

Item 7. Collection and reporting impacts of QCF

Date of issue	25 November 2009
Audience	<i>The information authority board</i>
Publication intent	PUBLIC DOCUMENT

Purpose

- 1 The paper is provided for information to update the board on progress in respect to the LSC's remit to implement the Qualifications and Credit Framework. The board is asked to consider and comment on current progress and arrangements.

Background and introduction

- 2 The Vocational Qualification Reform Programme (VQRP) is a UK wide programme introducing significant changes to the vocational qualifications system, particularly in England, Wales and Northern Ireland, with the aim of creating a system:
 - Based on learner and employer need
 - With greater clarity and more flexibility and choice
 - Encouraging a more skilled and productive workforce
 - Allowing individuals to fulfil their potential; and
 - Supporting greater social justice and opportunity.
- 3 A key component of VQ reform is the implementation of the Qualifications and Credit Framework (QCF). The QCF will be implemented across England, Wales and Northern Ireland. The capabilities and the core QCF products and services are defined as:
 - A regulated qualification framework comprised of a structure that defines and identifies the level and size of units and qualifications against a common set of requirements
 - Common and regulated specifications for units and qualifications within the framework

- Systems and processes that allow learners to accumulate and transfer credit as the common currency for all achievements in the framework and,
 - A learner achievement record.
- 4 The UKVQ programme comprises the following UK projects:
- **Project 1** National Occupational Standards revision and implementation of Sector Qualification Strategies and Action Plan (UK Commission for Employment and Skills, UKCES)
 - **Project 2** Research and Evaluation (UKCES)
 - **Project 3** Implementation of the Accreditation Layer System to support Regulation (OfQual)
 - **Project 4** Creating and Implementing the Regulatory Framework (OfQual)
 - **Project 5** Delivery of the Service Layer (LSC)
- 5 In addition, there are the following England specific projects:
- **Project A** Planning, Funding and Performance (LSC)
 - **Project B** Readiness Co ordination (QCA)
 - **Project C** Employer and Provider Recognition (QCA)
- 6 The LSC is remitted to deliver **Project 5** and **Project A** above. More detail on the LSC's remit is included in *Appendix A*.

Recommendation

- 7 The board is recommended to review the report including the associated Appendixes, and:
- a Provide feedback and comments on content
 - b Identify areas of particular interest for future reporting to the board as progress is made
 - c Identify areas where particular members may wish to be involved and the best means for doing so as further details are developed.

Key points/issues

- 8 The following sections provide a summary of the key points and issues for the LSC two core remits in respect of the QCF.

Project A: Planning, Funding and Performance

- 9 The key points to note in respect of the work in Project A are:
- the QCF will be the core business of the Skills Funding Agency (SFA) and must contribute to the realisation of strategic objectives and support a system accessible to a wide range of individuals and employers
 - changes to planning, funding and performance must balance current focus on achievement and measurement of 'full' qualifications and taking

advantage of flexibility offered by QCF in terms of encouraging and supporting incremental achievement

- for the SFA the QCF is a contributor to, but not a sole determinant of future funding models.
- 10 More information on the planned review of LSC systems to support changes to planning, funding and performance can be found in *Appendix B*.
 - 11 The potential data burden on providers is registered as an amber risk on the LSC's risk register and is under constant scrutiny across the two projects. The LSC have been in dialogue with LSC's External Advisor Group and the Bureaucracy Reduction Group to keep the situation under review. The LSC is also undertaking a trial of unit funding in the Adult Learner Responsive Model. The purpose of the trial is to identify key issues for providers, including data burden, which will inform the success or otherwise of the trials.
 - 12 The trials began as of 1st January 2009 and will continue through 2009/10. The trials are being evaluated by Host Policy Research and include an evaluation of the flexibilities available to SME's in Train to Gain. The final report is due in March 2010.
 - 13 The analysis of findings and discussions with stakeholder, including 14 providers, is still in progress. As such a detailed findings in respect of data burden are not available. However, a brief summary of emerging findings is included in *Appendix D*. Members of the board are requested to take into account the preliminary nature of the findings.
 - 14 To note, an additional evaluation is being conducted by GHK consulting into the Costs and Affordability associated with the introduction of the QCF. The evaluation is focussing on the impact on learning providers and Awarding Organisations. The final report is scheduled for March 2010.

