

# **UNITISATION AND FUNDING**

## **SHADOW PILOT PROJECT**

**A Report for the FEFC by FEDA  
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# 1 SUMMARIES

## 1.1 EXECUTIVE SUMMARY

The Further Education Funding Council (FEFC) established the pilot project on unitisation and funding following a recommendation from a working group looking at a fundamental review of the funding methodology. It was managed by FEDA working closely with the FEFC and a group of 12 further education institutions. The project ran from September 1998 to July 1999.

The project was established as a shadow pilot. With one limited exception no new activity could be funded but the project used a variety of strategies to examine the educational, technical and administrative implications of linking funding to units. Data was collected by each of the colleges about a sample of qualifications and their constituent units. Project seminars were held with the institutions and key stakeholders. The group considered policy papers produced specifically for the project as well as the wider literature.

The overall conclusions of the project are:

- There are no technical reasons why the FEFC methodology cannot be extended to fund units of qualifications as well as whole qualifications.
- There is a strong educational case for introducing the funding of units, particularly for some groups of adult learners
- There is no immediate need to change the way in which those who wish to study for whole qualifications are currently funded
- While progress needs to be made on developing a national credit framework, credit should not form the basis of the funding methodology at this stage
- There is a need for FEFC to pilot new activity based on funding units of qualifications at the earliest practicable time
- There is a need to adjust the performance indicators used in the FE sector to take account of unit level achievement

## **1.2 SUMMARY OF RECOMMENDATIONS – (See Section 6)**

- 1 The FEFC is recommended to consult with DFEE, QCA and others and establish a timetable for the progressive implementation of arrangements for funding units of qualifications.**
  
- 2 The FEFC is recommended to develop its methodology by adding the capability to fund units rather than by recasting the whole methodology on a unit basis.**
  
- 3 The FEFC is recommended to give priority to the funding of those units of qualifications which best meet the specific educational needs identified in the pilot.**
  
- 4 The FEFC is recommended to establish a units only tariff pro-rata to the funding for whole qualifications.**
  
- 5 The FEFC is recommended to support further national work, including the work of QCA, to develop a credit framework but not to base its arrangements for funding upon credit.**
  
- 6 The FEFC is recommended to study with the DfEE and others how performance indicators might be made more sophisticated in order accurately to reflect unit achievement.**
  
- 7 The FEFC is recommended to establish a pilot programme to examine the practical implications of funding units of qualifications on a wider scale.**

## **2. BACKGROUND**

### **2.1 Aims**

The Unitisation and Funding Shadow Pilot Project was established by the Further Education Funding Council (FEFC) in September 1998 to

*“explore the implications of developing the funding methodology by linking it to a unit-based credit framework”.*

The proposal was to work with a number of institutions during 1998/99 to enable a more detailed assessment to be made of the technical issues involved in such a development and the costs of a full-scale implementation. The project was managed by FEDA working closely with the FEFC and was jointly funded by FEDA and FEFC.

The planned outcomes of the project fell into three main groups.

- There is a set of technical questions which need to be resolved in order to enable funding to be attached to units. It includes consideration of whether credit is an appropriate measure of the size of a unit for the purpose of attaching funding. There are also issues relating to specific elements of the methodology e.g. how to handle entry units or cost weighting factors. The pilot was intended to provide guidance to the FEFC and the sector on the nature of the task and to offer some proposed solutions.
- A second aim of the project was to shed light on the administrative implications of implementing a system of unit-based funding and a feasible time scale for its introduction. Views differ as to the scale of the task with some commentators seeing the potential workload for both colleges and the FEFC as huge, while others see it as part of the process of simplification. The pilot was planned to enable a more accurate assessment to be made.
- A third aim of the pilot was to help clarify the educational impact of linking funding to units. There is strong support for unitisation of the curriculum deriving from a conviction that it will enable colleges to meet the needs of learners more effectively. The aim of the project was not to rehearse familiar arguments about the benefits of unitisation but to concentrate specifically on the educational benefits of linking funding to units.

