherwise our competitors will be able to offer a more easily deliverable and assessable unit that attracts the same amount of funding. And we'll need a single unit Award as the starting point for every qualifications suite.

Development manager, AO

239. It would seem that, in attempting to introduce a streamlined funding system, the Agency is in danger of creating unintended consequences in the behaviour of providers and AOs that may well damage flexibility within the QCF while adding considerably to provider costs and to the bureaucracy of assessment. One provider voiced the concerns of many:

I can't believe they've forgotten what happened with FEFC funding bands. Why they didn't just base funding on the credit value of the qualification, rather than invent all these complex bands, I don't know. They've ignored the really streamlined solution, even though it's staring them in the face.

Vice principal, FE college

240. Recommendation 17

In its modelling of the potential impact of the streamlined funding system during 2012-13 the Agency should aim to model the potential impact of the proposed system on provider arrangements for unit delivery. In addition the Agency should also aim to assess how AO behaviour in relation to qualification design and assessment has an impact on unit delivery.

241. Recommendation 18

As part of its preparations for implementation of the streamlined funding system during 2012-13 the Agency should invite the proposed 'pathfinder' providers to monitor and report on the potential impact of the proposed funding arrangements on unit delivery and CAT from 2013-14

Providers need certainty and consistency in future funding arrangements to embed unit delivery and CAT into provision

242. As noted in several instances above, providers have not felt able to commit themselves to the full implementation of a unit-based curriculum without clear signals from the Agency that such arrangements were going to be a permanent feature of future funding arrangements. Despite the criticisms of the funding bands approach in the new streamlined funding system, the proposals themselves could provide an important impetus to providers in planning for the future development of unit delivery and CAT.
243. In themselves, however, the streamlined funding proposals do not go quite far enough. What is needed alongside them is a clear commitment from the Agency that the 'QCF learning aims' referred to as the focus of funding arrangements may be *either* a QCF qualification *or* an individual QCF unit or units. Any unit identified within a set of QCF learning aims would need to be active within a qualification. We suggest that allowing providers to select either qualifications or units as appropriate QCF learning aims for different groups of learners would be entirely consistent with wider Agency policy in simplifying funding arrangements and giving greater control over provision to providers.
244. If a clear announcement was made in the spring or early summer of 2012 that providers would be free within their single Adult Skills budget to select either units or qualifications (or of course a combination of both) within the QCF as learning aims for eligible learners, the Agency would create the

best possible conditions for supporting providers and AOs to take full advantage of the benefits of such changes when they were implemented in 2013-14. As this is clearly an important policy steer it is suggested that such an announcement should come from BIS itself, rather than the Agency.

245. If such an announcement was made in spring or summer 2012 then 2012-13 could be used as a preparatory, capacity-building year for the implementation of these changes. We have recommended above the abandonment of the approved list of units for 2012-13, the ending of the concept of 'unit delivery trials' and the establishing of 'pathfinder' providers during 2012-13 based on active unit delivery trial sites. In addition to these preparatory arrangements we also propose the eligibility criteria for the Offer for the Unemployed should be widened to include both those actively-seeking benefits and the 'self-declared' unemployed.
246. Collectively these measures would have the effect of considerably widening both the range of units available to learners and the numbers of learners able to access a unit-based offer. They would encourage experienced providers to extend a unit-based curriculum into new areas of provision, and new providers to begin planning such provision for the future. Meanwhile the pathfinder sites would retain the ability to develop unit-based provision for employers where this had worked successfully.
247. It is suggested that this combination of early signalling of intent, coupled with support for a transitional period in which providers are encouraged both to expand existing provision and prepare for a future streamlined funding system, will offer the certainty and consistency required to develop further unit delivery and CAT within the QCF.

248. Recommendation 19

BIS should announce in the spring of 2012 its intention to classify both qualifications and units as 'QCF learning aims' within its streamlined funding system for Adult Skills, and to confirm that, from 2013-14, providers will be free to select any QCF learning aim that is appropriate to any particular group of eligible learners.

Annex A

2011-12 Evaluation of Unit Delivery and Credit Accumulation and Transfer (CAT) within the QCF

An invitation to contribute.

The Skills Funding Agency has asked NIACE to take forward the Agency's continuing work on evaluating the impact of the Qualifications and Credit Framework (QCF) on the provision that it supports. Previous evaluations have been linked to Unit Delivery trials within the QCF, and this current evaluation continues to include feedback from these trials, which have been considerably widened in scope in 2011-12. This invitation is made to some providers currently involved as Unit Delivery trial sites.

The evaluation also includes a range of providers making an Offer to the Unemployed within their single Adult Skills Budget in 2011-12. Some of these providers will also be Unit Delivery trial sites, but the Offer for the Unemployed initiative also includes a number of providers not previously involved in these trials. The Agency has asked NIACE to report on a range of issues from both these strands from now to March 2012.

Involving providers

This invitation is made to a range of providers in England making a unit-based offer to learners through SFA funding arrangements in 2011-12. We will also be seeking feedback on these issues from representatives of Awarding Organisations (AOs) and other organisations such as Job Centre Plus (JCP), Ofqual, the Association of Colleges (AoC) and the Association of Employment and Learning Providers (AELP).

Our aim is to involve around 16 providers in this evaluation activity in the current year. Within the scope of the two funding strands identified above, we will aim to involve a range of different types of provider, including FE Colleges (both large and small), local authority providers, independent training organisations, voluntary and community organisations and others. We also plan a geographical spread of providers, with at least one organisation representing each English region in our evaluation activity.

What we want to know

The Agency is interested in how it can continue to support the development of more flexible and responsive offers to learners and employers within the QCF, while minimising costs and bureaucracy for providers. To this end it seeks to understand how providers are making use of current arrangements for delivering

individual units within the QCF, as well as how credit accumulation and credit transfer are operating within provision supported by the Agency.

The Agency recognises that, although funding arrangements for 2011-12 mark a significant extension of the previous scope of flexibilities within the QCF, there is still some way to go before the full potential of the Framework to deliver its intended benefits to users can be realised. The Agency wants to know how current arrangements support or inhibit the utilisation of these flexibilities, and how they can be developed in future to support the intended benefits of the QCF. Although some of these arrangements (e.g. funding and performance measures) fall directly within the Agency's responsibilities others (e.g. regulatory requirements or AO systems) may have an equally positive or negative impact on provider actions. These will also be included within the scope of the evaluation.

How you can help us

In accepting this invitation to be part of the evaluation programme, NIACE asks providers to confirm that they are happy to undertake the following activities:

- To identify an appropriate member of staff to be the key contact with the NIACE evaluation team during the coming months.
- To host one face-to-face meeting between appropriate staff and a member of the NIACE team to respond to initial evaluation questions (a copy of the questions will be circulated in advance of the meeting)
- To respond to follow-up questions (if any) from NIACE team members via e-mail or telephone
- To share information with the NIACE team relevant to the aims of the evaluation from now until March 2012.

All information disclosed by providers will be treated in strict confidence and all data and quotations used in any reports to the Agency by the NIACE team will be anonymised before publication. A copy of the Evaluation Report to the Agency will be shared with all those providers involved in this work.

