

Evaluation of Qualifications and Credit (QCF) Unit Funding Trials in England - Summary Report

Please note: This report represents research and findings up to April 2010 and work related to Unit Funding Trials in England has now progressed.

Introduction

HOST Policy Research (HOST) started the evaluation of the Unit Funding Trials (UFT) for the Learning and Skills Council National Office (LSC) in mid summer 2009. The trials represented an important policy development and key part of the implementation of the Qualifications Credit Framework (QCF) and focused on how far the flexibilities inherent in the QCF can be delivered in Adult Responsive (AR) and Employer Responsive (ER) provision.

This summary is drawn from the final report of the evaluation (April 2010) which followed two interim evaluation reports (August 2009 and January 2010) to the LSC. It looks at:

- The aims and scope of the HOST evaluation.
- Trial focus, scope and coverage.
- Provider and learner engagement in publicly funded unit provision at trial sites.
- Implementing the trials, enablers and constraints at provider level.
- Alignment with policy expectations and goals
- Impact of the unit trials.

The review draws on participation evidence from 2008-2009, and early indications for 2009-2010, together with a staged review since June 2009 of provider and some stakeholder experiences. This qualitative element has looked at the nature of the trials, and the distribution of activity. Finally conclusions on trial implementation and characteristics set against policy expectations are presented.

Evaluation aims and scope

The context of the trials and the background to unit funding within the QCF are complex. The QCF is part of the new Skills Funding Agency's (the Agency) remit for implementing vocational qualifications reform. Central to implementation of the QCF is that it is a credit and qualification framework with qualifications built up from units. Here, the design of QCF is intended to fully support flexibility, and start to address supply-demand gaps in provision, and boost the responsiveness of vocational qualifications in the UK. While unitised or 'bite-sized' delivery in the post-16 sector is not novel, credit accumulation and transfer with QCF is a substantial innovation for publicly-funded provision. The LSC trials aimed to assess the implications of such delivery within its current funding and performance systems.

To meet these needs, the evaluation has combined a focus on available data from learner registrations, aims and achievement within those QCF units defined as in scope of the trials, together with interviews with selected providers. This 'front-line' emphasis of trial engagement, learner take-up and any early progression, and funding and performance effects, has been the main focus of evidence collection. The evaluation has additionally looked at stakeholders' experiences among selected Sector Skills Councils (SSCs), Awarding Organisations (AOs) and other agencies. Two trials were established:

- Adult (learner) responsive (AR) unit trials centred on adults (19+) who ideally had the capability for progression to a full qualification but not currently able to complete this.
- Employer responsive (ER) Small and Medium-sized Enterprise (SME) flexibilities trial, with the ER eligible units available under the Train to Gain SME Initiative.

Both sought to harness unit registrations as a basis for supporting learners to progress from units to full qualifications in the QCF and recognising the award of credit as a distinct achievement. Enrolments on the employer responsive trials were effectively concluded early in 2009-2010 but the adult responsive trials continue.

The evaluation harnessed the available evidence supplemented with fieldwork with providers and stakeholders. However, there have been some difficulties in isolating provider experiences against what has emerged as low profile trials lacking transparency in the sector. The front-line experience from the trials has included a small-scale e-survey of trial providers but has drawn extensively on staged interviews and case studies of a cross-section of 14 providers delivering funded units within QCF in 2008-2009 and more recently, and/or generic coded units in 2008/2009.

Trial scope and coverage

Initially nearly 450 units were defined by the LSC with selected SSCs and AOs as in scope for the UFT and the trials that commenced during 2008-2009. Their utilisation has been the focus of the trials, although the evaluation has also taken some account of the experience of providers' activity in using and funding generic coded units in 2008/09, and for which the second interim report provides a detailed comparative assessment. For the unit trials, the evaluation shows:

- The unit selection processes (for AR and ER) has provided a relatively wide base of eligible units in the trials. Alignment with policy goals was effective, and the selected units included a few areas of learning that have been historically very popular for target groups of learners.
- Learner registration under AR funding has seen providers using either the legacy generic coded units, where any specific vocational unit content will not be declared, and/or a smaller number of providers registering against the specific units for the trials. UFT unit-specific registrations had enrolments at a much lower level of take-up than for the generic units.
- The AR evidence base suggests that learner take-up of units was highly clustered. This has tended to emphasise cross-sector and 'broad appeal' units proposed by AOs, with very limited take up for units proposed by SSCs and none at all for over half of these.
- Factors which may have held back AR trial unit registrations have been the low profile of the trials among providers, the late start within the 2008-2009 academic year (although not a constraint since), limited external promotion or leadership of the opportunity the highly specific nature of many proposed units, and some evidenced caution by trial providers.
- The scale and breadth of the ER trials have been more limited and affected adversely by the subsequent funding constraints surrounding Train to Gain (TtG). These have shown marginal levels of take-up and engagement of very few providers. Here 'trial' experience is effectively clustered in just three work-based learning national providers.

