Qualifications and Credit Framework (QCF) Implementation

Policy Update Issue 5

Date: 28 July 2010

Audience details: Providers, Stakeholders and Awarding Organisations

Contents

1. Introduction

1.1   This Qualifications and Credit Framework (QCF) Policy Update is the fifth in a series of regular communications from the Skills Funding Agency (the Agency). This update follows Issue 4.1, which was published in February 2010. The next update is planned for the end of September 2010.

1.2   The QCF is a part of the Vocational Qualification Reform (VQR) Programme. The Skills Funding Agency is responsible for implementing the QCF across the wider post 19 skills system in England, and for delivering the changes made to the Personal Learning Record to support the QCF in England, Wales and Northern Ireland.

1.3   The Department for Business Innovation and Skills Consultation (BIS) has just announced the following consultations:

   a.   **A Simplified Further Education and Skills Funding System and Methodology.** This consultation seeks views on how the new flexibilities now offered by the single adult budget approach allows the QCF to be responsive to the needs of learners and seeks views on what elements of the QCF should be eligible for funding and why.

   b.   **Skills for sustainable growth: consultation on the future direction of Skills Policy.** This consultation seeks views on how the QCF can be developed to assist providers to deliver the qualifications learners want by giving them the flexibility to progress with their learning and development.

   c.   Both are documents are available at **Consultations | BIS** www.bis.gov.uk/consultations.

1.4   This update highlights key areas of work and progress with regard to implementation of the QCF so far, including any appropriate aspects of wider Vocational Qualification (VQ) Reform. This update focuses in particular on areas that will be impacted in the delivery year 2010/11.

1.5   Providers can find out **what QCF qualifications have been confirmed for funding** for the remainder of this year and 2010/11 by consulting the online list at http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/. The Agency is adding to the list (on a fortnightly basis until December). As of July 2010, the Agency has confirmed a critical mass of QCF qualifications confirmed for public funding (1,630 QCF qualifications as at 14 July 2010). The Agency will

continue to add to the list as new QCF provision becomes available and is confirmed for funding.

1.6   Background information on the QCF and wider Vocational Qualification Reform programme (VQRP) can be found on the Agency's dedicated QCF website: http://qcf.skillsfundingagency.bis.gov.uk/.

2. Key messages

2.1   The Secretary of State for Business, Innovation and Skills wrote to the Chief Executive of Skills Funding Agency on 17 June 2010 setting out the Coalition Government's key priorities for the Agency. A central part of these priorities is to introduce greater freedoms and flexibilities across the sector and for the Agency itself to work more collaboratively with the sector. During 2010/11 the Agency will increasingly focus QCF implementation on how we can ensure that the flexibilities of the QCF are delivered to better support these freedoms and flexibilities.

2.2   It is anticipated that at the end of September 2010 a further list for the removal of funding will be published. The UK Vocational Qualification Reform Programme Board set December 2010 as the timescale for all vocational qualifications to be in the QCF and therefore the Agency assumes that a comprehensive QCF offer will be in place. At this point, the Agency will review whether funding can cease for all new starts on all remaining vocational NQF provision from 31 December 2010.

2.3   The Agency has now confirmed arrangements and **timetable from funding qualifications in the National Qualifications Framework (NQF) to funding qualifications in the QCF**. A final list of NQF qualifications where funding will be removed from 31 July 2010 for new starts was published on 14 July 2010. A second tranche of NQF qualifications will be confirmed at the end of September where funding for new starts will cease from 31 December 2010. This will mean that by January 2011 public funding should be fully focussed on qualifications in the QCF. More details are available at: http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/implementation/.

2.4   The Agency and the National Apprenticeship Service (NAS) has agreed that where a current NQF qualification is within an existing Apprenticeship framework, that qualification will continue to be funded for new starts as long as the framework remains current. The new Specification of Apprenticeship Standards for England (SASE) can be found online at: http://www.apprenticeships.org.uk/About-Us/SASE.aspx. The ceasing of funding for NQF qualifications where an appropriate QCF offer is accredited and available applies to Adult Learner Responsive and to 'stand alone' NQF qualifications in Train to Gain only. The timescales for Apprenticeship frameworks to be SASE compliant is April 2011.

2.5   John Hayes, Minister of State for Further Education, Skills and Lifelong Learning, announced at the Association of Learning Providers conference that Key Skills will be extended until March 2011 for use in Apprenticeship Frameworks. This will allow apprenticeship providers the choice of offering either Functional Skills or Key Skills until 31 March 2011. This is a temporary measure to allow more flexibility for providers whilst they finalise their preparations for delivery of Functional Skills from April 2011, when the new Apprenticeship Frameworks are due to come into force.

2.6 In addition, from August 2010 onwards, the Agency will seek to encourage greater use of **shared units** (units made available to all recognised organisations to access for use in developing rules of combination and awarding credit) in order to stimulate credit accumulation and transfer and achieve best value for money. In general, from this point onwards it will expect only to be confirming for public funding qualifications composed of shared units.

Funding and performance arrangements

2.7 From 1 April 2010, the Agency assumed responsibility for confirming funding for qualifications delivered to learners aged 19 and above in England, in accordance with the Apprenticeships, Skills, Children and Learning Act 2009.

2.8 The Agency has published current outline process for confirmation of public funding and this available at **Confirmation of funding**. In addition the Agency has published the parameters for funding for 2010/11 for each of its delivery programmes. These are of particular interest to Sector Skills Councils and Sector Bodies (hereafter referred to as SSCs) and Awarding Organisations (AOs) and are available on line at

http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/.

2.9 Once the outcomes of the two consultations, on the Skills Funding System and Skills for Sustainable Growth, are known the Agency will review the processes and parameters for confirming public funding. The intention is that both consultations will inform the Agency's approach to QCF implementation and the resultant changes will be implemented in the Autumn.