The NIACE team

The Project Director for this work at NIACE is Joyce Black. The work of the NIACE team in the field will be led by Peter Wilson, supported by Beverly Sand, Ruth Perry and Robert Gray. A member of the NIACE team will be in touch shortly to arrange a date for the initial meeting in this evaluation programme.

NIACE extends its thanks to all those that have indicated a willingness to be involved with us, and looks forward to a successful outcome to this work in 2012.

Annex B

2011-12 Evaluation of Unit Delivery and Credit Accumulation and Transfer (CAT) within the QCF

Questions for providers

These questions are intended to cover the full range of SFA concerns in this current phase of evaluation. Not all questions will be relevant to all providers. Indeed some sections may be ignored in some cases. A full response to each individual question is not expected.

1. Has the introduction of the QCF had an impact on your provision?

- In what ways is your provision more responsive to individual learners than it was previously? Give examples.
- In what ways are you able to respond more effectively to employer needs? Give examples (if relevant).
- In what ways has the ability to offer individual units had an impact on curriculum design and delivery? What have been the positive effects? Have there been any negative effects?
- How do you organise your provision to make use of the ability to deliver units? Do you separate unit-based and qualification-based provision? Have you had to adapt teaching and learning methods? If so how?
- How does the award of credits to learners improve your provision?

2. What are the main features of your provision based on QCF units?

Before answering questions in this section we would like to know if you are making use of the Offer for the Unemployed or are involved in the Unit Delivery Trials 2011-12 or are making provision through both initiatives.

- How many learners do you think will enrol on unit-based provision during 2011-12?
- What proportion is this of your total enrolments (or budget)?
- What kinds of learners are making use of unit-based provision? Why do you target these particular groups of learners? Are there barriers to some learners in accessing this provision?
- How many different units do you think you'll offer during 2011-12?
- In what subjects/curriculum areas? At what levels? What has influenced the choice of units that you offer?

- Do learners who achieve credits on individual units go on to full qualifications? If not, what do they do next?
- Has unit-based provision grown since 2010-11? By how much? In new subjects/curriculum areas?
- What are the key factors that will enable it to continue to grow in the future?

3. How are staff supported to take advantage of QCF flexibilities?

- How are staff made aware of the changes brought about by the QCF?
- Have you run staff development sessions on the QCF? For whom?
- What internal guidance/information/briefing notes for staff have you produced on using QCF flexibilities? (Can these be shared?)
- What kind of external events/courses related to the QCF have staff attended (if any)?
- How do staff support the process of credit accumulation? What about credit transfer? Are they making full use of these processes?
- In what ways have staff roles changed significantly in relation to the introduction of the QCF? (In advice and guidance? Induction? Assessment? Tracking and recording achievement?)

4. Have AO systems changed in response to QCF flexibilities?

We appreciate that these answers may vary across different AOs. Where a provider relates to a number of AOs we invite relevant examples of practice that either support or hinder the ability to make full use of QCF flexibilities.

- How many AOs do you deal with in relation to the QCF?
- In what ways have AOs been supportive of unit delivery?
- How do AOs provide information for learners on how the QCF works? Give examples.
- How have AO arrangements for learner registration changed in response to a unit-based offer?
- How have AO certification arrangements changed in response to the QCF credit system?
- How have AOs supported credit accumulation? Or credit transfer?
- How have AO costs been influenced by unit-based provision? Or by the accumulation and transfer of credits?
- Do you perceive any changes in AO approaches to any of the above in 2011-12? Give examples.
- What changes to AO systems would you like to see in the future?

5. Has the introduction of the QCF led to changes in your systems of record keeping and administration?

- Have you made significant changes to record-keeping and administrative systems in response to the QCF? If so, what kind of changes?
- Are you able to make use of the Personal Learning Record (PLR)?
- If not, what obstacles exist to using the PLR?
- How do you make use of the arrangements for Recognition of Prior Learning (RPL) in the QCF?
- What systems do you have in place to record the previous credit achievements of learners within the QCF?
- Or to record exemptions?
- How well are you able to link your own information systems with AO systems (eg in relation to recording credit achievement)?
- How do you use data about units offered and credits achieved in your self assessment reports? In target setting for courses or departments? Or in inspection arrangements?

6. How are learners benefiting from the QCF?

- How do you provide learners with information about how the QCF works? What form does this information take? Give examples. Is the information, advice and guidance (IAG) being offered by your own staff or an external agency?
- If learners are accessing IAG from an external agency, what kind of information, advice and guidance are they offering learners about the QCF and how would you rate the quality of that IAG in relation to the QCF?
- How do you record learner feedback on the benefits/drawbacks of a unit and credit-based approach? What are learners telling you?
- How has the ability to offer individual units for credit had (or will it have) an impact on learner success rates? Give examples.
- How do learners make use of the process of credit accumulation?
- In what ways has the process of credit accumulation had (or will it have) an impact on retention and progression rates?
- How do learners make use of credit transfer, RPL or exemption? Give examples.
- How is the QCF enabling you to reach new/different/harder to reach groups of learners?

7. How are you using the QCF in your work with employers?

This is one section that may not be relevant to all providers in relation to unit-based delivery or CAT.

- Do you offer unit-based provision with or through local employers? Give examples.
- What subjects/curriculum areas are most popular? At what levels?
- By how much has this provision grown (or will it grow) in 2011-12?
- What feedback do you get from employers about unit-based provision? Or about credit accumulation and transfer?
- Will the ability to offer individual units help to increase employer contributions to the costs of provision? For what reasons?

8. Have SFA funding arrangements and performance measures helped you to take advantage of QCF flexibilities?

- Are you able to respond fully to the needs of unemployed learners through the offer of individual QCF units? Give reasons.
- Is the scope of SFA's current arrangements for funding units sufficiently broad to meet learner/employer needs? Are there learners who might benefit but who currently don't have access to this provision? Could this approach be extended into other areas of provision? Give examples.
- Do you make use of SFA arrangements for supporting RPL? If not, why not?
- Do current SFA funding arrangements support or inhibit credit accumulation? Or credit transfer? Give reasons.
- Do current performance measures (e.g. Qualification Success Rates) help or hinder flexibility in your QCF offer? Give reasons.
- Will SFA proposals on simplifying funding support or hinder a more flexible unit-based offer within the QCF? Give reasons.
- How might SFA administrative/record-keeping systems be improved to support greater flexibility within the QCF?

9. Do other agencies and organisations have an impact on your QCF provision? If so, how?

Again this may not be relevant, or may vary considerably across different types of provider. Examples of other agencies/organisations might be JCP centres, YPLA, SSCs, industry regulators or sub-contracting budget-holders.

10. What other changes would most help you to take full advantage of the flexibilities of the QCF?

This question is intended to offer those we talk to the opportunity to identify any additional issues other than those covered above that would enable them to make a more appropriate offer to the learners they provide for.