### **2.2 Context**

The project was established by the FEFC following a recommendation from the group considering a fundamental review of the funding methodology (stage 2). The group considered that a unit-based qualification framework was essential if the number of adults returning to learning were to be increased in the line with the government policy. There was a need therefore to ensure that the funding methodology could support and promote such developments.

In identifying the need for a unit-based qualification framework, the review group was building on work carried out by the widening participation committee chaired by Baroness Helena Kennedy QC. In July 1997 the committee recommended to government that it should move to develop a national credit framework which would provide accreditation for interim achievement and enable learners to build up credit throughout their lives. They were convinced that one of the barriers to widening participation was the inability of learners to gain credit for small chunks of learning. The funding methodology would need to be compatible with such developments.

The FEFC's Schedule 2 Qualifications Group has consistently supported the development of a unit-based credit framework. It recommended in January 1998 that qualifications should be unitised and more recently has supported consultation proposals from The Qualifications and Curriculum Authority (QCA) for introducing greater flexibility in qualifications for adult learners. The response is set out in Appendix 2. The group has recommended that awarding bodies be invited to work on proposals to develop a common unit-based approach to qualifications taking account of work in Wales and by the Further Education Development Agency (FEDA).

The annual report of the Chief Inspector for Further Education identified in 1996/97 and in 1997/98 the need to make progress towards unitising the curriculum. Of particular concern to inspectors was the need to rationalise the very large number of qualifications available to learners to help colleges manage the curriculum efficiently. A unitised curriculum would enable colleges to create more viable teaching groups by the creation of common units of study.

Since the project was established the White Paper "Learning to Succeed" has indicated clear government support for the unitisation of the curriculum, particularly for adult learners. In paragraph 5.27 the White Paper states

*"We will ask the Learning and Skills Council to fund units of qualifications for adult learners."*

A more detailed summary of the context for the project is set out in Appendix 1.

### **3. METHODS**

The methodology of the project was strongly influenced by the initial decision to establish it as a shadow pilot. This meant that with one limited exception discussed below (para 3.6) institutions did not receive any extra funds through the project. The participating institutions were therefore unable to fund new approaches to curriculum organisation and delivery. The methodology consequently focused on identifying a representative sub-set of programmes in participating institutions; from which data could be collected; modelling an approach to data collection which might be necessary were they to be funded on a unitised basis; and working intensively with colleges and others to reflect on how things might be different were such an approach to be implemented in full. The principal elements of the methodology are briefly described below.

#### **3.1 Project Seminars**

The FEFC asked colleges in Circular 97/38 to volunteer to take part in the shadow pilot project. The response was very encouraging with 125 colleges being considered for inclusion. From these, 12 institutions were selected on the basis of their experience of unitisation and the desirability of including a spread of institution types drawn from different areas of the country. A list of the institutions participating in the pilot is attached at Appendix 3. The colleges each identified two nominees to work with the project, one with curriculum expertise and the other specialising in information systems. They met with the pilot team in three one-day seminars to consider a series of issues papers and advise on the collection and interpretation of data.

#### **3.2 Data Collection**

A central part of the project methodology was to identify a range of programmes representing a cross-section of provision in the sector and to collect data concerning learner participation and achievement at the unit level. Institutions were asked to identify the unit structure of selected programmes. They were then asked to identify the volume of each unit in terms of both guided learning hours and, if possible, a credit value or rating. Data in relation to student participation was sought at three points – at 1 February, 15 May and a final annual return after the end of July. An example of the data collection form and a summary of programmes included in the pilot are attached at Appendix 4.

#### **3.3 Modelling**

The initial expectation of the project team was that data supplied by participating institutions would be used to build a shadow-funding model which could run alongside the current funding methodology. In the event this proved both impractical and unnecessary. Colleges found it more difficult than expected to assemble the information required for the pilot; it was not until April that a reasonably complete data set was assembled. It proved possible, however, to carry out some simple and effective modelling on the basis of simulated data. Issue papers were developed, illustrating possible effects of relating funding to credit rather than guided learning hours (GLH), and exploring the impact of

different patterns of unit delivery and shared with the project institutions. These papers are attached as Appendices 5 and 6.