2.10 For the 2010/11 academic year the Agency has introduced changes to the funding system to enhance the freedoms for colleges and training organisations. The changes introduced are the creation of the single post 19 budget for colleges and the removal of the Summary Statements of Activity. The consultation on the Skills Funding System will inform the future direction of the full implementation of the QCF and on how to better support the flexibilities of the QCF from 2012/13 onwards. Performance measures will also need to be aligned to the objectives of the QCF, the Agency will be starting to test new QCF success measures from 2010/11 onwards.

2.11 The Agency continues to trial approaches to **flexible delivery of QCF provision** and has recently requested Expressions of Interest from colleges wishing to take part in Adult Learner Responsive trials; the closing date is 13 August 2010 and details can be found at **QCF Funding Policy** http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/policy/. Currently unit funding trials are taking place within Offenders' Learning and Skills Service and through the Qualify with a Business initiative. The outcomes and recommendations of these evaluations will continue to inform how the Agency takes the QCF forward.

Personal Learning Record

2.12 The core changes to the **Personal Learning Record** (PLR) to support the QCF will launch in October 2010. A business change support package will shortly be available for providers to help in implementing the PLR.

3. Transition to the QCF

3.1 The Agency has published guidance on the timetable for transition from the NQF to the QCF for publicly funded learners aged 19 and over in England, most recently in the paper '*Managing the Transition from the NQF to the QCF:*

managing down NQF provision'. This paper provides the definitive account of the transition timetable, and is available online at: http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/implementation/. The key points are summarised below. This approach takes into account recent provider concerns regarding the availability of QCF provision and the lead-in time for delivery for new qualifications.

Confirming QCF provision for funding

3.2 On **1 April 2010**, the Agency published its first formal list of QCF qualifications confirmed for public funding for the remainder of 2009/10 and 2010/11. The list is available at:

http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding. As of July 2010, the Agency has confirmed a critical mass of QCF qualifications confirmed for public funding (1,630 QCF qualifications as at 14 July 2010) The Agency will continue to add to the list (on a fortnightly basis until December) as new QCF provision becomes available.

3.3 Qualifications confirmed by the Agency for funding will be confirmed only for the academic year or their operational end date (set by Awarding Organisations and recorded by Ofqual), whichever is sooner. Every January the Agency will review the confirmation of provision for public funding for the following academic year, at which point the funding end date for all confirmed qualifications will be extended as appropriate.

3.4 During the period of transition there will be some qualifications where a shorter period of confirmation will be agreed in discussion with the relevant stakeholders. Currently such arrangements have been agreed for some Counselling qualifications, where funding has been confirmed only to the end of December 2010. This is to provide a further opportunity for the relevant sector body and Awarding Organisations to develop a rationalised offer in the QCF. These qualifications will have a note published on Learning Aim Database (LAD) to indicate their unique status; the list will soon be published on the QCF website.

3.5 In addition to confirmed provision in the QCF, the Agency will continue to support specific qualifications in the NQF, such as Skills for Life, ESOL, GCSE/A-Levels and other core general qualifications, until a policy decision is reached concerning their transfer to the QCF. In addition the Agency will also continue to support QAA recognised Access to Higher Education.

3.6 Special arrangements have been put in place for QCF provision approved under Section 97 of the Learning Skills Act 2000, prior to 1 April 2010 and that have not been confirmed for funding by the Agency. To assist with transition to the QCF, QCF qualifications approved under Section 97 will be funded to their Section 97 approval end date or the 31 December 2010, whichever is sooner.
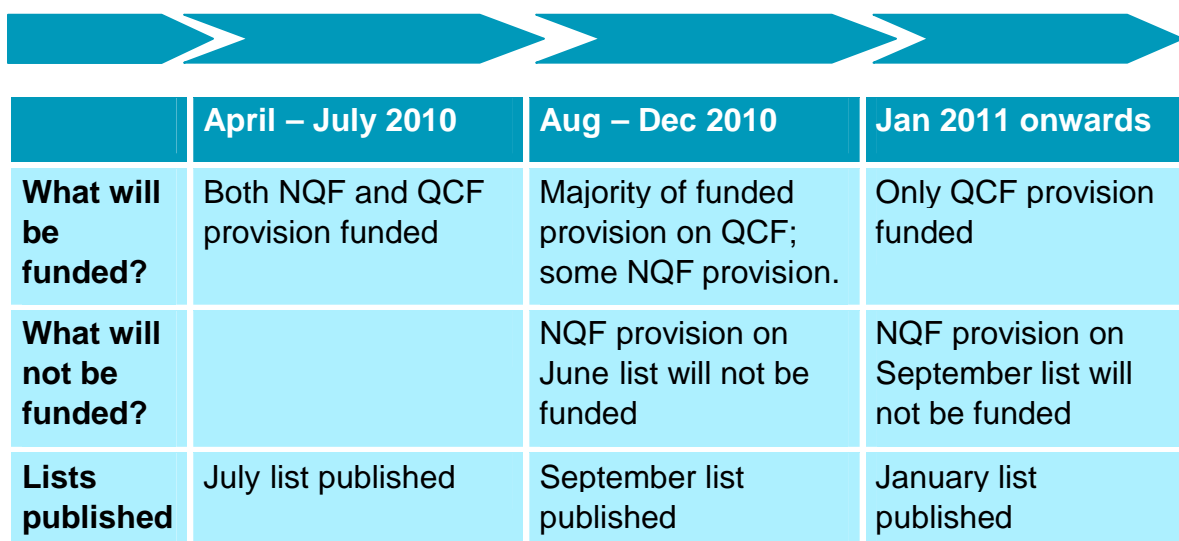
Ceasing to fund NQF provision

3.7 From 31 July 2010 the Agency will focus funding on QCF qualifications. However, the Agency accepts that there may be a need to fund both NQF and QCF qualifications for the interim period leading to December 2010. Where this is the case we will look at how we can actively encourage providers to make the switch to the QCF qualification as soon as possible and certainly review whether funding for the NQF qualification can be turned off as part of the end September 2010 list. In all cases we will expect the vast majority of new starts to be on the QCF qualification as soon as it is available.