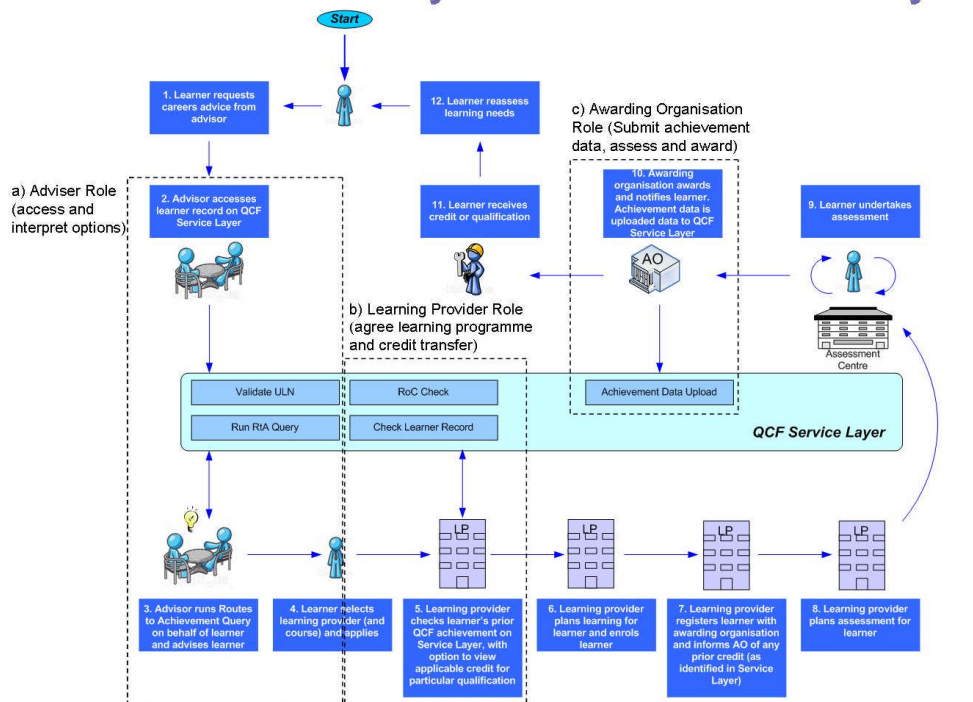
Project 5: Delivery of the Service Layer

- 15 The QCF Service Layer is currently being developed by the LSC and will be taken forward by the SFA.
- 16 From April 2009 a transitional service has been operation to support the accumulation of achievement data from Awarding Organisations. In particular progress has been made on developing flexible interfaces for Awarding Organisations.
- 17 From September 2010 the strategic service will be available for learners, learning providers and advisers as well to support access to QCF achievement data and to provide additional functions to support credit transfer.
- 18 The key points to note in respect of the work in QCF Service Layer are:
 - For the SFA, the QCF Service Layer will be critical to empowering learners to take great ownership over managing their achievements, realising their individual entitlement and the aspiration of Skills Accounts

- QCF achievement data and associated functions (such as identifying 'Routes to Achievement') provided by the QCF Service Layer will be accessed by learners, learning providers and advisers via the MIAP Personal Learner Record. It is also worth noting that for adult learners the MIAP Personal Learner Record will be accessed via Skills Accounts to ensure there is a single sign-on to all learner services provided by the SFA
 - The ULN will be critical to realising many of aspirations of delivering coherent services across the SFA, underpinning both funding and the QCF Service Layer.
- 19 It is expected that providers will often adopt two roles in respect to the QCF service layer as illustrated below:
- a. Adviser Role: Support learners to access the MIAP Personal Learner Record and QCF achievement data and to help learners understand their options in respect of the QCF to make best use of their existing credit achievement
 - b. Learning Provider Role: Design and offer flexible learning programmes for learners ensuring that learners are able to transfer prior credit achievements where applicable
- 20 The diagram below offers an illustration of how these roles fit into the activities of a learner providers when working with a learner:

Diagram 2: Provider Journey

Provider Journey – QCF Service Layer



- 21 More information on the data flows and interactions with learning providers can be found in *Appendix C*.

Implications for the FE Sector

- 22 In taking forward its remit in respect of the QCF, the LSC is mindful of the risk of adding additional burden onto providers or adding unnecessary bureaucracy into the systems. Shortly after receiving its formal remit in November 2008 the LSC provided a report to Bureaucracy Reduction Group. Significant progress has been since then, but it was established early on that while the QCF may introduce additional bureaucracy through the introduction of greater flexibility, the emphasis must be on ensuring *unnecessary* bureaucracy is not introduced.
- 23 The following section will focus on implications for data collection and reporting in respect of planning, funding and performance as it is assumed that this is most pertinent to the board. Volumetrics in respect of the QCF Service Layer are currently being developed and can be provided if required.
- 24 The most significant impact on data collection and reporting will be the decision made in respect of how the SFA will plan, fund and measure the performance of the QCF. The purpose of the Unit Funding Trials is to help evidence the most appropriate way forward in collaboration with providers and other stakeholders with actual experience of delivering units within the QCF.

- 25 The emphasis of the trials is not solely on the ability of the SFA to provide funding for units, but rather on developing the ability to commission and apply appropriate performance measures to realise the full flexibilities of the QCF. The purpose of the Unit Funding Trials is to trial the best approach to support the funding of units for the purposes of re-engaging learners who would not otherwise commit to a full qualification or require upskilling in response to redundancy.
- 26 The LSC has had the power to fund units since its inception in 2000 and has adopted the use of generic funding codes, which provided little detail about the nature of provision being delivered. As such, the delivery of units has not been readily prioritised in the commissioning of provision and existing performance measures have only been able to exclude this provision.
- 27 The focus of the trials is therefore to develop a commissioning approach that allows the SFA to focus prioritisation on the delivery of units where it is appropriate and to enable the SFA to measure the performance of this provision through the introduction of the Credit Success Rate. The development of the Credit Success Rate is overseen by the Data Harmonisation Group, which includes representation from *the information authority*.
- 28 It is not assumed strategic commissioning and performance measures to support the flexibility of the QCF must entail recording every unit undertaken by the learner, which would entail a significant burden on providers. It is recognised that a significant number of learners will continue to enrol on qualifications.
- 29 The most significant change to data collection to support the trials is the replacement of generic funding codes for units from 1st January 2009 with learning aim codes for specific units identified in the QCF. Approximately 500 QCF units are available for funding.
- 30 The current impact on data collection volumes is relatively limited. Figures are provided below on the number of enrolments in the Unit Funding Trials and the number of enrolments on generic funding codes as of 31st December 2008. The figures have been provided on the basis the 2008/09 L04 return by the Data Service.