Annex C: Sector-Based Work Academies

Case study: Newcastle City Learning and Waitrose

Introduction

1. As noted in the body of the report, a number of the providers interviewed have developed unit-based provision through the Offer for the Unemployed to support Sector-Based Work Academies (sbwas). These Academies are short interventions targeted at unemployed people and aimed at meeting an immediate local employment need.
2. Sector based Work Academies are set up as partnership arrangements between a local employer, JCP and a local provider. Typically the Academy will address a very specific employment opportunity (e.g. the opening of a new office, store or hotel) and will be targeted at unemployed people living close to the new employer. In some instances sbwas are established as part of local or regional employment initiatives built in to development contracts.
3. Most sbwas run for a few weeks (2 or 3 is most common) for 3 or 4 days a week. The curriculum is negotiated between the employer and the provider and although each Academy is unique, it is possible to identify shared features across a number of sbwas in different sectors and different parts of England. Typically, an Academy will focus on; work readiness skills, customer service skills, communication skills, interview techniques and on developing a basic understanding of the particular employment sector.
4. In some sbwas recruitment to the course is undertaken jointly by the employer and the provider. In others the provider recruits (based on JCP referrals), sometimes with specific guidance from the employer. Some employers contribute elements to course content. In most cases the employer commits to interview all those who successfully complete the course, and a proportion of 'Academy graduates' progress to employment.

Academies and unit-based provision

5. It should be emphasised the sbwas have been developed separately from unit-based provision through the Offer for the Unemployed. Some sbwas continue to be based on small Awards and others on certification outside the QCF. However, a number of providers have seen the opportunity to base sbwas on clusters of QCF units, and this approach has enabled them to devise programmes tailored to meet individual employer needs.

- The ability to combine some sector-based skills with more generic employability and work-readiness skills seems to be particularly appropriate to these Academies.
6. The sbwa approach appears to be popular in service-based employment opportunities. The retail, catering and hospitality sectors are mentioned most frequently by providers though, as the list below illustrates, other sectors are represented. Of course Academies are organised in direct response to employment opportunities, so perhaps this pattern of provision is not surprising.
 7. Providers have referred to the following employers in relation to their sbwa provision based on units from the QCF:
 - ASDA
 - Birmingham City Council (Domiciliary Care)
 - Dunhill Mill
 - Lincolnshire County Council (Childminders)
 - Network Rail
 - Omnia Support
 - Poundland
 - Premier Inns
 - Primark
 - Royal Insurance
 - Toyota
 - Waitrose
 8. Several different types of provider are involved in sbwas. Although the majority of those on the above list were organised and delivered through FE colleges, Independent Training Providers and Adult Education Services are also involved in Academies. This case study focuses on the work of Newcastle City Learning, a Local Authority Adult and Community Education Service operating across Newcastle-upon-Tyne.

A Sector-Based Work Academy for Waitrose

9. Newcastle City Learning (NCL) were asked to support the opening of a new Waitrose store in Jesmond, Newcastle by organising a Work Academy for potential employees. The store planned to offer employment to around 65 local people, including 45 full-time jobs. The programme for the Academy was negotiated jointly by Waitrose, JCP and NCL and people were recruited to the programme from JCP referrals.
10. The main aim of Waitrose in supporting the sbwa was to prepare people to meet Waitrose's employment expectations, to impart some knowledge of work in the retail sector and to develop and improve 'interview readiness'

by participants. From an initial list of 42 referrals, 22 people were selected for pre-employment training based on initial interviews and screening by NCL.

11. These initial assessment sessions were devised by NCL both to identify potential to succeed on the planned training programme and to ensure that future employment requirements of Waitrose were considered. So, for example, in addition to an assessment of basic communication skills, company policy on flexible and weekend working was also explained, as well as requirements for personal presentation (e.g. no visible tattoos or body piercings).
12. Following an initial assessment period of 2 days, participants then spent an additional 4 days in intensive training, followed directly by interviews with Waitrose staff. The training was structured around two units at Level 1 in Team Working and Recognising Employment Opportunities and credits for successful completion of the programme were awarded by NOCN. As NCL was familiar with the units to be offered the programme could be organised and delivered at short notice to meet Waitrose's recruitment schedule.
13. In addition to learning structured around these two units, Waitrose staff also contributed to the training programme.

The outcomes of the training programme

14. All the 22 people recruited to the training programme completed it and everyone achieved credits at Level 1. All those who completed the programme were interviewed by Waitrose and 11 people were offered employment in the new store. Some of those were offered part-time work (a minimum of 16 hours a week) but most were offered full-time contracts.
15. For those people unsuccessful at interview, Waitrose provided feedback in order to help them with future employment opportunities in the sector. This feedback was also shared with NCL so that improvements could be made in future sbwas offered through the service. Unfortunately current restrictions on the availability of training through the Offer for the Unemployed means that it has not been possible for NCL to organise specific follow-up training for those unsuccessful at interview.
16. An evaluation of the programme by NCL reveals positive feedback from learners. The units offered enabled people to build confidence in their abilities and to interact with others in the group. People felt 'ready for work' and the experience of the programme, in particular the input from the employer, made people feel valued and positive about working for Waitrose.

17. In the future, NCL would want more time to work with potential recruits prior to beginning training in order to make a more considered assessment of individual needs. NCL would also aim to offer a wider range of units (within the constraints placed by an employer) and to structure the training programme over a slightly longer period to ensure individual needs were met. As NCL is already in negotiation with another local employer in the catering business it should have the opportunity to develop an improved programme for its next Work Academy.

Annex D

The evaluation of unit delivery both as part of the offer for individuals seeking employment and as part of the unit delivery trials in the single adult budget

Improving the flexibility of provision in the QCF through unit delivery and credit accumulation and transfer

A Position Paper for the Skills Funding Agency

Purpose

1. The purpose of this paper is to describe current arrangements that support the flexibility of provision leading to achievement in the QCF and to anticipate the actions that SFA might take to facilitate the further development of this flexibility in 2011-12, within the context of the unit delivery trials and the offer to the unemployed.

Background

2. Since its inception, SFA has supported the development of unit delivery within the QCF. This support has either been targeted at particular types of learner (e.g. offenders) or has been offered through a series of trials. The most recent of these Unit Delivery Trials was completed in July 2011 and a Final Evaluation Report on these trials was produced for SFA by Ekosgen in September 2011.
3. The Agency is taking forward unit based delivery as part of its aim to support providers to realise the flexibilities of the QCF. Based on the work undertaken through the most recent and previous trials, and a series of evaluation reports on unit delivery, SFA is now in a position to further extend its support for providers in this area in 2011-12.
4. In 2011-12 SFA will take forward the further development of flexibility for providers within the QCF through an extension to the 2010-11 unit delivery trials through a wider range of provider trial sites, and a consolidation of previously separate trial strands. However, the most significant support will be made through SFA's Offer for the Unemployed which will make available over 11,000 QCF units to learners actively seeking work.
5. In extending the previous scope of unit delivery arrangements, SFA wishes to understand how flexible delivery can support learners to work towards a target qualification in smaller steps, as well as engaging

learners who would not otherwise have the opportunity to achieve a target qualification, or are unable to commit to a qualification as an achievement target. (The offer for the unemployed already recognises that a qualification may not be an appropriate learning goal in all cases).

6. SFA also wishes to test the proposition that provision designed around small steps of learning can be both more responsive to the needs of local communities and more agile in its ability to meet employer needs. In a context of economic uncertainty and increasing freedom for providers, SFA seeks confirmation that unit delivery is a fit-for-purpose approach to delivering its strategic objectives.

Lessons from previous trials.