3.8   In terms of the timescales and process towards 31 July 2010 and 31 December 2010, the following stages will apply:

a.   **Mid July 2010 Final Published List:** The final list of NQF qualifications where funding will be removed from 31 July 2010 for new starts was published on 14 July 2010. The Learning Aim Database (LAD) has been updated to reflect the final decisions. NQF qualifications not included on this list will continue to be funded, but will be subject to review as part of the process leading to the September NQF switch off list.

b.   **End of September 2010 Published List:** On 30 September 2010 a further list for the removal of funding will be published. This will set out those NQF qualifications where appropriate QCF qualifications are anticipated to have been accredited and confirmed for funding up to and including the end of December 2010. In line with the timescales set by the UK Vocational Qualification Reform Programme Board, it is expected that ALL vocational qualifications will be in the QCF by 31 December 2010 and therefore the Agency will at this point cease funding for all new starts on all remaining vocational NQF provision from 31 December 2010 (irrespective of the NQF qualification review date).

c.   **End of January 2011 Published List:** Going forward, the Agency will, each January, publish a list of those qualifications where funding for new starts will cease in advance of the new academic year.

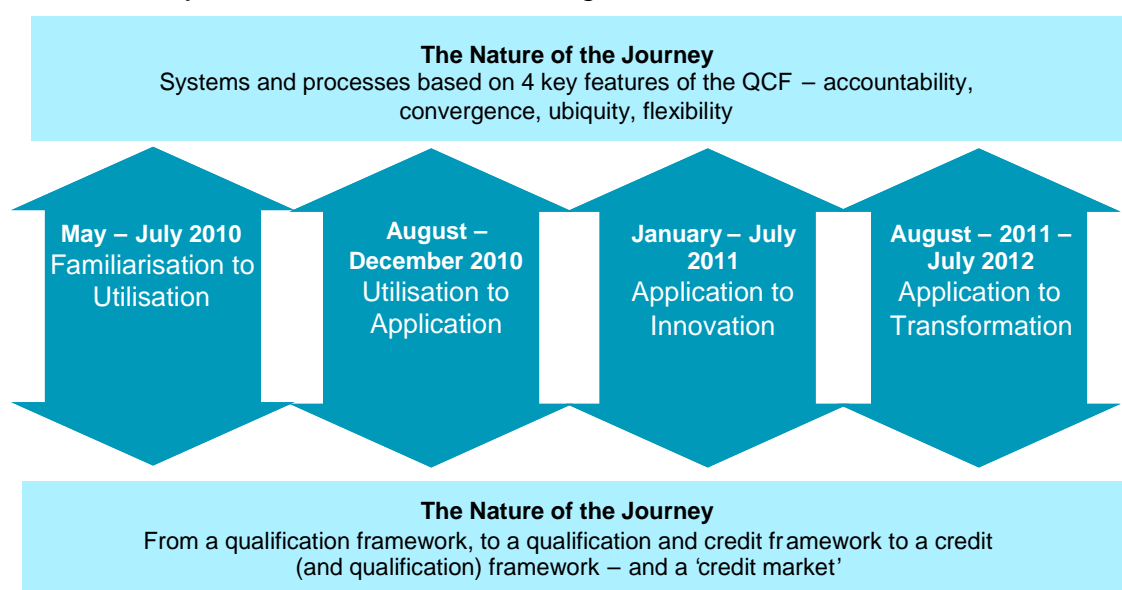The diagram below summarises the timetable:

	April – July 2010	Aug – Dec 2010	Jan 2011 onwards
What will be funded?	Both NQF and QCF provision funded	Majority of funded provision on QCF; some NQF provision.	Only QCF provision funded
What will not be funded?		NQF provision on June list will not be funded	NQF provision on September list will not be funded
Lists published	July list published	September list published	January list published

Diagram 1: Funding for new starts on QCF and NQF

d.   Notes on particular categories of provision:
   - some categories, such as Skills for Life and Access to HE, are outside the scope of the QCF, and will continue to be funded.
   - for Apprenticeships, the deadline for compliance with the Specification of Apprenticeship Standards for England (SASE) is April 2011. The Agency, on behalf of the National Apprenticeships Service (NAS), will continue to fund new starts on existing frameworks until a SASE-compliant successor framework is issued (or April 2011, whichever is the sooner). The Agency and NAS would expect Sector Skills Councils (SSCs) to refresh their frameworks to make them SASE compliant as soon as possible once the relevant QCF provision becomes available. The Agency is in discussions with UK Commission for Employment and Skills (UKCES) to ensure minimised disruption to providers by

encouraging SSCs to avoid refreshing frameworks twice (one for QCF and one for SASE).

4. The Provider Journey

4.1 Moving towards funding only QCF provision, as described above, is important, but represents one stage of the full implementation of the QCF. The Agency and other VQRP partners have set out what they expect by way of implementation timetable from this point onwards, and will be providing support to providers to achieve this. The key steps in the provider journey towards full implementation of the QCF by 2012 are set out in the diagram below:

The Nature of the Journey
Systems and processes based on 4 key features of the QCF – accountability, convergence, ubiquity, flexibility

| **May – July 2010** Familiarisation to Utilisation | **August – December 2010** Utilisation to Application | **January – July 2011** Application to Innovation | **August – 2011 – July 2012** Application to Transformation |

The Nature of the Journey
From a qualification framework, to a qualification and credit framework to a credit (and qualification) framework – and a 'credit market'

Diagram 2: Phases of provider transition to the QCF

4.2 **Familiarisation to Utilisation (May - July 2010)**: At this point, providers will be preparing to make the switch to QCF for August 2010 starts and building a post 19 QCF offer through understanding the basic design specification and structure of QCF qualifications. They will also be gaining an understanding of the stages of transition, and the role of the QCF in providing a common and transferable currency that supports employment, employability, social justice.

4.3 **Utilisation to Application (August - December 2010)**: The predominant qualification offer will be in the QCF. Providers are beginning to design and deliver unit based curriculum as a response to customer demand. Provision will be introduced that starts to use the flexibilities of QCF through engagement with awarding organisations and Sector Skills Councils. Providers will be increasing their understanding of the centrality of the QCF, and of the Skills Investment Strategy (or successor), UKCES Skills Audit and other drivers.

