

The Future of Qualifications and Funding in England

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The next 18 months will see some of the biggest changes to vocational education in England for a generation, including a shake-up of qualifications and entitlement, amendments to the funding system and a greater targeting of resources.

The Learning and Skills Council (LSC), replaced from April 2010 by the Skills Funding Agency (SFA) and the Young Peoples Learning Agency (YPLA), has been leading the changes to make learning more demand-led and more suited to the needs of the learners and their employers.

Sector Skills Bodies like Habia have had a key role in coordinating work with sector awarding organisations to develop and approve the new qualifications.

Changes

A major change, which will have a knock on effect, is the new legal entitlement to free education for 19 to 25 year olds. This expansion of adult education, and the entitlement to vocational training, means existing funding will have to do more, with the way in which funding is allocated becoming more targeted to parts of the economy deemed to be the most likely to lead to sustainable growth.

These priority areas are set out in the government's *New Industries, New Jobs* report. Unfortunately, hair and beauty do not feature. Consequently, Habia will be leading a campaign to highlight the success of the hair and beauty sector in weathering the recession, with the official figures showing an increase in employment of over 10,000 between 2008 and 2009.

The SFA and YPLA will be using an updated methodology for funding, with a much narrower focus on contributing only to vocational qualifications that cover basic skills up to Level 3 and genuinely lead to employment, helping employers and future workers whilst representing value for the taxpayer.

The biggest change, however, is the switch from qualifications on the National Qualification Framework (NQF) to the Qualifications and Credit Framework (QCF) in September 2010, affecting England, Wales and Northern Ireland. In Scotland the Scottish Credit and Qualifications Framework has been in operation for some time.

This will see qualifications broken down into smaller, more flexible units that better meet learners' and employers' needs. Units will be able to be combined to make up larger, recognised qualifications based on their content (what they are about), their level (difficulty) and size (the number of credits).

Although in some sectors the term *NVQ* will be dropped, Habia has taken the decision, along with the awarding organisations, that *NVQ* will stay for our sector to show that someone who has achieved this qualification should be job ready at that level.

Progress

In our sector, a full suite of qualifications is expected to be available and approved for funding from August 2010.

Hairdressing and barbering QCF qualifications became available in 2009 with some providers already using them. These have interim approval until August 2010, so that government can review the new QCF qualifications. Apart from some relatively minor cosmetic changes to meet the layout in the QCF template, there have been no changes to what needs to be delivered or assessed. Habia expects a five year extension of approval from 2010, with no changes to qualification reference numbers.

The beauty, spa and nails qualifications were submitted by the awarding organisations in time for the April 1 deadline and should progress through the government approval processes to appear on the Learning Aims Database (LAD) by August 2010.

As qualification reference numbers become available, Habia will add these into the beauty apprenticeship frameworks and submit them so they become eligible for funding too.

Funding

Perhaps the issue causing the most concern to learning providers is how qualifications on the QCF will be funded.

Public funding for vocational qualifications on the QCF will be targeted at those that Habia has advised should be considered for funding. These will be known as *full fat* qualifications, or more formally, *vocational target bearing full Level 2 (or 3) qualifications*, and will be those that meet employer and learner needs best.

These *full fat qualifications* must be equal to or greater than a threshold number of credits set by Habia. This threshold is based on research with the sector and consultation with Habia's industry forums, the sector awarding organisations and their experts.

Only qualifications on the QCF will be funded from August 2010 for new learners, although some NQF qualifications may continue to be funded up until December 2010 if there is no QCF equivalent. As indicated above, in hair and beauty there will be equivalent qualifications available from August 2010, so there will be no extension to current NQF provision.

The change to funding a fair rate based on the cost of provision was applied to work based learning some years ago. However, for full time learners, all NVQs at whatever level have been funded at a fixed rate based on 520 Guided Learning Hours - triggered after 450 hours have been delivered. This made it very attractive to offer the full suite of Level 1, 2 and 3 to a learner, even if they were capable of entry at Level 2. Full time courses often deliver part of the Level 2 during the first year alongside Level 1 and argue that overall the time spent is roughly the same, particularly when dealing with learners that may have a range of social and learning needs.

