

Use of the Work-Based Learning (WBL)
Standards Fund 2001-02

1. Introduction

1. In the financial year 2001-02, £10 million from the standards fund was allocated to local Learning and Skills Councils (local LSCs) and to the National Contracts Service (NCS) to be used for the improvement of work-based learning (WBL).
2. The total amount of funds allocated to a local LSC was determined on the basis of the total value of the contracts for WBL the local LSC managed. The funds were distributed to WBL providers to be used for:
 - provider improvement (category 1b)
 - continuing professional development (category 2b) and
 - dissemination of good practice (category 5a).

Alternatively, local LSCs could use the funds centrally to run training programmes or workshops for WBL providers.

3. The NCS received an allocation from the standards fund in respect of the contracts managed by the National Training Partnership (NTP) Ltd on its behalf.
4. The Council's manual *Standards Fund 2001-02: Work Based Learning Providers - Guidance and Management Procedures* explained the rationale for allocating funds under the three categories to WBL providers. To ensure that local needs were fully met, local LSCs were allowed to use their discretion when allocating funds. For example, they could give similar weighting to all three funding categories as set out in para 2 above, or allocate more funding under categories 1b and/or 2b than under 5a.
5. The guidance manual specified recommended levels of funding allocations under categories 1b and 5a, and LSCs were urged to apply these in order that there might be consistency in funding across the country. Local LSCs had discretion, however, to determine their own levels of funding under these categories in the light of local needs.

6. The Quality Improvement Research and Good Practice Team has carried out an analysis of how the 47 local LSCs used the WBL standards fund in 2001-02. Information on planned expenditure was gathered mainly from the local LSCs' WBL strategies which were submitted to the national office in October 2001. Some WBL strategies were lacking in detail. Where this was the case, the local LSCs concerned were asked to provide more information. The findings of the analysis of how local LSCs used the WBL standards funds are set out below.

2. Key Findings

Category 1b: Provider Improvement

- **Expenditure** - Of the three categories, the highest proportion (£5.8m; 54%) of the WBL standards fund was spent on provider improvement (Fig 1).
- **Eligibility** – Most local LSCs used criteria for determining the eligibility of providers for funding under category 1b which were consistent with the national guidelines. Providers would be allocated funding to help them rectify weaknesses identified through inspection by the Adult Learning Inspectorate (ALI) or the former Training Standards Council (TSC), and the provider review process.

One local LSC allocated funds to providers which had been awarded inspection grades 3, 4 or 5 and determined the amount on the basis of the number of learners these providers had. Four local LSCs chose to allocate funds to all their providers, irrespective of the findings of inspection or provider reviews.

One local LSC received few valid submissions from providers for funding. It decided, therefore, to allocate its total funding allocation to the local WBL providers' association to help it update its trainee database and MIS software, with the aim of benefiting the WBL sector as a whole.

- **Funding model** – Most local LSCs used the funding model recommended in the Council's guidance manual. About half adjusted their funding allocations

to take account of the number of providers eligible for funding and the total amount of funds available to them under category 1b.

Three local LSCs determined funding allocations on the basis of the number of learners eligible providers had. In a few instances, providers which had been awarded inspection grades of 3, 4 and 5 were granted extra funding.

Two local LSCs did not use a funding model. One local LSC divided the funds equally between all its eligible providers. The other LSC received few valid submissions for funding from providers and gave its total allocation to the local WBL providers' association in order for it to update its trainee database and MIS software.

- **Central Training** – of the total of £10m WBL from the standards fund designated to be used for the improvement of WBL, only £72k (1%) of the £5.8m allocated to provider improvement (1b) was used for central training (Fig 3).

Category 2b: Continuing professional development (CPD)

- **Expenditure** - the second highest proportion, (£3.9m; 36%) of funding was spent on continuing professional development (Fig 1)
- **Eligibility** - In order to receive funding for CPD, providers had to match fund the allocation proposed with the same amount from their own funds. They also had to complete a costed CPD plan identifying the training needs of their staff.

Many local LSCs chose to use part of the fund, or the majority of it, to provide central training for the benefit of the WBL sector as a whole. These local LSCs usually offered central training to all WBL providers, excluding FE colleges with WBL provision (as those colleges would already benefit from the CPD allocation from the FE standards fund).

- **Funding model** - The majority of local LSCs determined allocations on the basis of the size of the providers' contracts. A few also held back funds in order to offer central training programmes. Most local LSCs modified the funding model recommended in the Council's guidance manual. Some local LSCs gave additional funding to those providers which had been awarded low inspection grades.

