

Evaluation
of the
Fee Discount
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Individual
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Learning
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Accounts
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Initiative
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**Department for
Education and Employment**

**THE
FURTHER
EDUCATION
FUNDING
COUNCIL**

The Further Education Funding Council

The purpose of the FEFC is to secure further education provision which meets the needs and demands of individuals, employers and the requirements of government in respect of the location, nature and quality of provision.

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Summary

During 1999-2000 over 23,000 learners enrolled on a range of IT qualifications through the fee discount scheme. Many would not otherwise have been able to afford courses, and the scheme enabled participating institutions to offer additional IT courses. Many of the learners who participated in the fee discount scheme went on to enrol in higher level course the following autumn. It is clear that the basic concept of substantial fee discounts is a powerful one in terms of widening participation in learning.

Introduction

1 In response to a request from the Department for Education and Employment (the DfEE), the Further Education Funding Council (the Council) set aside some of its funding for 1999-2000 to develop a second pilot Individual Learning Account (ILA) initiative in the further education sector. The first – the Pathfinder Project – is the subject of a separate evaluation report. This second initiative involved fee discounts on a range of information technology courses and qualifications, and was announced in Council Circular 00/08 in April 2000. Since the government had announced its intention to introduce a national ILA scheme, it was felt it would be appropriate to carry out a formal evaluation of the fee discount scheme to inform future ILA developments. In addition to the Pathfinder Project there had been substantial local ILA schemes, funded and administered by training and enterprise councils (TECs) and chambers of commerce and training agencies (CCTAs), and some of these were still active during the period when the fee discount projects were running.

2 The Further Education Development Agency (FEDA), now the Learning and Skills Development Agency (LSDA), was selected to carry out the review of the fee discount ILAs; this is the resulting report. The Council's working papers relating to the project and the returns made by participating institutions were made available to FEDA. A national questionnaire was sent to all Council-funded institutions and telephone interviews were conducted with several institutions. The findings from that research form the basis of this report.

3 As Circular 00/08 made clear, the government had already announced a number of measures to promote IT-related learning, and it was known that fee discounts would be available through the national ILA framework from September 2000. This particular fee discount scheme was therefore designed to fulfil the objective of promoting IT-related learning in the period before the national framework was operating, and was limited to the summer term 2000.

4 The Council brought together two separate fee discount arrangements in the scheme. The first – a discount of 80% – applied to IT courses at levels 1 and 2. IT qualifications at entry level attracted a discount of 100%. In view of the timescale involved, it was decided that fee discounts would apply to units of qualifications as well as to complete qualifications.

5 Rather than prescribing the qualifications to which the discounts should apply, institutions were invited to offer discounts on qualifications, or units of qualifications, which:

- encouraged people in the workforce to gain useful IT-related skills
- promoted progression into learning at higher levels
- could be completed within the summer term.

Individuals who received a discount were regarded as having opened a learning account.

6 The discounts applied only to that part of the fee which would have normally been paid by learners themselves, so for example it did not apply to any financial contribution that would normally have been made by an employer. Individuals who had already benefited from a TEC-delivered learning account or from a Pathfinder ILA were not eligible for fee

discounts, and people who were already eligible for fee remission (because they were on means-tested benefits) continued to receive remission rather than a discount under this scheme. In this way it was hoped that as many people as possible would benefit from the range of learning account initiatives.

7 Institutions did not have to bid to participate in this initiative. They simply had to recruit eligible students on eligible courses and then claim the discounts from the Council by 30 September 2000.

Overall Findings

How did institutions respond to the initiative?

8 The Council funds 685 institutions, including 405 further education colleges and 205 external institutions, many of which are adult and community education services. A total of 116 institutions chose to take part in the fee discount scheme, including 82 colleges. Over 23,000 learners were enrolled through the initiative.

9 In terms of type of institution, the highest level of participation was from the general further education colleges, 24% of which took part. In total, 16% of external institutions participated, and 14% of sixth form colleges. One agricultural/horticultural college and two higher education institutions took part out of 77.

10 It is to be expected that a lower proportion of sixth form colleges would take part in a scheme which was targeting adults, and indeed many of those that did not participate indicated that they did not offer such IT provision. Similarly other institutions, for example specialist colleges, were not involved. However the Council had hoped that more external institutions would respond, since they might be

expected to be in a good position to identify and attract eligible adult learners.

Non-participating institutions

11 The main reason given for not participating was that there was insufficient time to implement the scheme – over one-third of returned questionnaires from non-participating colleges indicated this. Other reasons given were that the scheme was launched at the wrong time of the year, and that there were too many other initiatives competing for managers' time. Some 11% of those not participating indicated that fee discounts similar to those on offer in the scheme were already available.