7. Based on evaluation of the 2010-11 Unit Delivery Trials, SFA is able to identify the potential benefits for learners and providers in making available individual QCF units in certain types of provision.
8. Among the benefits for learners the following are beginning to emerge:
 - The flexibility to build up units into a qualification over time by ‘banking’ credits and adding to them at a later date
 - The opportunity to recognise new skills or update previous skills through the award of credits for individual units, rather than re-taking whole qualifications
 - The ability to commit to a more-easily achievable initial achievement target (i.e. the award of credits) rather than to a whole qualification, particularly for learners returning to learning after a period of disengagement
9. Providers have identified a similar range of benefits, enabling them to match provision more closely to local, individual and employer needs and to plan a curriculum offer that originates from an identification of these needs rather than the prescribed structure of a qualification.
10. Another interesting feature of the Evaluation Reports from 2010-11 is that only around 10% of the units available to Unit Delivery Trial sites were actually accessed by providers. It would appear that the potential scope for extension of the unit offer is very significant, and SFA will monitor take-up during 2011-12 to ascertain whether unit delivery continues to be restricted to a small proportion of those units actually available. If so, then any potential barriers to wider take-up will need to be identified and analysed through SFA’s evaluation activities.
11. SFA also recognises that a significant scaling up of the scope of the offer of individual units to learners via these two initiatives may in itself bring

fresh challenges to providers. Tracking learner achievements, registration arrangements with AOs, and ensuring rapid certification of unit achievement for learners have all been identified as potential 'pressure points' by providers during 2010-11. SFA will monitor these processes during 2011-12 to identify any continuing difficulties that may be experienced by providers as the scale of the unit offer is expanded.

12. The outcomes from the 2010-11 Evaluation Reports are unequivocal. Where providers are able to access and offer individual units to learners, both learners and employers are easily able to identify the benefits of this approach. However the Evaluation Reports also confirm that there are some significant barriers in place in systems, costs and bureaucracy that continue to inhibit the extension of unit delivery in some areas.

Meeting employer needs

13. The Evaluation Reports include a number of case studies involving local employers and indicate very clear support from employers for a unit-based approach to delivery. Not only can the needs of individual employees be more easily addressed, but there are significant savings to employers in being able to access (and in some cases pay for) only those units deemed necessary to support employees in their job role or career development.
14. The enthusiasm with which unit delivery has been taken up by some employers and some employees raises interesting issues in relation to co-funding and the future extension of student loans. If employees have the opportunity to take individual units to meet immediate employment needs, then it would seem that the case for co-funding of these units by employers is strengthened. Indeed, where individual units address an explicit need that improves business performance the case for employers funding them in full would seem to be compelling.
15. A similar conclusion might be reached by looking at the issue from the perspective of a learner. If an individual pays (either in whole or in part) for his/her programme of learning through a student loan, then the case for compelling that learner to undertake anything other than the individual units he/she chooses is far weaker than in a case where public funding supports 100% of learning. There would seem to be a very explicit connection between paying for learning via a loan and the freedom to choose precisely what learning to pay for.
16. Having noted these implications, SFA recognises that there may be tensions between addressing immediate business needs and the wider development of flexibility and skills improvement across the English workforce. In taking forward the development of both the unit offer for the unemployed, and the unit delivery trials in 2011-12, SFA will seek to

ensure that an appropriate balance is struck between addressing the immediate needs of employers and employees (via individual units) and the longer term interests of workforce development in a particular sector (via qualifications with employer support).

Unit delivery and flexibility.

17. In this context it seems clear that the potential flexibilities of the QCF can be extended to a much wider group of learners, providers and employers during 2011-12. The widening of the scope of SFA support for unit delivery is one necessary precondition for this extension. However it will also be necessary to address some of the issues and barriers identified in the 2010-11 Reports if these benefits are to be extended as widely as possible. SFA will continue to monitor these potential barriers to flexibility as part of its ongoing evaluation activity in 2011-12.
18. SFA also recognises that unit delivery in itself is only one of several factors that will achieve this objective. During 2011-12 SFA will seek to understand further how it can support the longer-term development of credit accumulation and transfer (CAT) within the QCF. In doing so SFA will seek to build on some of the issues raised in the NIACE paper on *Developing a market for CAT within the QCF (March 2010)*.
19. SFA recognises that the development of a fully-functioning market for CAT within the QCF is both a complex and a long-term goal. Other actors, including Ofqual and awarding organisations (AOs) have an important role to play in developing such a market, and SFA itself can only influence, rather than dictate the pace and form of this development.
20. Nevertheless, SFA recognises the importance of an effective system of CAT in realising the flexibilities of the QCF and will aim during 2011-12 to exercise some continuing influence over the development of this CAT system through both the continuation of the Unit Delivery trials and through the Unit Offer for the Unemployed.

Supporting providers in developing flexibility

21. One of the encouraging aspects of the most recent Evaluation Reports on the Unit Delivery Trials is the evident growth in awareness among both providers and employers of the potential benefits of the credit system that operates across the QCF.
22. In several instances this awareness has developed in spite of the practical difficulties experienced by some providers in realising the benefits of this credit system. So, for example, some providers note that the costs of registering learners on individual units, or of awarding credits for

- achievement of these units, is proportionally considerably higher (for some AOs) than for registration and certification for qualifications.
23. Similar frustrations are recorded in relation to the accessibility of AO systems for the recognition of prior learning (RPL) and for using the RPL process within the QCF to maximise learner achievements. Providers need to be supported to make more use of this facility in order to realise this particular flexibility within the QCF.
 24. As learner registrations grow within the QCF it is also reasonable to expect a growing proportion of learners with previous credit achievement to enrol on provision. The difficulty in recording credit achievement with one AO through the systems of another AO is another potential barrier to flexibility that needs to be addressed. The relatively recent introduction of a fully-functioning Personal Learning Record (PLR), and the partial use of the PLR across the AO community present impediments to providers developing fully flexible routes to achievement within the QCF. SFA will monitor the use of these arrangements in 2011-12.
 25. Notwithstanding these potential barriers of both cost and administrative resources, the final Evaluation Report on the 2011-12 Unit Delivery Trials records a number of instances where providers declare an intention to pursue these more flexible approaches to delivery and recording achievement in 2011-12, despite the potential short-term costs to them of doing so. SFA intends to monitor these more flexible approaches in the coming months, and to support providers in taking them forward wherever practically possible.

Providers, awarding organisations and the role of the Agency

26. SFA recognises that if the future development of a fully-functioning system of CAT within the QCF is primarily dependent on the actions of those bodies that award, recognise and transfer credits – i.e. QCF AOs. It also recognises that the Agency itself has no direct role to play in structuring the behaviour of AOs, or in regulating their assessment and awarding functions within the QCF – the clear responsibility of Ofqual.
27. Nevertheless, as several of the 2011-12 Evaluation Reports on Unit Delivery indicate, AOs do respond to the demands of their customers and a number of provider trial sites are clearly starting to make demands on some AOs in relation to their arrangements for registration and awarding, as well as in relation to their charges. Indeed, a small number of instances are recorded where a provider changes to a different AO that can provide a more flexible and responsive service within the QCF.