Some local LSCs determined allocations on the basis of the number of learners providers had, rather than the size of their contracts. One local LSC divided the allocation equally between all eligible providers. Two local LSCs allocated funds without using any funding model.

About a quarter of local LSCs chose not to allocate any funds to providers directly, funding events and workshops centrally instead.

- **Central Training** – of the £10m from the standards fund designated for the improvement of WBL, £880k (22%) of the £3.9m allocated to fund continuing professional development (2b) was used to provide central training (Fig 4)

Category 5a: Dissemination of Good Practice

- **Expenditure** – Of the total of £10.8m from the standards fund designated for the improvement of WBL, only £573k (5%) of the total £10m WBL standards fund was used to disseminate good practice (Fig 1).
- **Eligibility** - Local LSCs followed the guidance in the Council's manual and allocated £3,000 to providers which had received a grade 1 at inspection. A few local LSCs also allocated funds to providers which had demonstrated good practice that had been identified through self-assessment or the provider review process.

The majority of local LSCs had not identified any good practice to disseminate and they used funding under this category to offer central training which was intended to benefit the WBL sector as a whole. They provided this training themselves, or through the services of consultants or preferred suppliers. Two local LSCs decided not to spend funding on the dissemination of good practice, and they used all their allocation to fund activities coming within the scope of categories 1b and 2b.

- **Funding model** - There was little variation in the way different local LSCs allocated funds under this category. Two local LSCs chose not to allocate any funds under this category and concentrated on funding categories 1b and 2b.

Little good practice in the WBL has been identified through inspection by the ALI, the former TSC, or the provider review process. About one quarter of local LSCs followed the recommendation in the Council's guidance manual that £3,000 be allocated to providers awarded grade 1 at inspection, to

enable them to disseminate good practice. Where local LSCs were unable to find evidence of good practice to disseminate, they spent the funding under category 5a on central training.

About half the local LSCs used the funds solely to provide central training carried out by consultants or WBL provider networks/consortiums.

- **Central Training** – Of the £10m from the standards fund designated for the improvement of WBL, only 5% was spent on the dissemination of good practice (5a) but a large proportion (£406k; 71%) of this money was used to fund training centrally (Fig 5).

Total expenditure and funds not used

The 47 local LSCs and National Contract Service spent a combined total of £10.3m (96% of the total £10.8m WBL standards fund budget). £462k (4%) was not spent (Fig 1).

Providers excluded from funding

About two-thirds of local LSCs did not exclude any providers from funding. In some cases, however, priority was given to funding those providers in need of major improvement. Some local LSCs excluded those providers not inspected since April 2001, from funding under category 1b.

About a third of local LSCs excluded FE colleges with WBL provision from funding under all, or some, categories. In particular, a number of these local LSCs excluded colleges from funding under categories 1b and 2b.

Applying for funding

Providers had to submit costed action plans for their use of funding.

Multiple Contracts

Not all local LSCs had agreed lead arrangements where providers contracted with more than one local LSC. In most instances, local LSCs allocated funding to benefit local provision through all eligible providers offering WBL within their geographical area.

Most local LSCs found that logistical and administrative problems made it difficult for them to agree and implement special arrangements for funding providers contracted to more than one local LSC, and for the effective monitoring and evaluation of these providers' use of funds. In some cases, providers contracted to two or more local LSCs were given funding by one of these on condition that they confirmed in writing that they were not in receipt of funding from another local LSC.

Target Setting

Most local LSCs did not set providers targets. Providers were responsible for setting themselves targets in their action plans. When considering providers' submissions for funding, local LSCs checked that providers' targets were realistic, relevant and that progress towards achieving could be measured.

Monitoring and Evaluation

The use of the funds is monitored by regular visits to providers and by evaluating action/development plans.

3. Statistics

Fig 1.