Public Funding by Enrolments – QCF Unit Funding Trials

	Jul 09 (Full Year)
Adults:	9,395
- of which Entry and Level 1:	7,649
- of which Level 2 and above:	1,746
 Number of Providers	 70

Public Funding by Enrolments – Generic QCF Unit Funding

	Jul 09 (Full Year)
Adults:	24,728
- of which Entry and Level 1:	16,004

- of which Level 2 and above:

8,724

Number of Providers

151

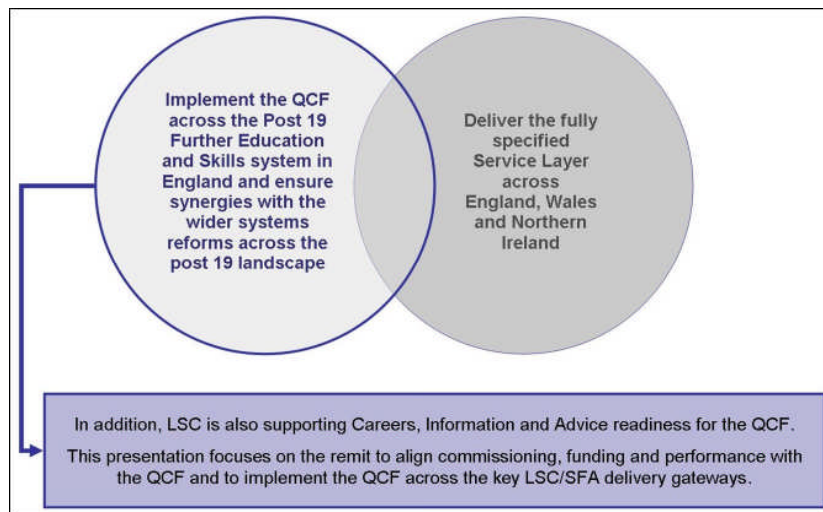
- 31 Overall there are around 34,000 enrolments on QCF units in 2008/09 out of approximately 3 million adult enrolments. Any increase in the emphasis on commissioning units is unlikely to have a material impact on the number of enrolments recorded through the ILR. The Unit Funding Trial evaluation conducted by Host Policy Research will include modelling on future volumes and data burden in respect of the ILR.
- 32 This analysis does not capture the data challenges faced by providers in delivering a more flexible offer that fully realises the flexibility of the QCF. It is intended, however, that the final report from the external evaluation should identify more of these issues.
- 33 The trials will also not capture how the SFA will take forward funding qualifications, while taking into account prior credit achievement to avoid double funding. Current there is a heavy reliance on field A51a in the ILR and work is underway in addition to the Unit Funding Trials and the development of the Credit Success Rate to determine the most appropriate way forward. Again it is not assumed that recording every unit delivered is the best way forward. However, it is assumed that the best alternative will require the accurate recording of credit delivered and achieved. Significant changes to align funding to credit are not planned for introduction prior to 2012/13.

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Appendix A: Overview of UK VQRP and LSC Remit

- 1 In November 2008 John Denham, Secretary of State for Innovation, Universities and Skills announced that the QCF would be implemented by 2010. As part of that announcement, LSC were given the responsibility for implementing the LSC with two clear remits covering the development and delivery of the QCF Service Layer (the systems and processes for credit accumulation and transfer, Project 5) and ensuring that public funding of provision can support the implementation of a unit based qualification system in which credit can be transferred and accumulated (Project A).

Diagram 1: LSC Remit in respect of QCF



Project A: Planning, Funding and Performance

- 2 The LSC is current reviewing its approaches to planning, funding and performance and regular updates are provided through a series of Policy Updates which provide a consolidated channel to communicate changes specific to the QCF. The next issue is due later this month. [Policy Update: Issue 3 \(June 2009\)](#) is currently available on the internet. Initial delivery of tactical changes is planned for August 2010. Full alignment to the QCF is planned for August 2012.
- 3 An overview of the planned tactical and strategic business systems and process changes to support planning, funding and performance, including key milestones is available in *Appendix B*.
- 4 The key objectives of Project A is to implement changes, in line with wider system changes (such as those drive by MoG), but will necessitate:
 - Changes to what is publicly funded
 - Changes to how provision is prioritised for funding and across which programmes
 - Changes to the performance framework

- Changes to the commissioning approach
 - Changes to the business systems used to analyse, allocate, calculate, measure, record and report
 - Information and advice focused on delivering the full opportunities and benefits of the QCF
- 5 The specific data implications emerging from the Unit Funding Trials is covered in more detail below.