4.4 **Application to Innovation (January - July 2011)**: Providers will have made the switch, such that all of the vocational qualification offer will be in the QCF. The QCF will also be providing opportunities for adult learners through development of personalised learning programmes based on information held in the Personal Learning Record. The next stage will be collaborative work with providers and other partners to understand how the opportunities of the QCF can best be realised, much of which will be reliant on provider innovation. Credit accumulation

and transfer will start to be put into practice as the application of credit stabilises and gains trust.

4.5 **Application to Transformation (August 2011 - July 2012)**: In 2011/2, providers will be able to respond to market need through timely delivery and proactively driving achievement of credit and qualifications within a framework of lifelong learning.

5. Funding

Funding Approval Process

5.1 The principles of the funding approvals process is available on the Agency website:

http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/.

Issues regarding learners on the pre-/post-19 boundary

5.2 The Agency is seeking to align its funding approval process with the separate process for pre-19 learners, overseen by the Joint Advisory Committee for Qualification Approval (JACQA) which is jointly chaired by the Qualifications and Curriculum Development Agency (QCDA) and Young People's Learning Agency (YPLA). However, where different decisions are taken for pre- and post-19 learners, the Agency has committed that learners will not lose access to public funding for qualifications they have already started when they move into post-19 learning. Young people aged 16, 17 and 18 on 31 August in the funding year when they begin a programme of study will continue to be funded as '16-18 year olds' until they complete that programme. If learners start their programmes when they are 19 or over, the funding rates and eligibility rules determined by the Skills Funding Agency will apply.

Parameters for funding in 2010/11

5.3 The Agency is now responsible for confirming public funding for post-19 learners for the following categories of provision:

- vocational qualifications in the QCF (with a particular focus on target-bearing (full) qualifications at Level 2 and 3, and qualifications at Entry Level and Level 1 within the Foundation Learning Curriculum)

- non-vocational qualifications in the QCF (with a particular focus on the Foundation Learning Curriculum)

- QCF units for inclusion in the ongoing unit funding trials

- certain categories of NQF provision (such as Skills for Life, which is currently outside the scope of the QCF)

- other provision that the Agency will continue to fund (including Quality Assurance Agency (QAA) recognised Access to Higher Education).

5.4 The Agency sets parameters for public funding for QCF provision, which are based on skills priorities set by BIS and the UKCES, and funding priorities set out in the annual Skills Investment Strategy. These are then used by awarding organisations and SSCs when developing new qualifications, and by SSCs in recommending qualifications for public funding.

5.5 Qualifications are confirmed for funding for one or more of the Agency's delivery programmes, which are Adult Learner Responsive provision, Train to Gain, Offenders' Learning and Skills Service, and Programmes for the Unemployed (Apprenticeships are subject to separate arrangements). This means that a

qualification might be confirmed for funding within one delivery programme, but not in another, because the programme aims, primary learner group and delivery context vary from programme to programme.

5.6 The Agency has developed a set of technical funding parameters to support SSCs in making appropriate and relevant recommendations for QCF vocational qualifications within each delivery programme. The programmes have parameters specific to themselves, but these parameters are set out consistently under the following headings:

- **purpose**: purpose identifiers offer additional information to learners and employers as to what a qualification in the QCF has been primarily designed to do[1]

- **challenge**: defined in terms of QCF level

- **volume of learning**: based on QCF credit value, with qualifications divided into the three size bands of Award, Certificate and Diploma.

5.7 The technical funding parameters (aimed at SSCs and also of interest to awarding organisations) are published online at: http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/. Adult Learner Responsive, Train to Gain, the Offenders' Learning and Skills Service, and Programmes for the Unemployed are available.

5.8 A number of generic rules also apply to all delivery programmes:
- for vocational qualifications, the relevant SSC must recommend the qualification for funding. For non-vocational qualifications, SSC recommendation is not required, and the Agency decides, seeking external advice where appropriate

- categories of provision that were ineligible for public funding under existing policy (such as manual handling or health and safety at work) remain ineligible.

- the Agency will review its position on shared units in August 2010 and will seek to begin to actively support greater use of shared units from that point on.

Adult Entitlement

5.9 The Secretary of State's June 2010 letter confirmed to the Chief Executive of Skills Funding the priorities of the Coalition Government. The focus will be on prioritising vocational qualifications that are valued by employers in order to raise skills levels and opportunities for lifelong learning. The Level 2 and 3 vocational qualifications in the QCF supported by the relevant sector body and confirmed for public funding will be identified as 'full' qualifications to support the adult entitlement to free tuition.

5.10 **Definition**: In summary, QCF vocational qualifications at Levels 2 and 3 will be confirmed as part of the adult entitlement alongside the process of confirming them for funding, if they:
- are approved by the relevant SSC for accreditation into QCF and recommended to the Agency by the SSC

- meet the required parameters in terms of credit value (size) for one or more delivery programmes (for Train to Gain, this means meeting the credit value identified by the SSC as suitable to deliver occupational competence and/or progression in a given role across sectors and sub sectors)

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[1] See Ofqual (2009): *Identifying purposes for qualifications in the Qualifications and Credit Framework*

- meet the parameters for that delivery programme in terms of purpose identifier.

5.11 The National Skills Strategy *Skills for Growth* (2009) laid out the direction of travel for qualifications confirmed at Level 2 should be drawn from the Certificate or Diploma band of the QCF, and Level 3 from the Diploma band. For 2010/11, this has been applied within Adult Learner Responsive provision (except in a few exceptional cases) and it will be implemented in Train to Gain from 2011/2 onwards.

5.12 **Evaluation**: The Agency has commissioned work to monitor and evaluate the new definition of full Level 2 and Level 3, including the use of purpose. The aim of this work is to understand impact at provider and national level of the definitions, including the challenges and benefits of using credit value to define competency thresholds. Findings are due in September and will be reported in the next policy update.