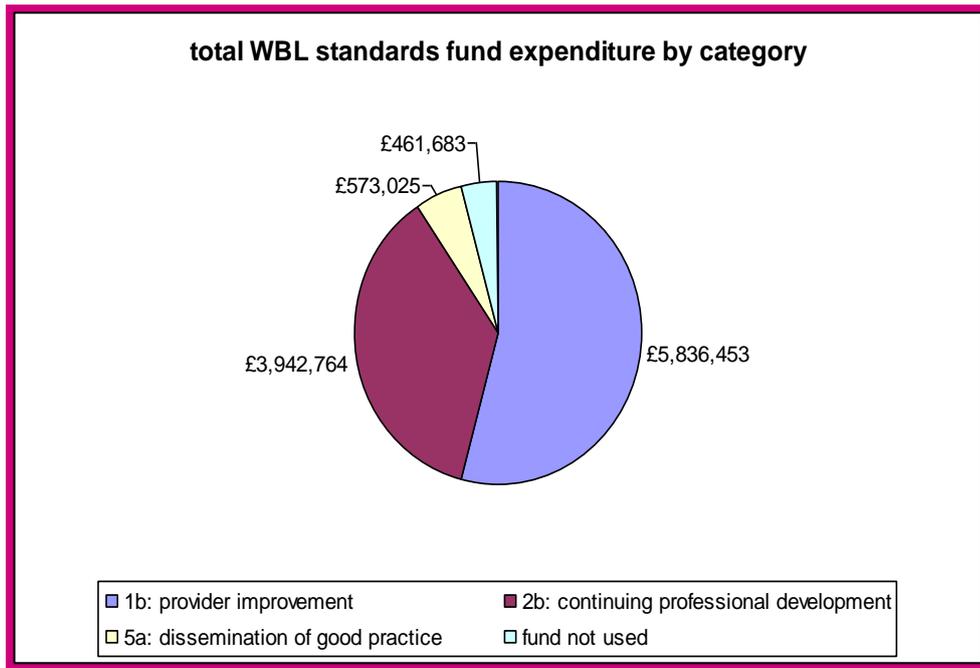


Fig 2.

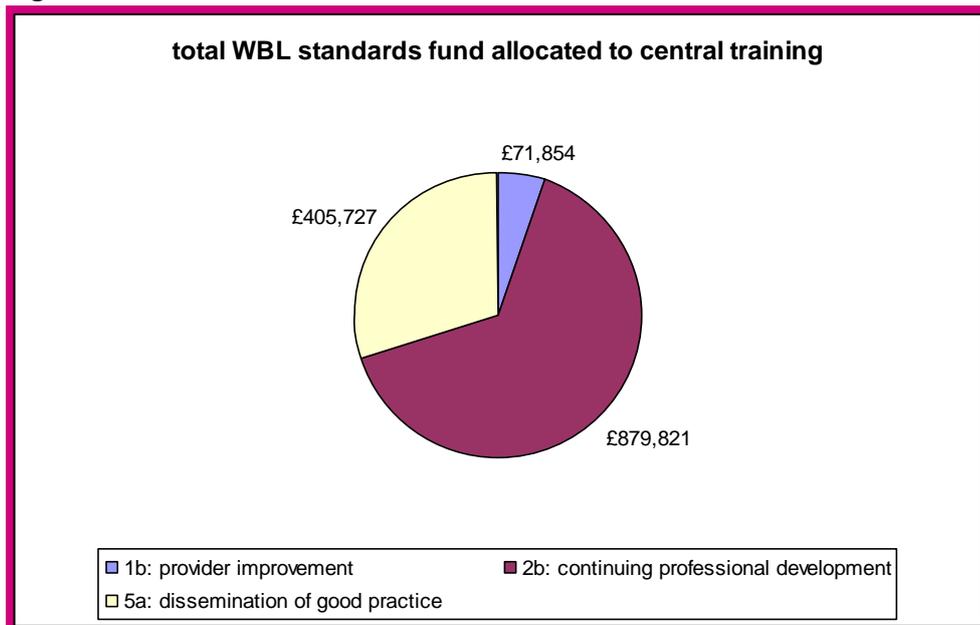


Fig 3.

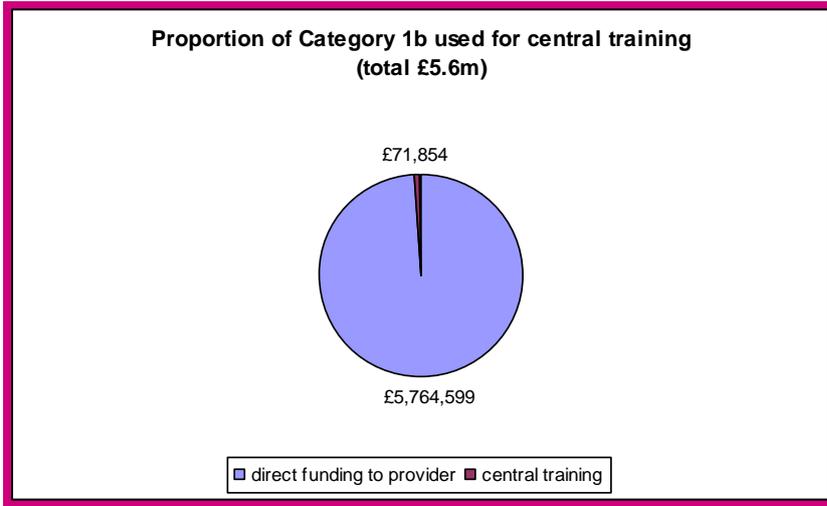


Fig 4.