28. SFA recognises in these examples the emerging pressures being exerted by providers on the behaviour of QCF AOs, and the potentially positive impact of these changes in market forces in realising the potential flexibilities of the QCF. By understanding further the particular demands of providers and by supporting the flexible use of QCF through both Unit Delivery Trials and the Unit Offer for the Unemployed, SFA can support, during 2011-12 the further development of the CAT system that providers clearly wish to see operate within the QCF.
29. It should be noted here that the scope of activity in the Unit Delivery trials and the Unit Offer for the Unemployed in 2011-12 marks a significant expansion from 2010-11. Far more units are available to learners and many more providers (potentially any provider making an offer to the unemployed) will be involved in offering these units. Not only will the range of opportunities to structure learner offers around units grow significantly, but the market pressures on AOs to respond to provider demands for more flexible approaches to registration, certification and charges will undoubtedly increase.
30. As both these strands of unit delivery are taken forward, SFA will monitor and evaluate the range of uses made by providers of these opportunities for unit-based delivery, including the way in which provision for local employers takes advantage of these flexibilities. SFA will also wish to support that relevant AO systems within the QCF are providing appropriate support for providers as demands for easier access to the flexibilities of the QCF credit system grow during 2011-12.

The influence of other actors and organisations

31. One of the most significant consequences of offering individual units rather than qualifications to learners is the importance of ensuring that learners themselves are adequately informed and advised about appropriate combinations of units that meet their particular needs. It is also clear from the 2010-11 Evaluation Reports on Unit Delivery that providers are well aware of the importance of information, advice and guidance (IAG) in the context of unit delivery. This is another area that SFA will seek to monitor and evaluate during 2011-12
32. Closely linked to this effective use of IAG are the provider systems in place to recognise and record the prior achievements of learners, both inside and outside the QCF. This is another area where unit delivery and the operation of the QCF CAT system are intimately linked, and where provider and AO systems interact. SFA recognises the importance of the PLR in this particular area and will wish to understand further how the PLR is being used to support provider systems in this area. Once again the relationship between providers and AOs will be monitored and evaluated.

33. Evidence from the 2010-11 Unit Delivery Trials suggests that a significant majority of provision based on individual QCF units was targeted at unemployed learners. Indeed, the Unit Offer for the Unemployed has been established in large part on this evidence base. In this context SFA expects all providers making provision through this Offer to establish close working relationships with their local Jobcentre Plus (JCP) service. SFA will seek to monitor this relationship during 2011-12 to ensure that unemployed adults are able to access appropriate provision in the QCF quickly and easily, once referred to a provider through JCP.
34. SFA recognises the importance of the qualifications regulators in ensuring the effective operation of the QCF. Ofqual (the regulator for England) is in the process of moving towards a single regulatory framework for qualifications. The potential impact of this move on the delivery of units and the operation of CAT in the QCF will also be monitored and evaluated during 2011-12 in order to understand and anticipate the potential impact on providers and AOs of these regulatory changes.

Credit accumulation and credit transfer

35. Although the term CAT is used both in this document and in other references to the QCF credit system, a clear distinction is drawn within the QCF between the functions of credit accumulation and credit transfer. Indeed, responses from providers recorded in the 2010-11 Evaluation Reports reflect an awareness of this distinction. Although the process of credit accumulation is seen as a straightforward proposition, well understood and liked by both learners and employers, credit transfer is seen as a more complex process and one that will take longer to embed within the working of the QCF.
36. In one sense this is a straightforward distinction. Credit accumulation is a process that takes place *within* a single qualification; credit transfer takes place *between* qualifications. All qualifications are achieved through a process of credit accumulation. Even in a fully-developed QCF we may assume that credit transfer will be a feature of a small number of the qualifications awarded.
37. Despite the relatively straightforward process of accumulation within the QCF credit system the 2010-11 Evaluation Report identifies a number of cases in which providers have difficulty in accessing AO systems for awarding and accumulating credits for learners. This seems to be one area where some AOs are making better progress than others in responding to provider demands. SFA will monitor and evaluate this progress during 2011-12 to ensure that providers are able to recognise the achievements of learners through credit as easily as possible.

38. At this stage of the development of the QCF a distinction needs to be made between credit transfer as an opportunity offered within a qualification and credit transfer as an opportunity taken up by a learner. SFA will monitor provider and AO processes as part of the 2011-12 unit delivery evaluation to ensure that, where credit transfer is available to learners, it is taken up without undue cost or bureaucracy. Once again the use of the PLR will be important to monitor in this area.

The wider context of reform

39. The broad parameters of SFA's approach to the funding of provision within the QCF – including the funding of unit delivery – are set out in SFA's Guidance Note 7 of April 2011. The arrangements for extending Unit Delivery Trials and the Unit Offer for the Unemployed in 2011-12 are both set out in this Note. In taking forward these initiatives, SFA will take due account of external factors influencing the policy environment.

40. One of these external factors – the establishing of a single regulatory framework for qualifications by Ofqual – has been referred to above. Another external consideration that will need to be taken into account is the continuing development of qualifications for 14-19 year-olds arising from the Wolf Review and the subsequent response of government to the Wolf recommendations. However it seems clear that the impact of the Wolf reforms will remain focused on provision for 14-19 year-olds, and that there is a general acceptance that the rationales for qualifications design and development pre and post-19 should remain separable to a degree. .

41. SFA's own continuing work on the simplification of funding will continue during 2011-12 and it will be important to anticipate where possible the potential impact of funding simplification arrangements on the flexibilities offered through the QCF. Although it is the clear intention of funding simplification to give more freedom to providers in the use of SFA funds, it will also be important to ensure that there are no unintended consequences of these emerging arrangements that have a negative impact on unit delivery and CAT within the QCF.

42. Similarly, during 2011-12 SFA will begin to model a new Qualifications and Credit Success Rate (QCSR) measure that is intended, in time, to modify the existing QSR measure in provider performance assessment. The development of this additional credit-based success measure has been welcomed by providers, but once again it will be important to ensure that there are no unintended consequences involved in introducing the QCSR that may have a negative impact on QCF flexibilities. SFA will model the potential impact of the QCSR on provision during 2011-12

43. The Department for Business Innovation and Skills (BIS) is currently consulting on *New Challenges, New Chances* which sets out the governments proposed next steps in the FE Reform Programme. Among the reform objectives signalled in the Consultation Paper are 'simpler and speedier ways for new qualifications to come on stream' and the possible 'involvement of employers in the design of vocational qualifications'. Both these strands of reform may have a potential impact on flexibilities within the QCF, and once again SFA will wish to ensure that its Unit Delivery Trails and the Unit Offer for the Unemployed take account of any changes arising from *New Challenges, New Chances* during 2011-12.

Conclusion

44. The outcomes of the 2010-11 Evaluation Reports clearly identify the potential benefits of flexible approaches to delivery within the QCF, and the support of learners, providers and employers for these more flexible approaches. However, the report also confirms the relatively modest scope of previous Unit Delivery Trials, and confirms that there remain in place some serious inhibitors to the wider extension of these flexibilities within the QCF.
45. In 2011-12 SFA has put in place arrangements for Unit Delivery Trials and for the Unit Offer for the Unemployed that provide a basis for a significant extension of these flexibilities. However, SFA also recognises that the barriers identified during the 2010-11 Unit Funding Trials remain in place, and these will need to be addressed (and if necessary challenged) during 2011-12 if the wider intentions of SFA strategy in relation to Adult Skills are to be realised.
46. SFA will therefore continue to monitor and report on both the Unit Delivery Trials and the Unit Offer for the Unemployed during 2011-12 to ensure that the flexibilities of the QCF are made accessible to the widest possible range of learners supported by the Agency.