Project 5: Delivery of the Service Layer

- 6 Within Project 5, the LSC is putting in place the infrastructure to support learners plan learning in the context of the QCF and transfer credit between qualifications, providers and Awarding Organisations.
- 7 The key process interactions with Learning Providers identified in the early specification of the QCF Service Layer are available in *Appendix C*. It is expected that providers will adopt two 'roles' in respect to the QCF Service Layer, adviser (careers advice and planning) and learning provider (enrolment and assessment). Both of which are included in the Appendix.
- 8 The key objectives of Project 5 is to deliver a fully specified QCF Service Layer which will:
- Support Learners to manage and take ownership of their qualification and credit achievement in the QCF
 - Support Learners to transfer achievement in the QCF between qualifications, learning providers and awarding organisations
 - Support learners to plan future learning in the QCF through Routes to Achievement maximizing their prior credit
 - Provide access to QCF achievement data and additional functions through the MIAP Personal Learning Record, which will enrich the information for learners and providers
 - Re-use the investment in setting up and issuing Unique Learner Numbers
 - Report to government and agencies
 - Integrate learner-facing services

Appendix B: Update on Changes to Funding, Planning and Performance for QCF

Overview of the Business Process & Systems Changes (BPSC) Project

- 1 The implementation of the QCF will result in some changes to the business processes and systems of the LSC relating to funding, planning and performance. These changes will be managed in a phased implementation, broadly categorised as tactical changes (short-term quick wins) and strategic changes (long term). Involving policy, business as usual operations, system owners/administrators and other key stakeholders across the LSC and the sector, the changes will be quantified, risk assessed and transformed in a controlled way.

Tactical Changes Proposed

- 2 There are a number of changes identified that can be implemented in the short-term and provide early benefits and efficiencies, in support of the long term QCF aims. These tactical changes will be implemented by April 2010. They include:
 - Upgrading functionality to the LAD to improve productivity, efficiency and ease of use;
 - Streamlining internal LSC/SFA existing business processes to obtain efficiencies using the existing IT systems;
 - Engaging key stakeholders to analyse the end-to-end processes and potentially improve on them.

Strategic Changes Proposed

- 3 There are specific requirements for the funding, planning and performance processes/ systems to change in line with QCF. The planning phase for the changes has identified that there will be a phased implementation over academic years 2010/11, 2011/12 and 2012/13.
- 4 The implementation of IT system changes will be delivered by the Settlements Programme and they are currently putting together an options appraisal for delivery. The changes will encompass functionality to:
 - Transacting at unit, qualification and framework level;
 - Create a hierarchical entitlements structure (that includes rules of combination and incentives);
 - Recognising and applying prior learning and achievement;
 - Include non-sector specific units and qualifications in the publicly funded offer;
 - Achieve commonality and consistency across key client gateways;
 - Use and apply a credit success rate.

Managing the Implementation of the QCF Changes

5 A policy decision has been made to deliver the changes detailed above as part of existing programmes of work, as opposed to setting up a separate workstream which could potentially conflict with other changes being implemented across the LSC/SFA and as part of the reform programme. The programmes are:

Tactical Changes:

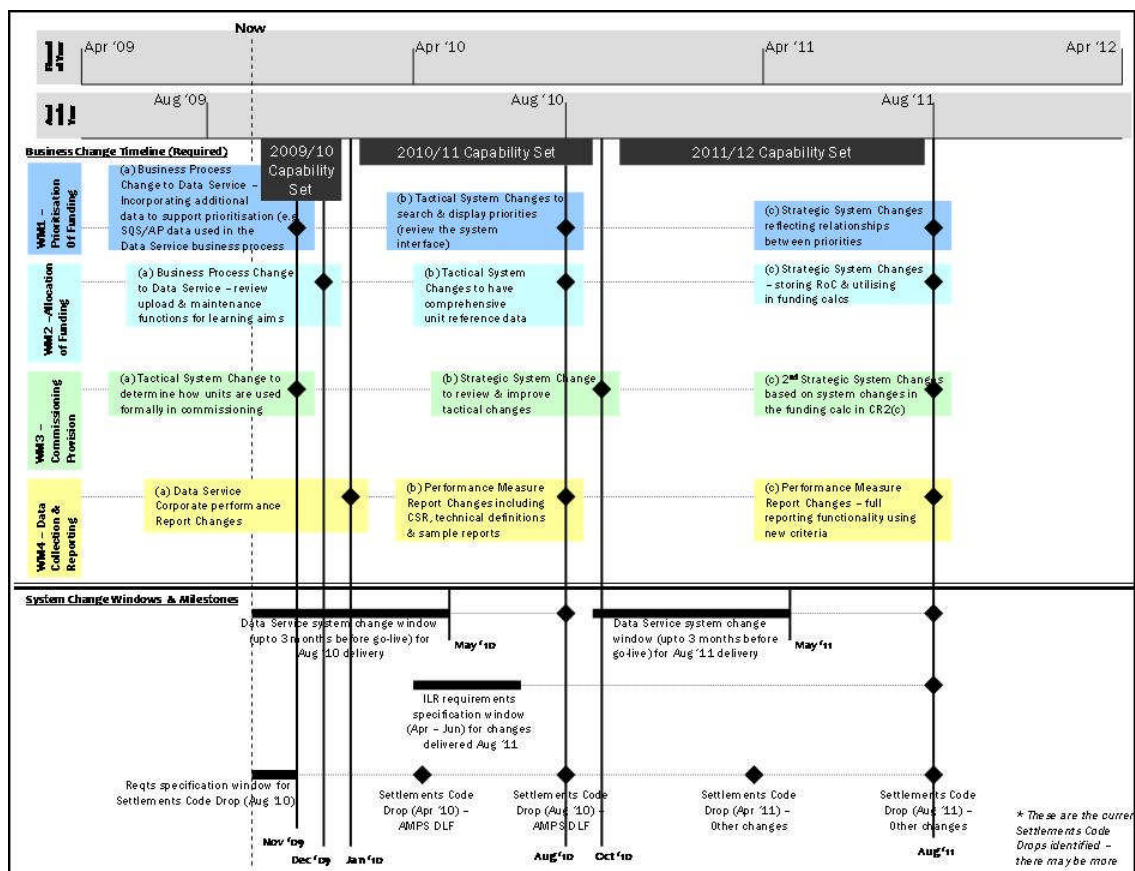
6 These changes (identified above) will be analysed, developed and implemented as part of the Data Service DC Rollover (business as usual) strand of work. The existing programme of work is embedded within the Cap Gemini work partners plans for 2009/10 and the additional requirements will be impacted and delivered broadly under the existing plans.