12 About one-third of non-participating institutions indicated that they would have been more likely to have participated if the scheme had allowed discounts on a wider range of courses – either IT courses that did not lead to qualifications, or courses in other curriculum areas.

Participating institutions

13 The institutions that participated in the project were very positive about it. Many reported that the scheme enabled them to offer courses in areas where they had previously been unable to attract enough learners to form a financially viable group. Almost all of the institutions that participated reported that they had succeeded in recruiting learners who would not otherwise have been able to afford courses. One college manager said that the project was 'just what we needed', and it is clear that Circular 00/08 enabled a number of institutions to provide benefits which they had not been able to provide previously.

14 Most institutions offered 100% fee discounts on courses of all levels, choosing to subsidise the level 1 and level 2 courses

themselves (that is, those that carried the 80% discount), rather than create a new fee structure for just one term. Of the participating institutions, 83% indicated that they would have liked to see the discounts available on IT courses that did not lead to qualifications. Overwhelmingly, the desire was to be able to offer introductory or 'taster' courses under the scheme.

Widening participation

15 The Council's widening participation factor (WPF) was used as an index to assess the degree to which learners from more deprived areas were attracted by this initiative. Under the Council's funding arrangements, each institution has a WPF which reflects the levels of deprivation in the localities from which it recruits learners. WPFs range from 1.000 to 1.103 – the higher the WPF, the more deprived the locality.

16 Nationally, the average WPF is 1.023, but the average WPF of the institutions participating in the fee discount ILA was 1.018. In other words, on average, the scheme did not attract learners from the more deprived areas of the country. This is, at face value, a disappointing finding, although it should be treated with some caution. For example, it is likely that institutions in more deprived areas already offered free courses, and it is certainly the case that more people from such areas are eligible for fee remission under normal funding arrangements. Nevertheless, this finding accords with the view of many institutions: that course fees are not always the main barrier to participation in learning for many people – they need support with other kinds of costs (such as childcare or transport, for example). In addition, there are other much more fundamental issues of attitude and confidence that must also be addressed.

Did the initiative achieve its aims?

17 The questionnaire asked participating institutions a number of questions to explore the impact of the fee discount ILAs. This section of the report summarises the responses to those questions and draws some conclusions from them.

18 Some 61% of the participating institutions reported that the launch of the fee discount initiative in Council Circular 00/08 encouraged them (either 'quite a lot' or 'to a considerable extent') to offer additional IT courses in the summer term 2000. Given that the circular was only published in April 2000, this is very encouraging. Almost all providers would have already published prospectuses for the term when the scheme was announced – indeed, a considerable number of colleges gave this as the reason why they had decided not to participate, so therefore the promotion of additional courses was a challenge. The circular appears to have persuaded a significant number of institutions to change their plans and to offer extra courses.

19 Many participating institutions welcomed the timing of the initiative, because it enabled them to offer courses in June and July, when they have spare capacity in their IT training areas. They also welcomed the opportunity to promote free courses, and reported a high level of response to newspaper advertisements and other forms of publicity.

20 Some 92% of participating institutions reported that the scheme encouraged 'new' learners to participate (with 65% of institutions using descriptions such as 'quite a lot' or 'to a considerable extent'). This is borne out by discussions with institutions, which have indicated that those learners who were recruited as a result of this initiative would not have participated otherwise.

21 These discussions have also provided considerable evidence that many of the participants in the fee discount ILA scheme continued in learning by enrolling on higher level IT courses in autumn 2000, often opening new National Framework ILAs. This is clearly an important finding, and one which deserves further research – it would be interesting to know how many of the 23,000 people who started learning about IT in the summer of 2000 through the fee discount scheme have continued as active adult learners. Our research suggests that a considerable number of them have done so.

22 One of the overriding objectives of learning accounts is to encourage individuals and employers to contribute more to the costs of learning. Fee discounts did not contribute directly to the achievement of that objective in any significant way, largely because of the nature of the scheme. The vast majority of providers decided not to distinguish between the 80% and 100% discounts – they simply offered all eligible IT courses as free and absorbed the 20% fee for the level 1 and level 2 courses. Hence only about 10% of institutions felt that the scheme had encouraged either individuals or employers to contribute more to the costs of learning. However, if the observations in the previous paragraph are taken into account, it does seem that many learners will have continued their studies and will have opened new National Framework ILAs. They are therefore almost certainly starting to contribute to the costs of their new courses. It may well be that one role for learning accounts is that of ‘loss-leader’ provision, in order to engage people in learning for the first time. Those institutions that argued that this scheme should have applied to introductory courses carrying no

qualification would certainly subscribe to this point of view.

23 Another positive feature of the scheme was that it provided support for people studying units rather than complete qualifications. This also has encouraged providers to offer courses in order to engage people in learning for the first time.