Funding approach to support QCF

5.13 The Agency is currently exploring the options for achieving a simplified system of funding and performance that can support the QCF which would be implemented from 2012/13 onwards. The consultation document 'A Simplified Further Education and Skills Funding System and Methodology' will develop this further. In the meantime, in 2010/11 the Agency intends to support flexible delivery as much as possible within existing arrangements (further details are supplied below).

Setting Funding Value for QCF qualifications in 2010/11

5.14 For 2010/11 the Agency will continue to use the existing methodology for setting funding values (Standard Learner Numbers – SLN) for QCF qualifications in Adult Learner Responsive and Apprenticeships. There will be changes to the approach for setting rates for QCF qualifications in Train to Gain.

5.15 The principle of the existing methodology is that funding rates should reflect the directly incurred costs of efficiently delivered provision. In practice this means:

- Adult Learner Responsive: the SLN is based on the recommended guided learning hours (glh) when the aim is first accredited and approved; which is then subject to an annual review based on data on the Individualised Learner Record (ILR).

- Train to Gain: funding values in 2010/11 will revert to the simple rate structure where there is a single rate for vocational qualifications Level 2 (0.429 SLN) and below and a single rate for qualifications Level 3 and above (0.644 SLN) with a minority of qualifications that are exceptions to this general policy. QCF qualifications published on the LAD during 2009/10 may have different rates to these. These rates will not be amended in 2009/10, but will be changed in 2010/11. Where the variance from the standard rate is significant, an interim rate will be set to assist convergence. Further details, including a list of affected qualifications is available on the Agency website: http://skillsfundingagency.bis.gov.uk/providers/programmes/ttg/.

- Apprenticeships: In the case of Apprenticeships National Vocational Qualification (NVQ) competency based qualification replacements have their SLN value derived from activity information provided by SSCs.

5.16 Although the underlying approach to setting rates remains the same, some QCF qualifications may have different rates from their NQF predecessors. There are a number of possible reasons for this. This can be due to QCF qualifications being 'larger' or 'smaller' than their NQF predecessors, and rates will be set

accordingly. In some cases, the information supplied by the awarding organisation or SSC may not be accurate, which has created some anomalies.

5.17 The Agency is responding to individual instances where providers have raised concerns over the funding of specific QCF qualifications. The Agency is also working with Association of Learning Providers (ALP) regarding the basis for the funding approach for Train to Gain and Apprenticeships, in the interests of transparency and joint working. The Agency has asked the Association of Colleges and ALP to act as conduits for issues or concerns expressed by providers, so that we can consider and respond to them in a timely manner. More information can be found at http://skillsfundingagency.bis.gov.uk/providers/programmes/ttg/.

Trials of flexible approaches to delivery in 2010/11

5.18 **Background (unit funding trials):** In 2008/9 and 2009/10, the LSC/Skills Funding Agency conducted unit funding trials in Adult Learner Responsive provision, and in Train to Gain (the latter trials have now concluded). The key objectives of the unit funding trials were to:

- assess the effect that unit-by-unit delivery can have on engaging harder-to-reach learners and helping them progress to qualifications
- identify the issues and challenges faced by providers in unit-by-unit or flexible delivery within the current funding and performance approaches
- test future approaches to performance measures that will be able to measure incremental progress towards qualifications.

5.19 **The need to refresh the trials:** To date the unit funding trials have been on a small scale, led by a relatively small number of providers and clustered around a limited number of units. This was due in part to the limited availability of QCF provision to include in the trials, given the stage of development that the QCF had reached at the time. Interim findings from the evaluation of the trials also suggest that, while there are signs that progression towards qualifications is happening, at a provider level, use of units in a strategic manner to encourage engagement and progression has at best been mixed. The unit funding trials now need to be refreshed and extended to respond to the challenges identified in the evaluation and to reflect the growing maturity of the QCF. This will help the Agency to meet its commitment to supporting the flexibilities that the QCF offers to employers and learners.

5.20 In 2010/11, the following trials of unit funding and/or flexible delivery will take place:

- extension of unit funding trials to the Offenders' Learning and Skills Service (OLASS)
- the use of QCF units to support the Qualify with a Business initiative
- refreshed trials of flexible delivery in Adult Learner Responsive provision.

5.21 **Offenders' Learning and Skills Service (OLASS):** The 2010/11 OLASS unit funding trials will run from January 2010 to July 2011. Extending the unit funding trials into OLASS will allow the Agency to assess the effectiveness of unit-by-unit delivery in promoting engagement and progression towards qualifications in a traditionally hard-to-reach group of learners. Any provider with an OLASS allocation for delivery of the core curriculum in custody may displace some of that funding to deliver eligible units within the unit funding trials, although they are asked to register their intent to participate with the Agency. Note that there is no new funding available for the trials. The Agency has selected units that are appropriate for inclusion in the unit funding trials in OLASS. Providers should

develop appropriate plans for their learners, by choosing units or packages of units from this list. More information is available at: http://olass.skillsfundingagency.bis.gov.uk/documents/.

5.22 **Qualify with a Business**: This initiative aims to enable adults to develop key business skills alongside their vocational training so that they are both qualified in a vocational area and ready to run a business. Trials of Qualify with a Business will commence in September 2010, making use of the flexibilities of the QCF. Learners will take QCF enterprise units, either in conjunction with or as part the adult entitlement for Level 3 vocational qualification. The Agency has identified appropriate enterprise units, and guidance has been prepared for providers as to how put together packages of units for Qualify with a Business. More information is available at: http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/policy/.

5.23 **Adult Learner Responsive provision**: The Agency has reviewed the outcomes and recommendations from the evaluation of the unit funding trials in Adult Learner Responsive provision, in order to determine the shape of these trials for 2010/11. This evaluation information has informed the Agency's approach for 2010/11 and the Agency will soon be seeking Expressions of Interest from colleges who are willing to explore the benefits of the QCF. In particular, the Agency is keen to see delivery models which are more innovative across a wider geographical spread. The Agency would also welcome joint EoI from colleges and their awarding organisations with particular focus where collaborative methods of delivery, with employers, with HEIs can be supported.

6. Performance

6.1 The Agency is continuing to develop QCF success measures, as described in previous updates. This is a crucial part of the implementation of the QCF, in order to ensure that performance measures do not create disincentives to the innovative and creative approaches to delivery that the Agency wishes to support.