From these points, it is clear that only a limited picture can be put together of the use and utility of units within the current LSC funding and performance model. While the qualitative information from SSCs, AOs and providers themselves has helped to provide some extra depth and dimension needed to understand progress, the lack of sufficiently broad engagement across and within providers has held back the scope and breadth of what the evaluation could look at within the trials.

Provider and learner engagement in trial sites

Provider engagement in the ER trials has seen a very small number of the larger providers taking a strategic approach to involvement in the trials. In contrast, and from the AR sites reviewed, the AR trials engagement at provider level seems more opportunistic and focused

mainly on tapping any available funding pathway to meet indicative annual provision targets. Many of these providers were not aware they were accessing anything distinctive as a funding pathway or that they were part of trials. Other findings showed:

- With the analysis of the full year Individualised Learner Records (ILR) data for 2008-2009, it is clear that the UFT trials in that year in both AR and ER funding routes started slowly and on any measure at low levels of engagement – across providers and within them. Provider engagement has widened slowly but typically this remains at very low levels of learner enrolments.
- With under 11,000 enrolments on UFT units across the relevant half year via AR, and only around a fifth of that level for the ER funding route in the first year, it is difficult to be confident about interpreting the evidence that is available on the patterns of use and demand for unit-based delivery among learners.
- Within AR the overwhelming majority of units taken up were Entry or Level 1 and with apparent appeal in particular to learners with limited (or no) past vocational attainment. The majority of units were in two areas of learning traditionally attractive to hard to reach learners through bite-size provision
- The narrow take-up seems to reflect less the highly focused nature of likely demand for such provision as the 'supply' to the trial of a number of highly specialised vocational units. This has been an important limiting factor on the trials but the evaluation concludes the scope for selecting units for the trials 18 months ago was greatly limited by the (QCF) units available at its start.
- There is some early evidence that for employers the ability to customise provision by adding individual units to publicly-funded full qualifications is welcomed and adds to the value they see for themselves and employees from vocational learning.
- Funding has not acted to constrain take-up with the trial sites but there is concern with cost pressures and financial viability of units within the LSC funding model. This is seen as not reflecting higher relative costs in unit-based registration, administration and more fragmented assessment. A specific concern is that unit-based registrations may incur a substantial penalty for providers in meeting unit-based fees from AOs with evidence this might double the cost of a staged and unit-based progression towards a full qualification.
- In the ER trials, these cost inefficiencies have often been addressed by harnessing the unit flexibilities to provide for 'top-up' units to those registered for full qualifications at Levels 2 and 3, and less commonly for single (or multiple non-award) unit registrations.

Providers saw unitised provision as potentially providing useful routes into learning for individuals who have been disengaged from learning and giving them a real chance to achieve. In this, the trials seem to have been well aligned to policy goals to encourage disengaged learners into qualification attainment, although it is too early to review the effects of unit registration for progression. However, the evidence of engagement also suggests that 'soft launching' an initiative such as this within the existing funding available, has not been sufficient to draw in adequate numbers of providers and adequate numbers of enrolments to make a viable test of demand for units and implications for funding.

Implementing the trials at provider level

The evaluation concludes that the trials were started at a time when there were significant constraints to shaping an effective and demand led focus for implementing the eligible units. The limited population of units then available to the trials was the major constraint to this.

Providers in general seem to be unclear about any limitations of eligibility and have focused on the units that were available. At provider level the evidence shows:

- Implementing the trials seems to have seen few difficulties at provider level. Where implementation difficulties were cited, admittedly from a small sample of provider sites, these were mainly procedural and concerned registration and administration processes.

- The evaluation showed no apparent or recurrent difficulties with capacity building for unit-based delivery within publicly funded provision. At the same time, the evaluation cautioned that it remained very early days for the providers in harnessing units and that for most their offer remains very small scale and limited in scope.
- The main provider concerns seem to have been with the added bureaucratic burden, but with evidence that clearer guidance may have provided an opportunity for streamlining some of these arrangements.

There were some deeper concerns that colleges in particular may not be well placed to roll out the adult flexibilities of unit delivery without addressing substantial challenges to the organisation of learning at provider-level. Flexibilities in qualifications and a more personalised approach to securing units and credit leading to full qualifications, present acute challenges for cost-effective delivery particularly in classroom settings that some of the trial providers feel they are not well placed to address.