Annex E

Position Paper 2: Awarding Organisation support for unit delivery and credit accumulation and transfer.

Purpose

1. The purpose of this paper is to describe some of the arrangements in place or developing between providers and awarding organisations (AOs) to support unit delivery and credit accumulation and transfer (CAT) within the QCF. It is hoped that the paper will contribute towards the further development of innovative and creative practice in these arrangements.

Background

2. NIACE is currently undertaking an evaluation of unit delivery and CAT in the QCF on behalf of the Skills Funding Agency. As part of the evaluation activity the NIACE project team has been interviewing both providers and awarding organisations (AOs). Nine AOs and 17 providers have been interviewed to date.
3. It is clear from these meetings that a variety of different practices and procedures exist in both provider and AO systems to support unit delivery and CAT. In some instances providers have expressed concern with particular aspects of AO systems. It is also clear that some of the regulatory approaches and technical constraints on unit delivery and CAT are equally frustrating for some AOs.
4. Notwithstanding these concerns and frustrations there are many examples of positive and innovative practice in both provider and AO systems in supporting unit delivery and CAT that have emerged through the project. This paper aims to capture some of these examples and suggest that they might be further extended as the QCF develops in the future.
5. It should be emphasised here that some of the examples of practice described by providers relate to AOs that are not one of the nine interviewed by the NIACE project team. Where relevant in the text distinctions are made between the actual practice of an AO, confirmed through documents or interview, and the perception of that practice by a provider.

Context

6. It should be emphasised that NIACE's work on the project is focusing on the way providers are making use of, or seek to make use of, unit delivery and CAT within the QCF. NIACE has no remit to evaluate and report directly upon the practices of AOs in relation to unit delivery and CAT. Nevertheless, it is clear that the relationship between providers and AOs, in particular the role of providers as recognised AO centres, has an important bearing on the ability of providers to make use of unit delivery and CAT as they would wish.
7. The ability to offer individual units, rather than whole qualifications, as part of a coherent programme of learning is seen by many providers as a critical benefit of the QCF. Within the boundaries of its funding arrangements, the Agency has been able to support such an offer to learners in recent years, primarily through the Unit Delivery trials. These trials are continuing in 2011-12 and several of the providers involved in the NIACE project are Unit Delivery Trial sites.
8. In 2011-12 the ability of providers to deliver individual units through their Single Adult Skills budget has been considerably enhanced through the Offer for the Unemployed. This Offer, which is targeted at those actively seeking work, is open to any provider to utilise for those learners that meet eligibility criteria. Nearly all the providers involved in the NIACE project are making a unit-based Offer for the Unemployed.
9. Although previous Unit Delivery trials have been evaluated, in 2011-12 the Agency has also asked NIACE to evaluate and report upon the development of CAT within the QCF, and the perceptions of providers about the benefits (or potential benefits) of CAT within the QCF. In order to report accurately on this issue, the processes of credit accumulation and credit transfer are treated separately in the project and in this document.
10. It seems clear that the concept of credit accumulation is becoming familiar as the QCF is embedded, and that providers and AOs are comfortable with the concept of credit accumulation and utilise it in their descriptions of their QCF offer. However the concept and processes of credit transfer are far from embedded in practice and there is clearly much work to be done to facilitate and stimulate credit transfer opportunities for learners as the QCF develops.
11. In this context the Offer for the Unemployed is interesting. For the first time (albeit in a limited context with small numbers of learners) the

demand for credit transfer (from both learners and providers) is being stimulated by the nature of an Agency-funded offer. The ability to achieve credits through one AO on a short course designed to prepare people to enter or return to work, and to transfer these credits towards a qualification offered by another AO in order to become qualified in an employment role, is becoming a real feature of some of the provision that informs this position paper.

12. It is clear from what follows that AOs have developed a variety of processes and structures in response to the demand for unit delivery from providers. Some processes are more flexible than others, and some AOs appear to be responding more quickly to provider demands in this area than others. In relation to CAT it is also clear that some AOs are better prepared than others to support credit transfer, and that the concept of credit transfer as an entitlement for all learners in the QCF presents a serious challenge to some AO practices.
13. Some providers continue to express frustration about some AO systems and processes. Nevertheless it is clear that AOs have made changes in their practices in response to these demands. It is also clear that the significant expansion of unit-based provision in 2011-12 is having a continuing impact on AO practice beyond that stimulated by the introduction of the QCF itself. Indeed, some might say that that is an entirely fit and proper way to proceed. The following sections of this paper look at some of these AO practices and procedures in more detail

Learner registration

14. The QCF regulations say very little about learner registration. AOs are free to set up a variety of different registration arrangements within these regulations, and they have apparently done so. There is also clear evidence from the evaluation of recent or current changes in these arrangements, in response to provider demands for greater flexibility in both registration arrangements and related registration charges.
15. Some providers complained that AO registration arrangements had not changed in response to the development of unit delivery within the QCF. It seems that some AOs still require registration on a whole qualification, rather than an individual unit or units, and charge providers accordingly. Other AOs do have unit registration arrangements, but charges for unit registration are the same as for a whole qualification.
16. Several AOs have changed their registration arrangements in response to the QCF and support unit registration at a proportionate cost to qualification registration charges. Other AOs note that they have always

- supported unit registration and charged accordingly, long before the QCF was introduced.
17. Two of the AOs interviewed have developed flexible registration arrangements linked to the QCF credit system. One registers learners on a programme of learning, which may lead to a qualification or to credits. Registration charges are linked to the credit value of an individual learner's programme and at the end of an accounting period a process of 'reconciliation' adds or subtracts fees from the original charge, based on a learner's actual credit achievement in that period.
 18. The second AO links charges even more closely to the QCF credit system. Each learner pays a small registration charge that effectively activates their registration with the AO, without linking the registration to a particular unit or qualification. At the end of the accounting period a charge is levied, based on the number of credits achieved by the learner in that period. The charging policy functions effectively without reference to either qualifications or units.
 19. These approaches allow learners the opportunity to delay making final decisions about their achievement targets, or to change their mind about particular routes to achieving credits or qualifications. They also allow providers to plan unit-based provision, where some learners proceed to a qualification and others do not, without prohibitive charges from an AO.
 20. There is clear evidence from the evaluation that AOs are reviewing and updating their registration arrangements based on both demand from providers and an awareness of the registration arrangements of competitors. It seems that if a provider involved in unit delivery is dissatisfied with the registration arrangements of one AO, there are others that may be more amenable to their needs.