6.2 The two QCF success measures being developed are:

- a success measure (**Credit Success Rate**) intended to measure providers' success in helping learners accumulate credit through flexible delivery. This applies to situations where the learner has one or more units as their registered learning aim, and is to be defined as actual credits achieved from units divided by planned credits from units.

- a progression measure (**Credit Progression Measure**) to capture progression, in the form of credit accumulated, towards the learners' ultimate learning aim. This measure is intended for situations where a learner has enrolled on a qualification, and has progressed towards it by achieving units and accumulating credit, but has not completed the qualification by the time they stop studying. Given that the QCF is intended to facilitate learning and achievement in small steps, the provider should be recognised for having helped the learner progress towards a qualification. This measure is to be defined as actual credits achieved divided by the credit value of intended qualification.

6.3 The Agency expects to publish a technical definition with a view to trialling the new measures in 2010/11, in particular through the unit funding trials and other trials of flexible approaches to delivery. This will then inform further iterations of the QCF success measures. The intention would then be to implement them for parallel running in 2011/2 and 'live' operation in 2012/3. In the meantime,

providers should note that the existing success measures continue to apply (and that QCF units delivered through the 2010/11 unit funding trials are excluded from the qualification success rate).

7. Systems and processes

7.1 Work is continuing to progress on a number of tactical and strategic changes to existing business processes and systems that will allow the Agency to fully support the QCF through its funding and performance approaches.

Changes for 2010/11

7.2 For 2010/11, a number of tactical improvements have been completed to existing systems and processes in order to meet some immediate requirements of QCF implementation, and also to ensure business continuity during the transition from the LSC to the Agency.

7.3 **Changes to the Learning Aims Database (LAD)**: For 2010/11 changes have been made to the LAD to provide greater clarity for providers concerning the availability of provision for public funding through the Agency's key delivery programmes. Where a policy decision to change funding from a specific point in time has been made, this will now be reflected on LAD through the introduction of dates for funding eligibility and funding values by delivery programme. Please note that Apprenticeship and Train to Gain values are now displayed separately.

7.4 The following fields have been introduced to support the QCF and other delivery programmes. The first group of fields specify the period for which the learning aim is valid for public funding by delivery programme:

- Validity: Start Date
- Validity: Last Date for New Starts
- Validity: End Date

7.5 The following fields relate to the effective date of funding values (such as Standard Learner Number and Programme Weighting Factor) by delivery programme:

- Funding: SLN 1
- Funding: SLN 2
- Funding: SLN 3
- Funding: SLN Type
- Funding: Prog Wgt Factor
- Funding: WAGLH
- Funding: FEE %
- Funding: Effective From
- Funding: Effect to

7.6 **SSC Approvals Process and the Qualification Development Identifier**: The Agency is working closely with UKCES, YPLA, NAS and Ofqual to align the SSC approval process and SSC funding recommendations. One element of this will be to develop a 'Qualification Development Identifier', the purpose of which would be to record agreement reached during the early dialogue process between the SSC and the AOs for the development of key qualifications for their sector. The identifier will give clarity to awarding organisations about sector needs when developing qualifications, and will also enable the Agency and other funding bodies to provide clarity about the priorities for public funding during the early

dialogue phase. The project plans to roll-out the identifier to all SSCs during the autumn of 2010.

Changes for 2011/12 (being developed in 2010/11)

7.7 Over the next 12 months, the Agency will be seeking to re-platform the existing LAD and introduce the Learning Aim Reference Application (LARA). The replacement system will seek to reduce the time taken to publish public funding decisions and will review the interface with providers and other systems. The Agency is currently awaiting confirmation from treasury to support this investment.

8. Personal Learning Record (PLR)

8.1 From the end of September 2010, the changes implemented to the Personal Learning Record (PLR) will provide enhanced QCF functionality for learners, careers advisers, providers and awarding organisations. Note that within the QCF programme, the PLR was in the past been referred to as 'the QCF Service Layer', but the name has been changed to the Personal Learning Record for the QCF so that it reflects the full functionality of the service.

8.2 The development of the modified PLR to support these additional services around credit transfer for the QCF is now being finalised. The 'Transition Service' is currently in operation, which focuses on providing an optional service for awarding organisations to ensure that there are processes and technology in place to enable the submission of QCF achievement data to the PLR. This will gradually be phased out and superseded by the full PLR service. Providers and awarding organisations are encouraged to begin preparation for the deployment of the PLR service in their organisations; packages to support providers and awarding organisations in their deployment of the service are now being finalised.

8.3 Below are the key milestones prior (and post) the first release of the enhanced Personal Learning Record service at the end of September 2010:

- **Technical specifications**: the first key milestone will be the staggered release of technical specifications for the service, the first of which (the AO Achievement Data interface specification) was available in May 2010. Subsequent releases of technical specifications will be around the credit transfer interface and on electronic access to the PLR.

- **Business change support**: specific business change support for providers, advisers and awarding organisations in their implementation of the PLR as part of their transition to QCF is being developed by a dedicated business change support team within the Agency. This support is designed to provide assistance and guidance through the change journey from initial engagement with the programme to full deployment and use the PLR (see 'Information and Support' below for further details).

- **Release 1 of the PLR** (end of September 2010). This includes:
  - Unique Learner Number (ULN) Verification Service, using existing Learning Records Service functionality (note the Learning Records Service is the new name for MIAP)
  - achievement data upload from awarding organisations
  - ability to run credit transfer queries
  - Routes to Achievement (RTA) and Rules of Combination (RoC) accessible from the PLR.
- **Release 2 of the PLR** (February 2011): including the ability to run Routes to Achievement (RtA) queries with geographical information included.

- **Citizen identity tool release** (first quarter of 2011), explained in the next paragraph.