Strategic Changes:

7 These changes (identified above) are to be part of the existing LSC Settlements Programme being managed by Cap Gemini. It is anticipated that the programme will need to extend its' scope to include all the QCF requirements and this is currently being analysed and proposals drafted. Once the funding agreed, this work will be commissioned and subsumed entirely into the Settlements Programme.

Timeline

8 The high level proposed timeline for this work is as follows:



- 9 Until the proposals on all the work has been agreed by LSC QCF Policy these timelines remain tentative.

Communications

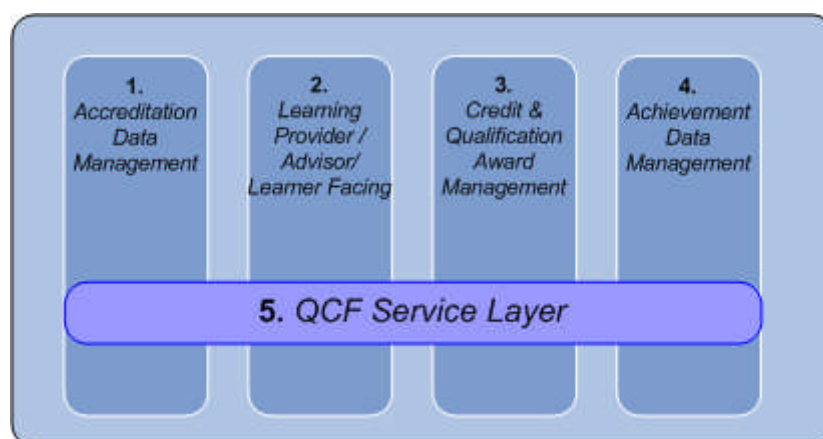
- 10 There will need to be a communications strategy developed and put into practice, once the work has been agreed. The LSC/SFA will need to work with *the information authority*, Providers, AOs, Ofqual and SSC/SSB/SBs to ensure changes impacting key stakeholders are identified and determined.

Appendix C: Overview of Business Process Model for QCF Service Layer (Learning Provider focus)

- 1 The purpose of this section is to introduce the business processes that have been analysed and mapped as part of the development of the context of the QCF Service Layer.

The End to End Qualification Process

- 2 These business processes have been created as an end to end Qualification Process and therefore cover processes that are outside the scope of the QCF Service Layer but do serve to demonstrate where the QCF Service Layer provides functionality and services within a wider context.
- 3 The end to end Qualification Process has been constructed from a funding neutral and country neutral standpoint and as such provides coverage for publicly funded and private qualifications in England, Wales and Northern Ireland.
- 4 Business areas have been developed to give an overview of the end to end Qualification Process as seen in Figure 1.



- 5 The end to end Qualification Process has been developed based in a cross functional process model. Each function represents a stakeholder group. These stakeholder groups have a role-based definition and have been defined specifically within the context of their interactions with the QCF Service Layer. As such, it is accepted that these stakeholder groups perform wider functions and are involved in wider operations than it has been defined here.

The Learning Provider Role

- 6 The learning provider stakeholder group defines a learning provider as primarily being responsible for providing learning to a learner that will educate or skill the learner to a sufficient level so that the learner may be assessed against an awarding organisation's specific qualification. The role of the

learning provider is to enrol learners and deliver their programme of learning or course, including registering learners with the relevant awarding organisation.

- 7 Within the context of the QCF Service Layer, learning providers may also act as advisors and assessment centres. The assessment centre role is responsible for registering a learner for an assessment with an awarding organisation and the subsequent conduct of that learner's assessment on behalf of the awarding organisation. The assessment centre will also submit an appeal against an award on behalf of a learner. Assessment centres are recognised and quality assured by Awarding Organisations to delivery their qualifications and are often embedded within providers.
- 8 It is the role of the Assessment Centre to conduct assessments with learners in line with requirements of the awarding organisation.
- 9 Within the Learning Provider / Advisor / Learning Facing area of the end to end qualification process, the following processes will be carried out in relation to the QCF Service Layer:

For learning providers:

- a. Request/validate a Unique Learning Number (ULN) on behalf of a learner for the purpose of providing services through the QCF Service Layer
- b. Plan learning programme with learner on application and enrolment, supported by Rules of Combination single qualification query (the function that enables the verification that credit can be used against a specific (single) qualification), taking into account prior credit achievement and
- c. Inform awarding organisations at the point of learner registration of that learner's prior credit achievement along with other information relevant to the registration process.