Future registration arrangements

21. Having noted these changes, some providers and AOs suggested that in the longer term registering learners on each individual unit, though perhaps appropriate for the relatively small numbers currently involved in a unit-based offer, could lead to an unnecessarily cumbersome and costly set of arrangements if extended more widely across Agency funding arrangements.
22. A more flexible approach might be to register a learner on a qualification, thereby offering them access to all the individual units within the rules of combination for that qualification. This would be a less bureaucratic approach, but it would require a change to future Agency performance measures. Currently if a learner registers for a qualification there is an

- assumption that he/she aims to complete the whole qualification. If this assumption was abandoned, learners could select individual units within a qualification and gain credits for these units without having an adverse impact on provider performance based on qualification success rates.
23. It is recognised that the current funding arrangements for unit delivery are targeted at particular initiatives (the Unit Delivery Trials and the Offer for the Unemployed) and have different funding criteria from the Agency's standard funding model. It is also recognised that Agency funding arrangements will change from 2013-14 and will be better able to support unit-based provision.
24. The Agency is also taking forward work on how credit success rates might be measured in future performance assessment arrangements (though no decision on changing the current QSR has yet been made). Both providers and AOs looked forward to a future in which learners would be able to access provision based either on units or on qualifications (or a combination of both) and where AOs would be free to develop registration arrangements appropriate to the needs of individual learners, without concern for their impact on performance measures or future funding allocations.

Assessment and verification

25. AOs report that their quality systems are able to support providers in their unit-based programmes. However, those providers that have established such programmes through the Offer for the Unemployed are often running short courses on a continuous basis and are keen to ensure that learners are able to register, be assessed and achieve credits in the space of a few weeks. Some AOs are more easily able to respond to this than others.
26. Several AOs place a constraint on the units that a provider may offer. So a provider may only deliver an individual unit or units when it also offers the full qualification from which the units are taken. (It is recognised that this might be interpreted as a requirement of the Unit Delivery trials, but it does not apply to the (much more extensive) Offer to the Unemployed). The rationale for doing this is that the AO needs to organise verification/moderation for individual units (as the regulator requires) quickly and cost-effectively and that where the whole qualification is already offered, a verifier/moderator will already be in place.
27. In some cases providers accept this as a reasonable constraint and select units accordingly. Approval to offer the qualification from which the units are drawn is already in place, and verifier/moderator visits are organised for unit-based provision to run alongside qualification-based programmes that include the same units. Where evidence is sampled, evidence from

- unit-based provision is bundled with qualification-based evidence seen by the same verifier.
28. Some providers find such constraints unduly restricting. This is especially the case when units have been selected from a range of different qualifications to give learners a wide choice of vocational progression opportunities. Although any one individual learner is offered a coherent programme of learning based on a single vocational area, a number of different areas are available to a particular group of learners, with other units (e.g. in work-readiness or employment preparation) shared across the whole group.
 29. Some AOs are simply not able to support such broad-based provision through their existing verification or moderation arrangements at a centre, either because it is practically too complex to organise in a short space of time, or it goes beyond existing qualification approval arrangements or because it would be too costly in terms of verifier/moderator time.
 30. It should be noted that most providers involved in the evaluation project are happy to work within these constraints. However, those that find them restricting are those that are making a significant unit-based offer (often building on the experience of 2010-11). It would seem that, where unit-based provision is run at the margins of what is conceived as 'mainstream' (i.e. qualification-based) provision, most AOs are able to support it adequately. However, when such provision begins to be offered at scale by a provider, some AO systems fail to respond to this increase in scale and scope.

Alternative AO approaches

31. It should be emphasised here that not all AOs ask providers to operate under such constraints. Three of the AOs interviewed by NIACE do not place restrictions on the units that a provider may offer. If one of these AOs awards credit for a unit then a provider may offer this unit, irrespective of whether or not a full qualification including this unit is also offered by the centre. At present there are marginal advantages to a centre in using one of these AOs. If unit delivery and CAT arrangements expand in the future, these advantages may become significant.
32. Two of these three AOs operate verification/moderation arrangements that are effectively unit-based rather than qualification-based. Verifier contracts are drawn up to support a range of units in a particular subject or vocational area. Verifiers are then allocated to support assessment of these units across a number of providers. Whether a unit forms part of a qualification or not is irrelevant to the terms of the verifier's contract. As AO charging policies are linked to the credits achieved by learners (rather

- than to whole qualifications) income to the AO is proportionate to the unit sampling undertaken by the verifier.
33. The third of these three AOs is also willing to support individual unit assessment outside the scope of a qualification. Indeed, aware of the constraints imposed by some of its competitors, it is using the Offer for the Unemployed to promote this facility to new providers that have previously not offered its qualifications. A fast-track centre recognition process is also in place. Thus the flexibility to respond to provider needs in relation to unit-based delivery is seen as an important marketing tool by at least one AO.
 34. As noted above, AO processes for learner registration and related charges are already responding to provider demands for more flexibility in supporting unit-based delivery. It seems as though some AOs are also more able than others to support assessment and verification on short-course provision based on units. As such provision expands in the future we may anticipate that more providers will seek to work with those AOs capable of supporting unit delivery irrespective of the qualification within which the unit is located.
 35. Of course many learners will continue to wish to progress to a whole qualification, even where initial registration is on a single unit. However, AO systems need to reflect the fact that some learners will aim only to achieve credits, rather than qualifications. Feedback from the NIACE work suggests that, where an AO adopts a unit-based approach to its assessment and verification procedures, it will easily be able to accommodate learners aiming to achieve a whole qualification. The converse, however, may not be true.

The award of credits

36. As we note above, the assessment and verification arrangements of some AOs constrain their ability to award credits to learners on completion of a short programme based on one or a small number of units. (Though the QCF regulations require credits to be awarded 'quickly'). It also seems to be the case that, even where assessment and verification of unit-based provision can be effectively managed, the prompt award of credits to learners creates challenges for some AOs.
37. Several providers noted that AO award of credits is linked to a fixed cycle (often a termly cycle) and that therefore learners completing a unit-based programme in four weeks often had to wait for a number of weeks before formal certification of their achievements was issued. As many AOs issue these certificates via a recognised centre, credits may remain unclaimed indefinitely in some cases where learners have moved on.

38. In another case the charges for individual credit certificates were prohibitive. The provider in question had chosen to offer a whole Award because it was more cost-effective to do so than to claim credits for each of the (four) units that made up the Award. (Of course this fell outside the scope of the Unit Offer for the Unemployed.) It appears that some AOs are better-placed than others to support the kind of flexibilities sought by providers in designing their Offer for the Unemployed.
39. One AO referred to by a provider appears to have no automated facility to issue credit certificates separately from a qualification. The credits accumulated towards a qualification are issued by this AO (reports the provider) as a transcript to support the achievement of the qualification. When the provider asked for credits to be awarded separately from a qualification they were informed that this was an exceptional case and would have to be charged for as such. Again the regulatory basis for such an approach might be questioned.
40. It is hoped that this last case is exceptional. The NIACE project team has heard of a number of instances where the award of credits to learners on unit-based provision has been delayed far beyond completion of their programme. However, the team has also heard of many cases where credits have been awarded promptly and accurately through an AO's standard procedures. It is to be hoped that, as unit-based programmes expand in the future, more AO systems will be able to respond to provider demands for rapid recognition of learner achievement through the award of credit.