8.4 To supplement the PLR Service, the Agency is also developing a tool (provisionally called the 'Citizen Identity Assurance' (CIDA) tool) which will be available in the first quarter of 2011. For the PLR to realise its full benefits, there is a need to increase the number of learners who have had their identity verified to a sufficient level to be able to release their PLR details to them. The aim of the CIDA tool is to allow citizens, once their identity has been verified, to have a single account to access their information no matter which system holds that information. The benefit to the learner is a simplified way in which to access sector services.

9. Affordability update

9.1 The Agency continues to monitor the affordability of the QCF for providers and awarding organisations. The evaluation of affordability has concluded that, to date, there is no reason to believe that the QCF is unaffordable. Key findings include:

- **Impact on awarding organisations**: Qualification re-development has generally, although not invariably, represented a significant cost to awarding organisations, depending in part on the degree of difference between their QCF and NQF provision. Delivery, however, has generally not resulted in significant additional cost. Awarding organisations do not appear to have reflected these costs in their fees and charges in 2009, although it remains to be seen how they will change them in 2010 and 2011.

- **Impact on providers**: Implementation, including familiarisation, training and developing lesson plans and teaching materials, has been a net cost to some providers, particularly independent learning providers. Management Information systems are also expected to represent a cost, but most providers have not yet made these changes. Delivery is not a significant cost, although in a few curriculum areas there are concerns about the sufficiency of funding rates. Most costs have displaced spending allocated to training, cover and continuing professional development.

9.2 However, the evaluation also observed that in most cases providers have not yet focused on using the flexibilities of the QCF to deliver more innovative and responsive provision. The Agency expects that they will increasingly do so from 2010/11 onwards (as set out under 'The Provider Journey' above). Learning providers state that they see opportunities to adjust their offer to some learners and employers, especially for full cost recovery learning. Perceived barriers include sufficient time and understanding, awarding organisation fee structures (relatively high unit charges are seen as an obstacle to viable unit-by-unit delivery), the need to test the market response, and the impact upon systems. The Agency will be carrying out further work to monitor affordability in 2010/11 as flexible delivery becomes more of a reality, and will be commissioning a further affordability study, to report in March 2011.

10. Further Information and Support

Support from the Skills Funding Agency

10.1 **QCF Service Desk**: The Agency has put in place a service desk to act as the single point of entry for QCF queries and handle the anticipated higher volume of queries during the transition period. Queries received via the service desk will also inform a Frequently Asked Questions (FAQ) document that will also be

made available on the QCF website. The Service Desk can be contacted by email: qcfservicedesk@skillsfundingagency.bis.gov.uk, and by telephone: 0870 2670054 (Monday - Thursday 9.00am - 5.00pm and Friday 9.00am - 4.30pm, except public holidays in England).

10.2 **Funding and performance**: Information about how the Agency is making changes its funding and performance methods to support the QCF can be found online at: http://qcf.skillsfundingagency.bis.gov.uk/resources/. Further information on the Agency's funding approval process is available in one place at: http://qcf.skillsfundingagency.bis.gov.uk/qcf-funding/confirmationfunding/.

10.3 **Personal Learning Record**: Further information and support on the PLR is available at: http://qcf.skillsfundingagency.bis.gov.uk/servicelayer/plr/. A store of support documentation is also available on the MIAP website: www.miap.gov.uk.

10.4 **Interactive Guide to QCF**: The Agency has released an online iguide to QCF. The interactive guide provides a quick reference guide to the QCF providing easy access to information on the introduction and implementation of the Qualifications Credit Framework (QCF). The iguide is intended to support staff at all levels in provider organisations and careers advisers in developing their understanding and working knowledge of QCF. The iguide is structured in topic areas and in many cases provides information in sections under titles of what, why, how and when followed by an optional exercise that could be used as part of a continuous professional development portfolio. Based on feedback from a focus group representing providers, there is a 'Timeline' section which has been built to give the option of looking at Agency support resources and milestones alongside a provider business cycle on a month by month basis. The timeline section can also be downloaded to form the basis of, or integrated into, development plans. The iguide also includes six scenarios which illustrate aspects of QCF in the context of conversations between advisers and learners. Information in the iguide will be regularly updated. The iguide can be found on the right-hand side of any page on the QCF pages of the Agency web at: http://qcf.skillsfundingagency.bis.gov.uk/.
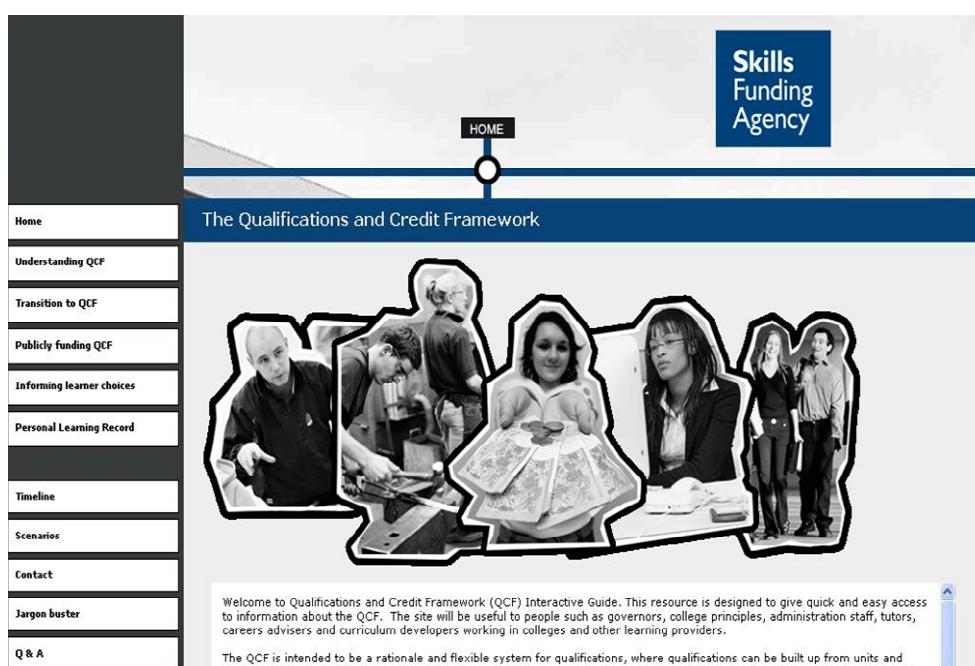

Diagram 5: QCF interactive guide home screen

Support from other partners

10.5 **Learning and Skills Improvement Service (LSIS)**: The LSIS QCF Readiness Provider Support Programme continues until September 2010 and offers flexible support for managers and practitioners from colleges and learning providers. Consultancy support is available to assist organisations to develop action plans to implement the QCF. Bespoke training is also available for practitioners to develop their understanding of the QCF and how to exploit its flexibilities to deliver responsive provision which meets the needs of employers, learners and communities. Visit the programme website to book support, join the on-line provider forum or make use of the resources and CPD materials available at: http://www.excellencegateway.org.uk/page.qcfprovidersupport. LSIS will be launching a new provider-led programme in September 2010.