Impact of the unit funding trials

It is too early for the trial evaluation to look in any depth at the impact of the AR activity. Here, for providers, the engagement levels have mostly been very low and centred on very few areas of their current offer. For learners, participation is relatively recent and it is too early to expect much evidence-based reflection on what difference these have made to individuals. However, in the ER trials, there is some indirect value for providers in building or refreshing relationships with employers and in wider staff development in those providers.

A key issue for impact was the extent to which realising the inherent flexibilities of credit accumulation would enhance progression for some groups of learners. It is too early to make anything more than a preliminary assessment of this but on the available evidence, the unit by unit approach is unlikely to show significant or speedy returns for enhancing progression to full qualifications. Developments with use of Unique Learner Numbers (ULNs) in will mean that the scale and duration of any progression effects can be tracked more robustly in the future.

Engagement with the trials has resulted in some emerging provider concerns about the impact that might be expected of unit-based enrolments on future progression. Here, providers raised concerns about how high level performance measures for provision (and inspection) might hold back impact on progression and in particular the LSC/Skills Funding Agency success rate calculations. While there was no evidence this had yet been a realised constraint to impact, it was affecting provider thinking about if, and how, learners with unit enrolments should be encouraged to progress to full qualifications. Some of the trials providers had already been rejecting the possibility that they might absorb the full cost of registration for a full qualification (ie at the commencement of a specific unit enrolment) because high levels of non-progression would reflect badly on their overall performance.

At the same time, the evaluation suggests that the most substantial constraint to the impact of unit provision within QCF, is not the current funding or performance review models but future funding levels and priorities. In this, the planned future reductions and priorities in ALR funding for 2010-2011 have not made the future of the UFT at all secure, even among enthusiastic providers. Many trial sites now doubt their ability to offer this provision in future, and current guidance on priorities is not perceived to support **flexible** delivery towards full qualifications. On this evidence, and unless there is a clear change in message in profile and in delivery for the UFT, it seems unit-delivery within publicly funded provision – and its impact - is set to face chronic supply constraints across the sector.

Alignment with policy expectations and goals

Trial providers recognise that appropriate units such as the ICT and Preparation for Life and Work units, provide a focus for attracting disengaged learners into learning. This is not a new concept for providers and the activity within the trials is consequently not new for many and is seen as an evolution of current practices. However, providers are clear that a proportion of

learners engaged in this way in the past can, and have progressed to undertake more units either at the same level but in different topics, or by going up levels within the same topic. This would seem to support policy aspirations for units in supporting progression into continuing learning but not necessarily to full qualifications.

Other evidence of trials alignment is, so far, less positive. The trials have been fundamentally concerned about the fit of the funding model to helping providers and learners achieve the flexibilities available from QCF based credit accumulation. While the early evidence here is speculative, it highlights emerging concerns about what is described as the marginal nature of unit funding in the existing funding model. A particular issue is that the units have disproportionately heavy costs (for marketing, administration and assessment) which are not recovered from an essentially proportionate approach to funding units as part-qualifications and with Guided Learning Hours (GLH) as the main dynamic in that proportionality. Here, the funding model may offer too little to adjust for these marginal returns, and associated risks, to providers within a system of delivery, monitoring, assessment and accreditation which seems to effectively disadvantage unit-based offers.

The evaluation suggests there is developing provider awareness of the QCF and the potential to accumulate credit towards a full qualification through rules of combination but this came too late for the early engagement with the trials. At the same time, the evaluation cautions that rising awareness of this potential may not be translated into wider use of publicly funded unitised provision, and many of the providers involved see a dysfunction between the ambition of the QCF and, as outlined above, the prioritisation for adult funding applied by the Skills Funding Agency for 2010-2011. Many in the trials now see little scope for publicly-funded flexible and unitised delivery and this would see supply of unit-based and bite-sized learning falling a long way short of the critical mass expected by policy makers.

There may be other supply constraints. For example, some of these providers have also seen the link between UFT provision and Foundation Learning (FL) for adults. Even where not part of phased implementation or evolving FL programmes, many of the units taken up in the ALR trials by newly engaged learners, particularly in Preparation for Life and Work could also be considered part of the FL approach and a flexible way of delivering this. Again, it seems the future funding allocations and policy relating to adult funding has made some providers very wary of the ability to fund units as part of their FL delivery. These providers seem to be investigating full awards instead for the future, in part, as they fear their financial security being put at risk by delivering units and not full qualifications. This would be consistent with other national evaluation evidence of the potential in 2010-2011 for 19+ FL provision.