Statistics

The learners

24 This section includes an analysis of the participants in the fee discount initiative. According to returns to the Council from institutions, a total of 23,181 people took part. The figures below are taken from the responses to the national questionnaire, in which institutions were asked to give more details about those who enrolled. In order to try to compare their characteristics with those of other students, some national figures for all Council-funded part-time students are also shown in some cases (these figures relate to 1997-98, the last complete year for which figures are available). It would not be wise to derive firm conclusions from these ‘comparative’ figures, given the pilot nature of this project, but they do perhaps indicate in a general way how the project performed in terms of reaching particular groups.

Gender

67% female, 33% male

(Nationally, 60% of part-time FEFC-funded students are female)

Age

19–24	9%
25–34	21%
35–49	39%
50+	31%

25 Although there are no comparative national statistics for part-time courses, there appears to be a high proportion of older learners. This bears out reports from managers in institutions, several of whom said that they felt that this initiative was particularly successful in attracting older learners.

Ethnic origin

Black African	3%
Black Caribbean	2%
Black other	<1%
Bangladeshi	<1%
Indian	2%
Pakistani	1%
Chinese	<1%
White	83%
Other or mixed	8%

(Nationally, 90% of part-time FEFC-funded students are white)

Programmes of study

26 Learners enrolled on a range of IT qualifications. Given the large number of awards available, it is not surprising that almost 100 different qualifications were followed in this scheme. Some 18% of those were at entry level, and therefore qualified automatically for the 100% fee discount, although in practice the vast majority of qualifications were free to the learner because institutions chose to subsidise the outstanding 20% fee for the level 1 and 2 provision, in order to be able to offer 'free courses'.

27 A total of 28% of the learners (almost 6,000 people) were enrolled on the same qualification – the Computer Literacy and Information Technology (CLAIT) award Stage 1. A similar number followed basic IT qualifications offered by various awarding bodies. A further 14% followed word processing courses, and about half

that number learned about spreadsheets.

28 A total of 8% of the total number of learners studied for the European Computer Driving Licence (ECDL).

29 The remaining 15% of learners chose qualifications in more specific areas, such as particular software packages, Internet training, and more advanced courses such as Integrated Business Technology Stage 2.

The learners' employment status¹

30 Two-thirds of learners were looking for work. Of the remaining third, most were employed full-time. A third were employed in the banking/finance/insurance/professional sector and about a quarter in the manufacturing sector, with about 60% employed in clerical or secretarial jobs, and 74% working in larger companies with more than 25 employees.

Good Practice

31 One of the purposes of any pilot scheme is to provide examples of good practice to inform future initiatives. The investigations undertaken to produce this evaluation have highlighted a number of areas of good practice.

32 Those institutions that were most successful in attracting learners through this scheme had the following characteristics:

- the initiative was viewed as an opportunity to fill unused IT capacity rather than as a short-term project
- the 100% discount was applied to both sets of qualifications so that an easy-to-understand offer of 'free' courses could be made

¹ Most institutions did not collect this data – information was received from a fairly small proportion of institutions.

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- the initiative was strongly promoted as a time-limited 'special offer'.

33 In terms of the initiative itself, two aspects stand out as being especially beneficial to learners:

- the availability of free or heavily-discounted courses
- the availability of part-qualifications.

Conclusions and Issues for the Development of the National ILA Framework

34 It is possible to draw a range of conclusions as a result of this evaluation exercise. These are set out briefly below.

35 This was a successful project – to have encouraged over 23,000 people to engage in learning new IT skills at relatively short notice must be deemed a success in any terms. It is clear that the demand for training in IT is substantial, and one of the strengths of this initiative is that it was clearly focused and therefore easy to promote. Should similar initiatives be launched in the future, it seems reasonable to predict that they will be successful.

36 In view of the apparent success of this project in encouraging 'new' learners to participate, consideration should be given to how the National Framework ILA could more easily be used by smaller institutions that are more likely to be able to engage such individuals. Such institutions need to consider how they can respond quickly and positively to national pilot initiatives such as the fee discount scheme, and the DfEE should consider how best to promote these initiatives to smaller providers.

37 Although this scheme was relatively easy to administer, it is perhaps disappointing that fewer than 20% of eligible institutions participated. There is no doubt that the basic concept of

substantial fee discounts is a powerful one in terms of widening participation in learning. Equally, it is clear that many institutions decided not to participate in this scheme because they felt it was planned in haste or that there was not enough time to implement it successfully. There is a strong case to be made for a greater degree of stability in initiatives of this kind, and the National Framework for ILAs offers an opportunity to put in place a more enduring framework of incentives than has been available hitherto.

38 The opportunity to offer subsidised training to people following units of qualifications, rather than complete qualifications, was a positive feature of this initiative, which was welcomed by participating institutions. There is compelling evidence that this approach has succeeded in encouraging individuals to take up learning and to progress to higher levels.

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