For advisors (including those learning providers providing an advisory service):

- a. Authorised viewing of a learner's QCF achievement data on behalf of a learner to:
 - Inform the learner about access, use and interpretation of the QCF Service Layer's functionality
 - Provide support to access, including identification of ULN, and use the functionality of QCF Service Layer where required
 - Provide professional review and guidance based on a learner's presentation of the outcomes of their interaction with the QCF Service Layer in context of wider considerations.

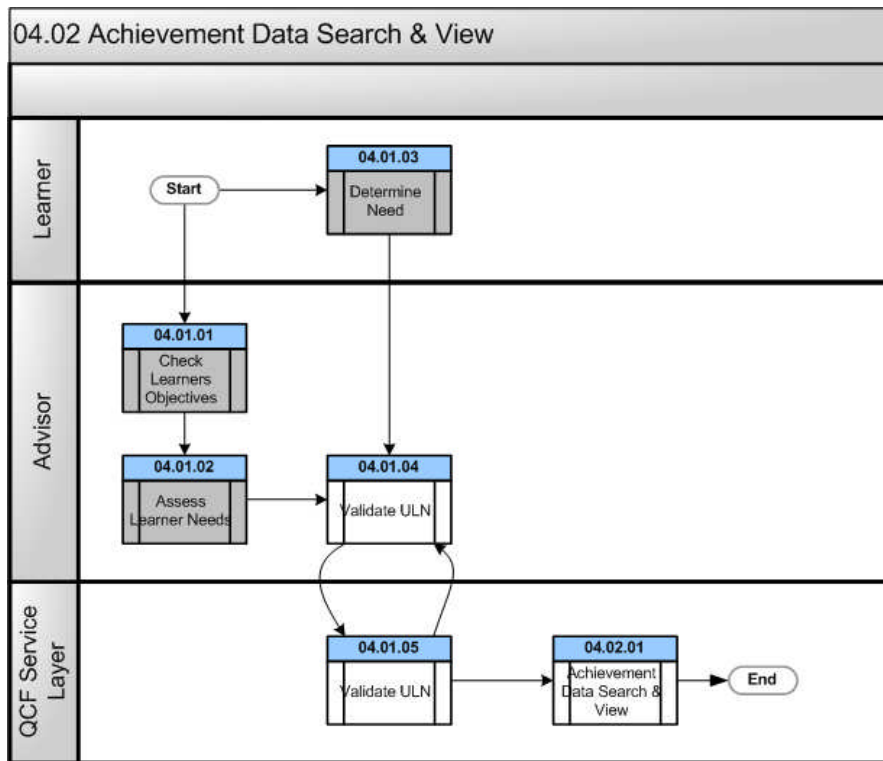
Learning Provider Specific Processes

- 10 The following processes within the end to end qualification process are of significance to the learning providers
 - a. Achievement Data Search and View;
 - b. Check Credit and Rules of Combination Single Qualification;

c. Run Routes to Achievement and Contextualise Data.

11 Each of these processes are presented in detail below firstly as a process map, and secondly with a descriptive overview.