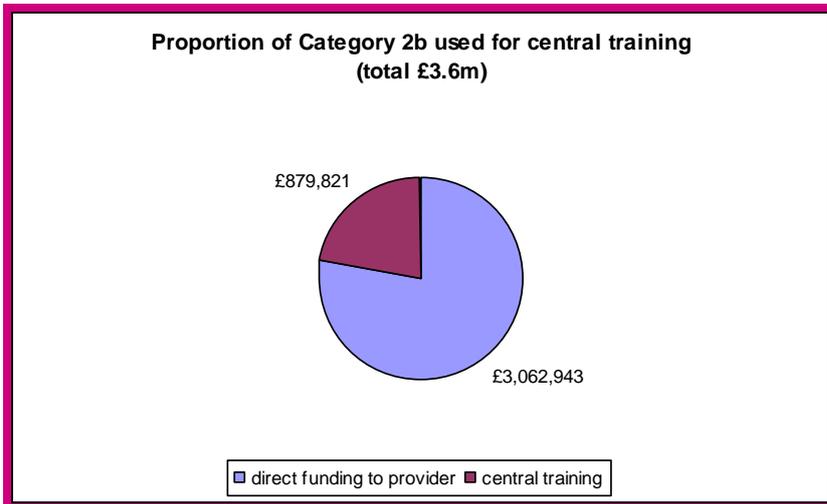


Fig 5.

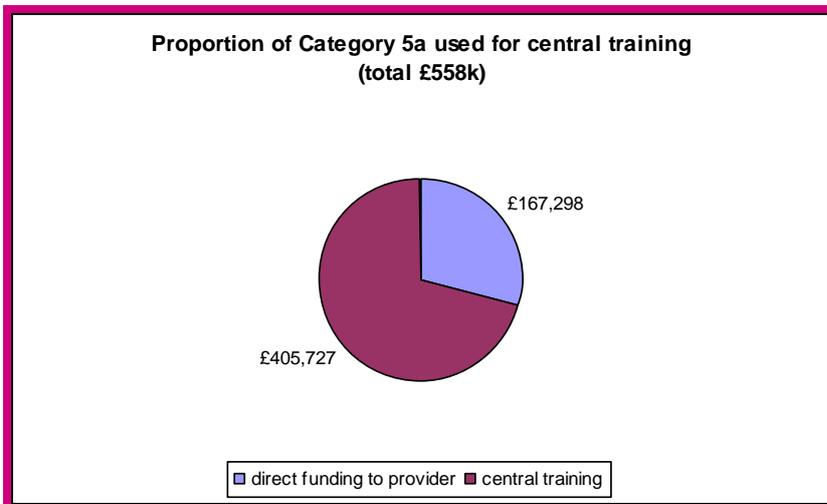


Fig 6.