Preliminary conclusions

The evaluation has made a start in drawing together front-line and other evidence of the use and effectiveness of publicly-funded unit delivery within QCF. Nonetheless, the breadth of the trials remains limited and provider engagement also lacks the depth to make more than preliminary conclusions of emerging policy issues. However, a number of concluding issues and implications have been set out in particular for:

- The future use and utility of public funding of defined units within QCF.
- Provider responsiveness and public funding of QCF based unit-offers.
- The understanding of the unit flexibilities and potential within QCF and the scope of the UFT.
- The commitment and support from partners and stakeholders for the trials.
- The performance of the trials and the performance of providers taking part.

Funding of units: Unlike at the start of the trials, by February and March 2010 the key issue for providers in expanding QCF-based unitised provision was the likely available funding. The given national priorities for delivery were full Level 2 and 3 qualifications, basic skills and Foundation Learning and, within that many providers in this evaluation could see little or no

scope for offering unitised delivery. Providers were facing cuts in spending overall on AR, and were therefore proposing not just cutting back to priority learning but some were looking at where to cut within priority learning. In this climate more innovative offers and, in particular those attracting what was seen as marginal returns against costs, would be severely constrained as providers pursued 'survival' strategies over exploiting QCF flexibilities.

Provider responsiveness: Many providers acknowledged that unitised delivery was what many learners wanted and in particular among disadvantaged and low attainment potential learners. However, they felt that their own provision would need to be led by funding concerns and financial security and not driven by the preferences of specific groups of learners for more flexible and progressive learning. This raises tensions for publicly funded unitised delivery between developing and sustaining provider capacities to achieve QCF flexibilities in the interests of learners and employers as well as the quality of provider responsiveness to demand. This would seem to be a fundamental issue for the future of unit-funding and will need to be worked through in detail within the SFA.

Understanding potential: Even within trial sites, the understanding of the UFT seems at best to be limited and many seem to have arrived at the trial activity by accident or default. Discrete unit provision as part of providers' offer is not a high profile activity within providers, or within the sector as a whole, and this has almost certainly acted to hold back wider engagement. If achieving QCF flexibilities is to remain a policy goal, it seems some stimulus is needed to encourage providers to understand the scope and potential. This may call for a distinctive profile for the trials, perhaps as a pilot activity, with substantial promotion or a marketing exercise and working closely also with stakeholders to raise the profile of units and clarify the potential and benefits of this way of working. This in turn raises issues for SFA and its strategic partners on just who is to champion publicly funded unit-provision and its potential.

Trial support: The range of units and SSCs involved does not seem to have served these trials well. With the benefit of hindsight, there must be some doubt as to whether SSCs, and particularly some of the SSCs selected, were the right organisations to approach for proposing units for the trials. The evaluation concludes that providers, and perhaps provider representative organisations, might have been a better focus for providing a sound perspective on the nature of units that would attract learners seeking bite-sized and progressive learning. Unitised provision is not new to the sector although credit accumulation is, and there is scope in future trial or pilot models for the choice of units available to be considered against likely demand and better aligned to the intended learners and outcomes.

Unit delivery and performance measures: The trials, and this evaluation, have centred on identifying the challenges facing delivery within the current funding approach. While the evidence available remains limited on these effects, it is clear that these cannot be considered in isolation. Delivery decisions by providers can be seen to stem from considerations that are wider than immediate funding and the evaluation has shown that the viability of public funding will be affected not just by the funding model, rates and weightings but also by provider assessments of other risks and especially the application of current performance measures.

The evaluation has provided some critical insights into the early use by these providers of publicly-funded unitised delivery. On any measure the evidence base is limited and the evaluators are cautious about drawing more robust conclusions from the findings at this stage. While it may be a simple conclusion to say that further evidence is needed, for unit-funding trials (or pilots) this would seem to be essential if public policy aspirations are to be met.

The evaluators also caution that any future review of unit delivery and the role of public funding in realising the benefits of QCF, will need to go beyond the main focus of this assessment, ie the fit of the funding model. In particular, the effective use of public funding as a support and stimulus to unitised delivery, wider learner engagement and to progression to full qualifications, needs also to look at the inter-relationships between funding, procurement and how performance is measured in the sector.

The evaluators commend these preliminary conclusions to the SFA as a way of reshaping the ongoing trials and in particular for widening aspirations for implementation and policy. We believe this is an important starting point for an evidence-led focus for achieving the benefits of the flexibilities inherent in QCF, benefiting learners and building provider awareness and capacities to underpin this.

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