A note on the Personal Learning Record (PLR)

41. It is in this context that a number of providers noted the potential benefits of the PLR in supporting a single source of information on learner achievement in which credits could be easily and quickly awarded. The NIACE team is aware that work with AOs is continuing on trialling a PLR, and commentary on this trial falls outside the scope of this paper. Nevertheless, there is strong provider support for AOs to utilise the PLR to record credit achievement through unit-based programmes.

Credit accumulation and transfer

42. The process of credit accumulation appears to be well understood and the language of credit accumulation informs the approaches and the promotional materials of several AOs. References to 'building up credits towards a qualification' are relatively common, though some AO publicity and marketing materials continue to refer only to 'qualifications' and occasionally to 'units of a qualification'.

43. There is however very little evidence of the practical transfer of credits from a qualification offered by one AO to a qualification offered by another AO. Some AOs anticipate a gradual increase in such demands for credit transfer as the QCF develops. Others are convinced there will never be any significant demand to transfer credits between AOs. In this context providers may begin to establish a real demand for credit transfer as learners achieving credits through one AO seek to build on these credits with other AOs in the future.
44. It is possible that the continuing development of short courses based on a small number of units, and designed to prepare people for progression to employment or to more substantial programmes, may itself have a positive impact on the development of credit transfer between AOs. Some of the more experienced and more substantial providers offering unit-based provision in 2011/12 are apparently already driving such demand.
45. So, for example, one provider offers a unit-based programme through the Offer for the Unemployed that combines one or two 'work readiness' or 'self assessment' units with the ability to take one or two units in a vocational area from a wide range (though by no means all) of the vocational programmes offered by that provider. In order to ensure that registration, assessment and certification arrangements are cost-effective, the provider uses three AOs to support this provision, and ensures that each individual learner is offered a programme supported by a single AO. However, the credits achieved through this programme may lead to many different qualifications offered by over a dozen AOs.
46. In this context it is important for a learner completing such a programme and opting to progress to a qualification-based programme that he or she is able to take all relevant credits into that qualification. In a significant proportion of cases the qualification will be offered by another AO. For these learners, credit transfer becomes an important facility. If such programmes expand in the future, it will become increasingly important for providers to be able to guarantee credit transfer from such provision into an increasing number of qualifications.
47. This facility becomes particularly important in a context where people with no previous qualifications, or with qualifications in a now-disappeared employment field, are aiming to get back into work. Learners in these cases recognise that if they are to progress to real work opportunities they will need to achieve qualifications relevant to their work roles. Indeed, the need to be in employment in order to be able to achieve a work-related qualification is understood by many unemployed people. In this context 'progression to employment' and 'progression to a qualification' are perceived as interconnected rather than different progression options.

48. Some AOs are more prepared for this eventuality than others. The small number of cases where credits are transferred currently is seen by some AOs as evidence that demand will always be marginal and that therefore requests for credit transfer can be dealt with by exception, rather than within standard AO processes. Other AO systems are already capable of supporting credit transfer in exactly the same way as credit accumulation. Once again it is assumed providers will wish to work with AOs in the future that are best able to support credit transfer from unit-based provision.

Conclusion

49. The NIACE evaluation work has uncovered a range of different systems through which AOs are able to support providers in unit delivery and CAT. Many AOs are responding flexibly to the particular demands from centres to support such provision in 2011/12. It is assumed that, as unit delivery and CAT expand in the future, those AOs best able to support these flexible systems will be those most often and most widely used by providers.

Annex F

Acknowledgements

We would like to express our thanks to the following people and organisations for their support to the project.

Individual	Organisation
Safdar Ali	Bradford College
Chris Astles	City & Guilds
Chris Atkinson	Ascentis
Lesley Barr	LANTRA Awards
Una Bennett	Learner Records Service
Alison Boulton	Natspec
Helen Butler	Ascentis
Suzanne Cant	NCFE
Paul Carter	OCR
Marcus Cook	Central Bedfordshire Adult Skills and Community Learning
Louise Curd	Derby College
George Curry	Westward Pathfinder
Teresa Frith	Association of Colleges
Carol Graham	ABC Awards
Jane Granville	Wakefield Adult and Community Education Service
Liz Green	OCR
Dee Griffiths	St Helens College
Rosanne Hill	OCR
Julie Hinchliffe	Bradford College
Geoff Holden	City & Guilds
Graham Houghton	Jobcentre Plus
Jac Ingram	NCFE
Sarah James	Edexcel
Darryl Jones	HMP Hewell
Nick Juba	University of the Arts Awarding Body
Teresa Kelly	Abingdon and Witney College
Paul Kissi	Jobcentre Plus
David Lee	Ealing, Hammersmith and West London College
Alison Lewis	City of Plymouth College
Trudy Murphy	S & D Training, County Durham
Jacque Mutter	OCN London
Cathy O'Shaughnessy	City & Guilds
Sian Owen	Edexcel
Adele Oxberry	HIT Training

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Simon Perks	Ofqual
Jane Poole	Hartpury College
Tim Pritchard	Wakefield Adult and Community Education Service
Linda Rabey	Chelmer Training
Andrea Satterthwaite	Newcastle City Learning
Andy Shilton	City & Guilds
Kate Shoesmith	City & Guilds
Keith Smith	Skills Funding Agency
Sailesh Solanki	5E
Ann-Marie Spencer	Wakefield Adult and Community Education Service
James Stockdale	Skillsmart
Maddy Thompson	The Children's Workforce Development Council / Skills for Care
Stella Turner	Association of Employment and Learning Providers
Sue Van Zyl	Lincoln College
Phyllis Warde	South Birmingham College
Dave Wheatley	St Helens College
Anton Whittingham	Redbridge Institute of Adult Education
Cath Williams	St Helens College

Annex G

Analysis of provider returns on unit delivery 2011-12

Number of units available	Number of units used	Used Units as Proportion of Total
19,006	606	3.19%

Enrolments by Learner Status							
Unknown	Unemployed	Economically Inactive	Employed	Self-Employed	Full-Time Education & Training	NEET 14-19	Total
42,985	28,034	2,973	1,073	71	49	11	75,196

Most Popular Five Units Overall				
Word Processing Software (5,072)	Spreadsheet Software (2,916)	Interview Skills (2,744)	Self-Assessment (2,316)	Applying for a job (2,218)

Most Popular Units by Learner Status					
Unknown	Word Processing Software (3,777)	Spreadsheet Software (2,149)	Presentation Software (1,446)	Database Software (1,352)	Personal Career Planning (1,180)
Unemployed	Self-Assessment (2,078)	Interview Skills (1,850)	Preparing for Interview (1,521)	Working in Customer Service (1,251)	Applying for a Job (1,178)
Economically Inactive	Word Processing Software (296)	Introduction to Career Preparation (206)	Spreadsheet Software (177)	Using Cooking Skills in a Domestic Kitchen (175)	Presentation Software (120)
Employed	Introduction to Developing Personal Study Skills (74)	Dementia Awareness (64)	Principles of continuous improvement techniques in kitchen food operations(48)	Spreadsheet Software (44)	Word Processing Software (39)
Self-Employed	Using Email (6)	Introduction to Using Word Processing Software (5)	Spreadsheet Software (4)	Introduction to Using the Internet (4)	Introduction to Developing Personal Study Skills (3)