Achievement Data Search & View

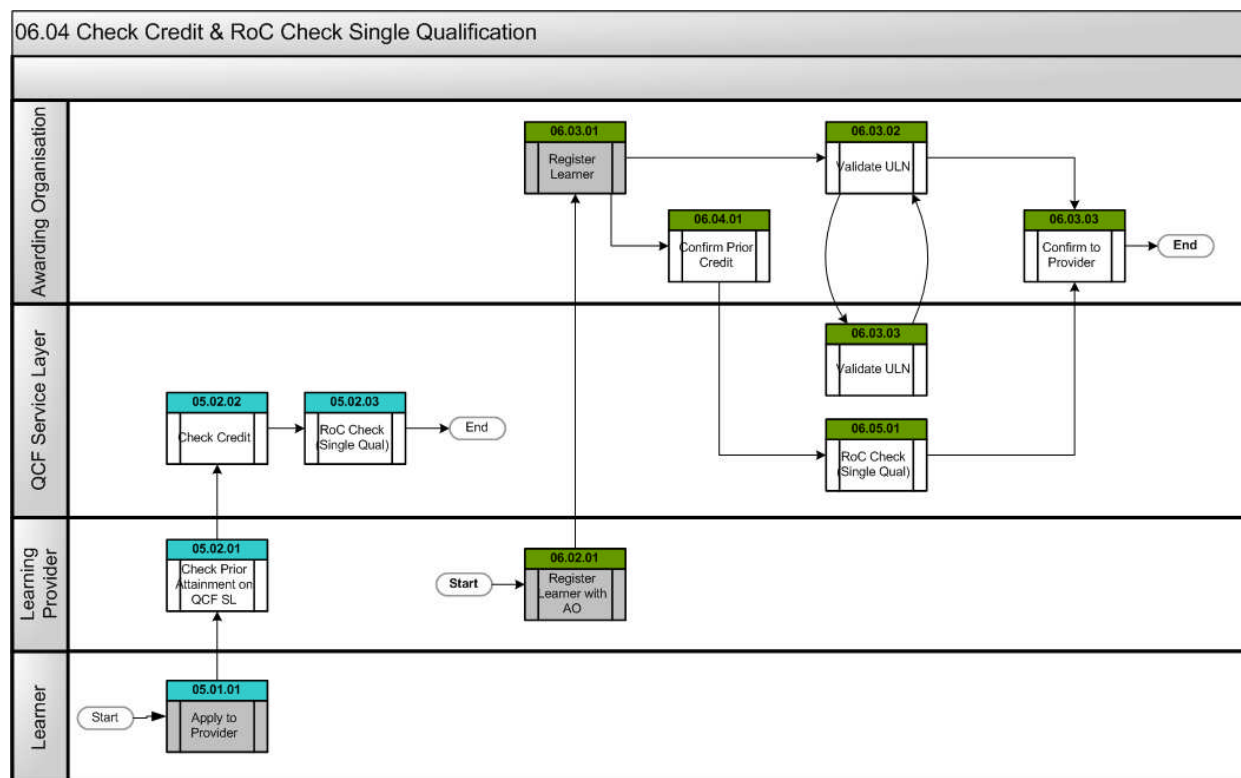


12 The Achievement Data Search and View process describes the steps that take place occur when a learner, an advisor, or a learning provider views the QCF achievement data for a particular learner on the QCF Service Layer as a precursor to selecting a programme of learning.

13 The process can start at one of two points - a learner determines their own learning need and accesses their achievement data and supporting functions or a learner approaches an advisor to discuss learning objectives, learning providers and options.

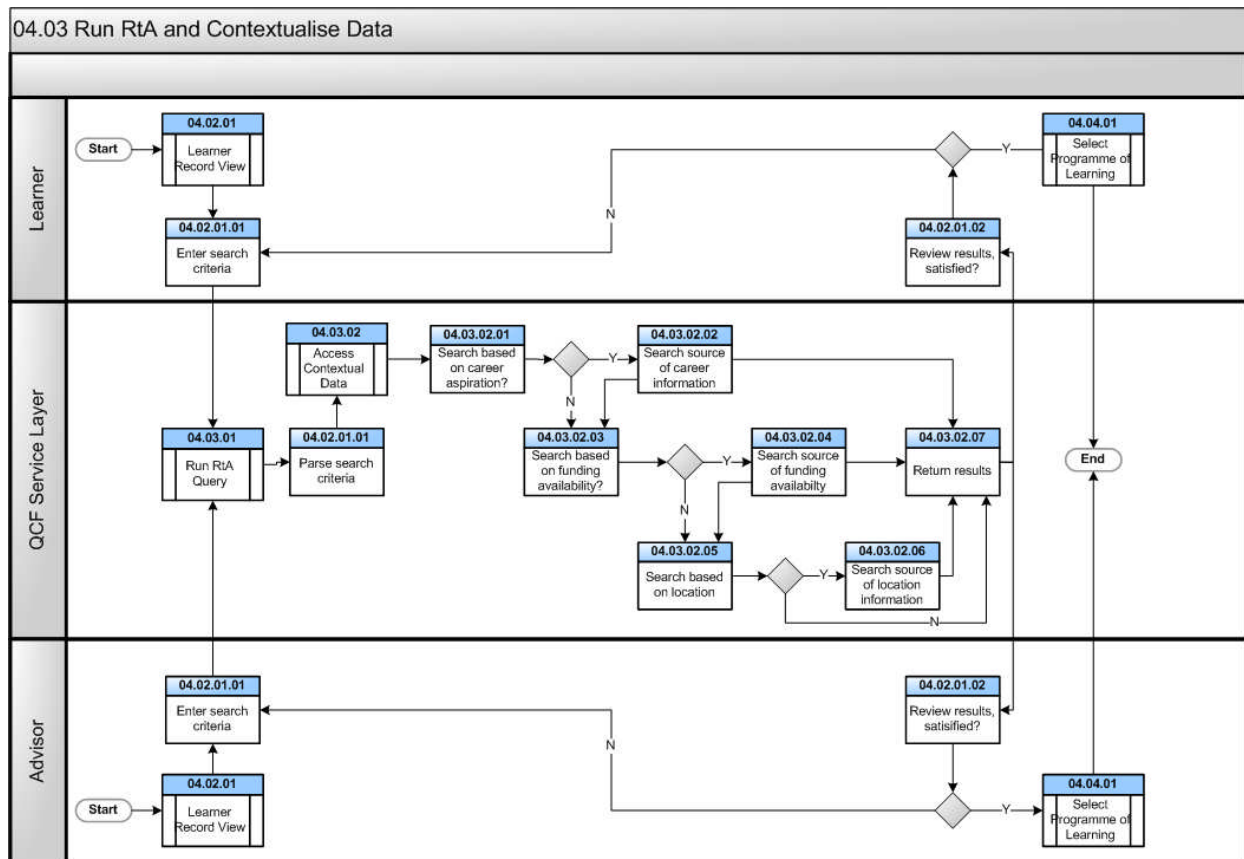
14 The QCF achievement data can only be accessed through the MIAP Personal Learner record. Authorisation to view will be managed by the MIAP processes and will incorporate role based access.