10.6 **Association of Learning Providers (ALP)**: The ALP support the LSIS QCF Readiness Programme by working with work based learning providers and further education colleges respectively to help them develop the necessary expertise and systems to get ready for the QCF by December 2010. ALP has written a number of case studies featuring providers who have benefited from using QCF. The case studies are available at: http://www.learningproviders.org.uk/topics/details/qualification-and-credit-framework-qcf/.

10.7 **Association of Colleges (AoC)**: The AoC plays a similar role for further education colleges. Information can be found on its website: http://www.aoc.co.uk.

10.8 **The Qualifications and Curriculum Development Agency (QCDA)** has developed useful resources that complement the LSIS programme, supporting stakeholders to fully operate in the QCF. These resources are available on the QCDA website: http://www.qcda.gov.uk/.

10.9 The new **Next Step** will be launched in August 2010, and will provide a single service for individuals requiring help, advice and support on moving forwards in learning, work and life. Resources on offer will include information on the QCF.

Annex A: QCF Participation Update

May 2010 (Full year data for 2008/09 and part year data for 2009/10)

Introduction

This section contains an overall view of publicly funded enrolments on QCF provision for 2008/09 and 2009/10. The figures show the figures at May 2010 compared against the full year figures for 2008/09, which were shown in the last update. The figures shown for May are based on a completion rate of 88% of providers in receipt of public funding from LSC.

Skills Funding Agency receives two types of data returns from publicly funded learning providers to support its main stream funding models. They are:

- Learner Responsive (which supports 16-18 and Adult Learner Responsive funding)

- Employer Responsive (which supports Train to Gain and Apprenticeship funding)

The most recent figures for both data returns indicate that, overall, the agency provided public funding to support 615,765 enrolments in the academic year 2008/09 (this is up from 229,361 for 2008/09). A more detailed breakdown of these figures is provided below.

Public Funding by Enrolments – QCF Qualifications

Learner Responsive (College based delivery)

	May 10 (part year)	Jul 09 (Full Year)
16-18:	**246,601**	**73,086**
- *of which* Entry and Level 1:	165,376	43,988
- *of which* Level 2 and above:	81,225	29,098
Adults:	**216,007**	**93,854**
- *of which* Entry and Level 1:	103,282	32,288
- *of which* Level 2 and above:	112,725	61,566
Number of Providers	**492**	**480**

Employer Responsive (Train to Gain and Apprenticeships)

	May 10 (part year)	Jul 09 (Full Year)
16-18:	**38,100**	**6,824**
- *of which* Entry and Level 1:	3,398	658
- *of which* Level 2 and above:	34,70	6,459
Adults:	**82,193**	**7,248**
- *of which* Entry and Level 1:	4,592	542
- *of which* Level 2 and above:	77,601	6,708
Number of Providers	**715**	**308**

Public Funding by Enrolments – QCF Unit Funding Trials

Learner Responsive (College based delivery)
(Note: Learner Responsive unit funding trial for adult learners started as of 01/01/09)

	May 10 (part year)	Jul 09 (Full Year)
16-18 (funded only by exception):	**99**	**39**
- *of which* Entry and Level 1:	99	36
- *of which* Level 2 and above:	0	3
Adults:	**22,604**	**9,395**
- *of which* Entry and Level 1:	18,284	7,649
- *of which* Level 2 and above:	4,320	1,746
Number of Providers	**109**	**70**

Public Funding by Enrolments – Generic QCF Unit Funding

Learner Responsive (College based delivery)
(Note: Generic funding for adults on non-Skills for Life units ceased as of 31/12/08)

	May 10 (part year)	Jul 09 (Full Year)
16-18:	**6,299**	**12,234**
- *of which* Entry and Level 1:	2,996	6,135
- *of which* Level 2 and above:	3,303	6,099
Adults:	**3,862**	**24,728**
- *of which* Entry and Level 1:	2,411	16,004
- *of which* Level 2 and above:	1,451	8,724
Number of Providers	**78**	**151**

Not available in Employer Responsive

Annex B: Timeline & milestones 2010/11

Q2 10	Q3 10	Q4 10	Q1 11	Q2 11
Apr – Skills Funding Agency assumes responsibility for confirming public funding **Apr** – First formal list of QCF qualifications confirmed for public funding published. **May** – QCF Interactive Guide launched **June** – All existing QCF qualifications considered for funding **June** – List of NQF qualifications to cease funding in August published **June** – Provider PLR support materials available	**Aug** – Public funding focused on QCF provision **Aug** – Skills Funding Agency processes and systems are enhanced to support the QCF (including in-year funding changes) **Aug** – refreshed unit funding trials launched **Aug** – QCF success measures technical definition published **Sep** – further QCF readiness reviews with sectors **Sep** – launch of QCF Personal Learning Record	**Oct** – Anticipated consultation opens on funding and credit **Oct** – Policy update issue 5 **Dec** – The QCF will be fully populated with vocational qualifications	**Jan '11** – No qualification will receive public funding that is not approved by employers through their SSC and on QCF **Jan '11** – List of qualifications from which it is proposed to remove funding from August 2011 published.	**Apr '11** – Specification of Apprenticeship Standards for England comes into effect **June '11** - Rebuilt LAD launched

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