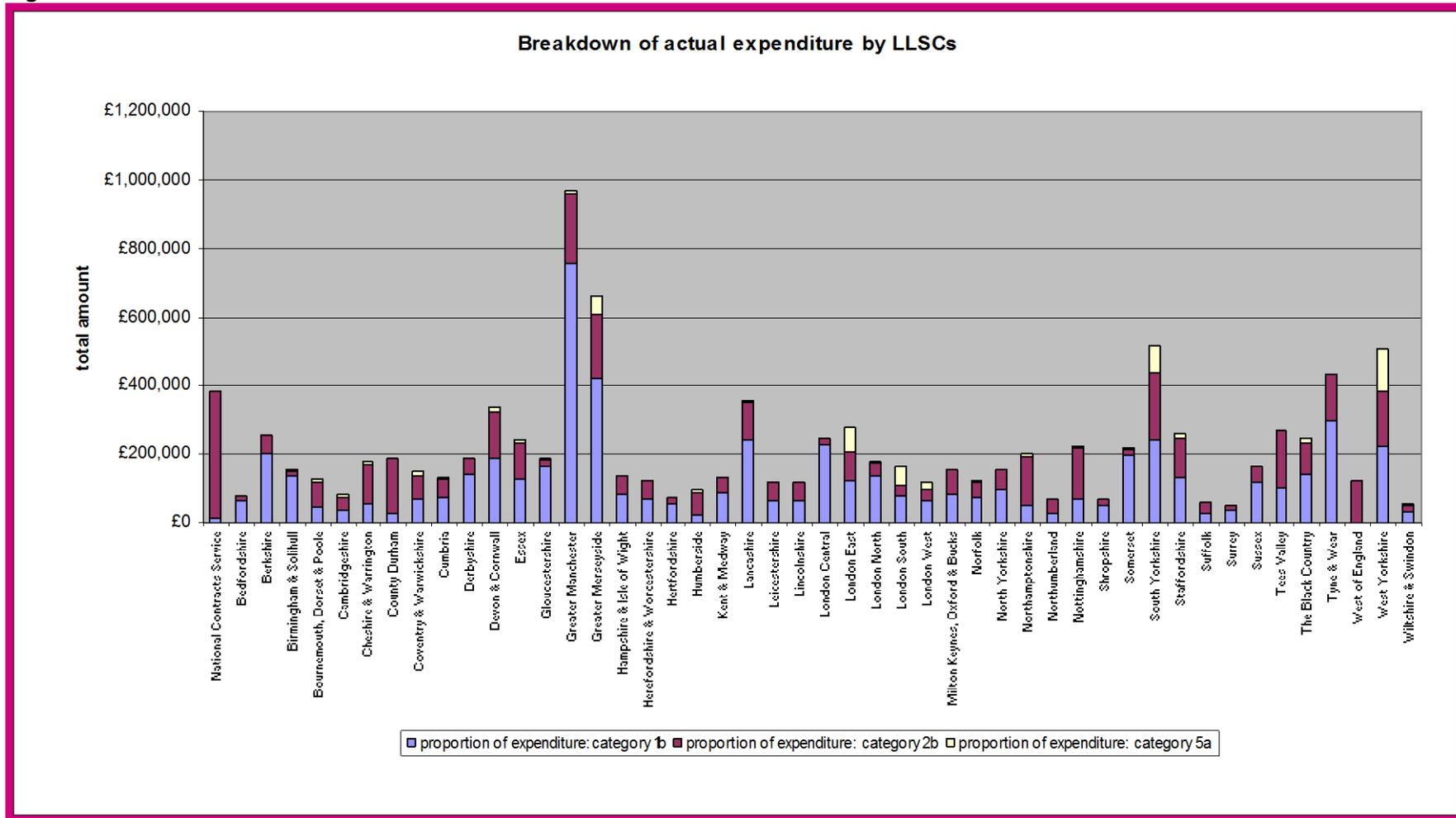


Fig 7.

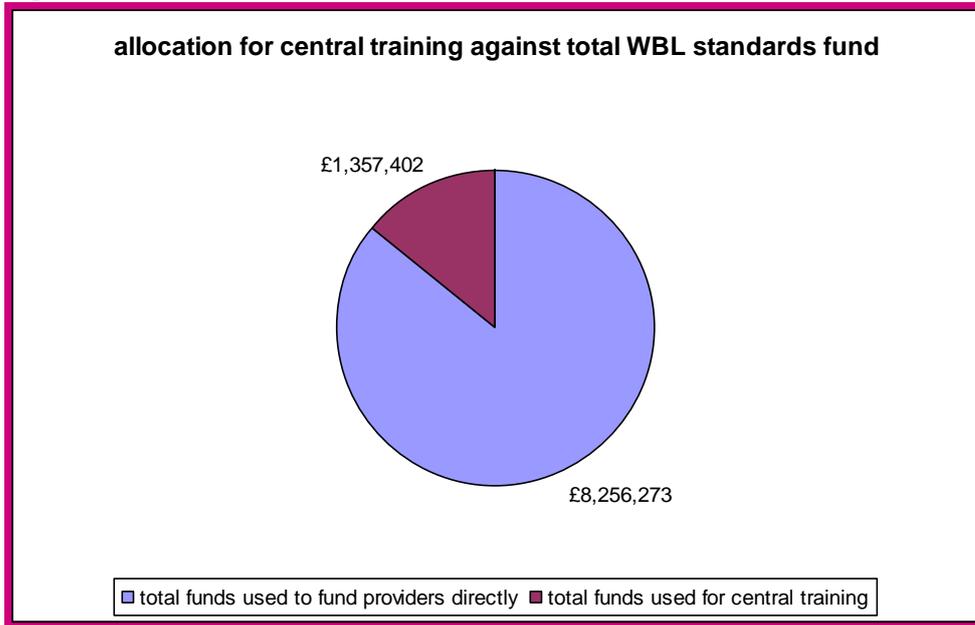


Fig 8.