Concerns raised in the past by inspectorates are that capable learners find Level 1 boring and become disillusioned, whilst learners with special needs should have these needs funded from the appropriate special needs funding stream.

The new model will make funding more transparent and proportionate to the guided learning estimated as being needed by the average learner for that particular qualification.

Eligibility

Under the QCF, only qualifications built of shared units are eligible for public funding.

For almost all the hair and beauty suite of qualifications, awarding organisations have collaborated in the development and allocation of credit and level, and the submission and accreditation process.

They have then built qualifications using the rules of combination agreed with Habia for the competency or job ready qualifications, for instance, the NVQs which will now be known as NVQ Certificates (Level 1) and NVQ Diplomas (Level 2 and 3).

A new body, the Joint Advisory Committee for Qualifications Approval (JACQA), will decide if a qualification is eligible for public funding, although the SFA and YPLA make the final decision on which qualifications are funded and their subsequent funding rate. Where funding is given, the rate paid aims to reflect the cost of delivery. Only qualifications that are accepted by SFA or YPLA onto the Learning Aims Database (LAD) are actually funded, even if they are on the QCF.

A list of QCF qualifications that have been confirmed for public funding from 2010 to 2011 is available on SFA website, under the *Publications* menu, at www.skillsfundingagency.bis.gov.uk

The funding rates for 2010/11 have already been published by the SFA and show a three percent reduction in some programmes, whilst others see no increase. There is an expectation that employers, and in some cases learners, should contribute to the overall costs of some programmes, particularly at level 3 and above.

Currently funding is prioritised for full qualifications that meet a threshold number of credits. Since credits are each nominally worth 10 Guided Learning Hours (GLH), this gives an indication of overall GLH. This is likely to change by 2013, with funding based solely on credits.

These will clearly be less than the 520 GLH that NVQs previously received, meaning a drop in funding for full time learning programmes, especially at Level 1. For Level 2 and 3 the figures are within range of the 450 GLH that triggered the funding payment under the previous funding model. However, YPLA funding guidance published in March 2010 indicates this model will continue in 2010/11.

Reducing the content of the qualifications to bring the delivery time below the thresholds was not something that was acceptable to the sector or Habia. Likewise, over-estimating the time needed to complete a qualification would have called into question Habia's professionalism and objectivity with government.

To encourage continued take up of the most useful optional units for career progression, Habia has made two changes.

First, the threshold credit value has been set between the maximum and minimum possible, using the credit values of these important units.

Secondly, rather than setting the minimum number of optional units to be gained to achieve the qualification, Habia has set the minimum credit value that must be achieved from the optional units. This gives greater flexibility to learners, employers and providers to choose from the option group.

In terms of funding, some individual learners may want to do combinations that total more than the threshold and may not therefore be fully funded for this. However, providers have always had to cope with this.

Habia and other sector organisations, along with learning providers and colleges, did lobby - unsuccessfully- to postpone the introduction of the QCF so that the delivery of the new qualifications could be properly planned. However, Habia will continue to monitor the situation, influence where it can and assess the funding rates over the next 12 months to argue for fairer rates where needed.

The future

Introducing the QCF has involved an incredible amount of work, only a small part of which has been publicly funded. Habia decided it was essential to continuing learning provision, and that the consequences of not doing it would have let down learners, providers and employers. Consequently much of Habia's surplus from commercial activities has been used directly in paying for this work.

The partnership between Habia and the sector awarding organisations to distribute the work in producing shared units has been praised and held up as good practice by the government agencies we have worked with.

That's not the end of the matter however.

Habia will be looking to assess the actual amount of work needed to deliver the new qualifications and adjust the GLH and credits accordingly by working with learning providers, employers and learners alike to constantly monitor and review the situation to ensure a fair deal for all.

Habia will also work with partners and organisations across the hair and beauty industries over the next few years to sound out opinions and issues, and to make sure that the sector works together so that its voice is heard by government.

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More information on the agencies involved can be found at:
Joint Advisory Council for Qualifications Approval (JACQA) <http://jacqa.ypla.gov.uk/about/>
Young People's Learning Agency (YPLA) www.ypla.gov.uk
The Skills Funding Agency (SFA) <http://skillsfundingagency.bis.gov.uk>

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