Check Credit & Rules of Combination Single Qualification



- 15 There are two parts to the check credit process:
 - A query to view specified QCF achievement on the QCF Service Layer to check prior credit achieved (credit check)
 - A query to verify if specific credit contributes to a specific qualification (Rules of Combination Check (Single Qualification))
- 16 The first query is in place to allow awarding organisations to validate a learner's claim to having credit recorded within the QCF Service Layer including any relevant additional details held therein such as achievement date.
- 17 As a part of the enrolment process and determining the learners learning programme a learning provider will be able to run a Rules of Combination Check (Single Qualification) to identify if the learner has any credit achievement within the QCF Service Layer that can contribute to a specified qualification.
- 18 On registration with the awarding organisation, a complimentary query can be run on behalf of the provider or a simplified Check Credit query can be run to confirm that contributing credit identified by the provider is held within the QCF Service Layer.

Run Routes to Achievement and Contextualise Data



- 19 This process supports learners' research in selection of suitable programmes of learning and supports advisors in providing a professional service to learners for that same purpose.
- 20 Therefore, this process has two start points, which converge upon the QCF Service Layer. Firstly, a learner views their own learner record as they determine their learning objectives, or as a means of gathering data for the purposes of using the QCF Service Layer (i.e. accreditation and achievement data). Using stakeholder facing functionality of the QCF Service Layer, the learner inputs the appropriate query parameters that will satisfy their learning based research requirement.
- 21 The alternative starting point follows the same path but is an advisor led process.
- 22 Parameters such as course or career aim, geographical location, and occupational role information will be parsed (along with the Learner's achievement information) to the Service Layer. With the appropriate query parameters loaded into the QCF Service Layer via the MIAP Personal Learner Record (or any other Portal through which the RtA Query is performed) the parameters are parsed into the relevant systems for further interrogation.

23 There will be two forms of Route to Achievement Query:

- **Type 1 RtA query:** In a type 1 RtA query the learner will supply at least a Qualification name and in some cases detail around aimed for occupational roles. These criteria alongside the Learner's current achievement will be compared with the accreditation data to return a list of Qualifications which meet the search criteria.
- **Type 2 RtA Query:** In a type 2 RtA query, in addition to the query parameters of a type 1 query, the learner can add geographical criteria to the search. This query will return a list of Qualifications offered by a specific Learning Provider which meet the search criteria. The type 2 RtA query will compare the search criteria and the learner's current achievement with the accreditation data to identify suitable qualifications and will then search for learning providers offering these qualifications which meet the geographical criteria. The Type 2 RtA query is reliant on updates being made to the Customer Authority provision directory.

24 One or all of the above query parameters may be included; results are returned to the learner via the appropriate customer facing function. If the learner is satisfied with the query results, the process ends with the learner selecting a programme of learning. Alternatively, the learner can run another query if not satisfied with the results or to modify criteria.

Appendix D: Note on preliminary data management issues in the Unit Funding Trials as found thus far

Note: *The following is a brief prepared by the consultants evaluating the Unit Funding Trials, Host Policy Research. Please take the following as preliminary observations. The responses to date relating to data management are predominantly from colleges. The evaluation is in its early stages and is still capturing expectations rather than realised issues. Much of the findings are therefore still indicative.*

- 1 The evaluation is mid-term so these observations are limited and preliminary. They are drawn from the small number of case studies so far conducted and do not harness 'anecdotal' evidence (SSCs and AOs) but rather front-line feedback from those involved. A half of the case studies felt that it was either too early to make such observations or felt they were unable to express an opinion on data management issues.
- 2 Among the others, with unitised delivery, and particularly with IT user provision, it is unlikely that everyone in a class will be taking the same unit and at the same level. There are challenges in capturing attendance and progress data for such varied groups, which have meant colleges have tried different approaches to making this administration effective for classes and tutors, however there has been some impact on the ability to have a clear cut view for accurate funding estimates. Colleges have had to undertake reconciliation exercises at the end of the academic year to ensure accurate data is held and transmitted and then finalise funding claims.
- 3 One college felt it had been easier in the past to link to numbers of units and students to generic codes, which had meant the college had had a clearer view of finance and performance. This time round, it felt funding returns could only be completed with confidence once achievement information had been received and exact achievements and levels recorded ("certificates, then funding returns"), adding an administrative burden without any extra funding.
- 4 Another college said that the administrative burden for the UFT was extra, but that they had managed their way through it without needing to pay overtime or employ temporary staff, citing instead an aggravation factor for staff. The scheme has necessitated extra meetings between the administrative staff who deal with the relevant units, and the management information team who are ensuring the data is correctly recorded. A series of meetings at the start of the process was needed to ensure that the required data was captured, and another series at the end of the academic year to ensure achievements were captured.
- 5 The mid-year change from ZUQA to individual unit codes had been another aggravation for MI staff in these case studies.

- 6 One college believes the need to track a student's collection of units and monitor when this becomes a full award will necessitate an enhanced MI system and potentially an increase in staff.

HOST, 10.11.09