Colleges were unclear about the credit rating to be applied both to the whole qualifications identified for the pilot and their constituent units. As a separate exercise therefore, the project team commissioned an external consultant to identify probable credit ratings for each of the programmes identified, drawing on work by Credis, Colleges, regional consortia, FEDA and others. This enabled a more systematic comparison to be made between GLH and credit rating – a summary is given at Appendix 7.

### **3.4 Stakeholder Consultation**

The project team considered it important to establish the views of a wider group than the participating institutions. A special one-day seminar for key stakeholders was arranged at which the aims and approaches of the project could be explained and interim thinking and conclusions shared. The group was invited to give feedback on the approach adopted and to offer guidance to the project about its work. The stakeholders group involved representatives from QCA, DFEE and AoC the examining bodies and the University for Industry. It also involved colleagues with experience of development in Wales. The full list of those involved in the stakeholders' consultation is attached at Appendix 8.

### **3.5 Log Books and Visits**

During the course of the project participating institutions were asked to keep a monthly logbook identifying issues, problems and reflections on the work. This was supplemented by individual telephone contact and at least one in depth visit by one of the project team to each institution in the course of the year. Although the project activity proved more episodic than continuous and therefore regular logbook reporting was not always appropriate, institutions found that the discipline of structured reflection to be helpful. The project team found the feedback from institutions, whether through the logbook or visits, to be the source of valuable insights. An example of the log book format used is attached as Appendix 9.

### **3.6 Adult Returners Pilot**

In one institution, North Warwickshire and Hinckley College, the project was able to pilot an innovative approach to developing a full-time programme for adults wishing to return to study. A specially designed full-time course, focused around reception skills was developed by combining appropriate units from NVQ and GNVQ programmes together with IT and bookkeeping units. The programme appears to have met the needs of a specific group of learners very effectively and provided one model of an approach which could usefully be piloted more widely.



## **4. FINDINGS**

### **4.1 Educational Issues**

The pilot project has confirmed the finding from several other groups that there is widespread support in the sector for unitisation. Among college representatives this is equally as true of those concerned with information systems and administration as it is among curriculum specialists, although the former were more likely to note that there would be administrative costs. Consultations with stakeholders and the literature search suggest that other agencies dealing with post-16 education and training are equally convinced, particularly in respect of provision for adults and the merits of unitisation.

The conviction that unitisation of the curriculum is desirable is not the same as identifying a necessity to link unitisation with funding and the project has sought to clarify this distinction. A number of specific areas have been identified where current arrangements for funding inhibit the provision of the most appropriate programmes for learners.

#### **4.1.1 Priority Groups**

The major area identified by institutions concerns individuals who are unable or unwilling to register for a full qualification-bearing programme and whose programme of study cannot therefore attract public funding. In some cases this is because they are in work, have other pressures on their time or find that some of the components of whole qualifications are not relevant to their circumstances. They may for example have very precise needs for updating. In other cases the difficulty arises because individuals who have had poor experiences of education are unwilling to commit themselves to a full programme of study. Family and employment circumstances may also make it impractical for some people to commit themselves to long programmes. In all these circumstances the ability to register for a single unit or small number of units may lead to a valuable learning outcome in itself and also might be the first step towards a larger engagement with learning.

It is not only the colleges in the pilot who have identified the two potential groups of learners indicated above. Those in work seeking specific short programmes of updating form a core part of the anticipated market for the University for Industry. Those who might contemplate returning to learning, were the steps to be made smaller, are a group identified by the widening participation committee and others. The meeting with the stakeholders confirmed support for these views.

#### **4.1.2 Benefits of Funding Units**

It is difficult in the context of a shadow pilot to estimate the likely increase in demand from these groups if units were fundable. At one of the project seminars groups were set the task of estimating what growth might result but were unable to be more specific than that it would be "substantial". It is likely that some light will be shed upon this question by the non-schedule 2 pilots which FEFC has agreed to fund from 1 August 1999.

While there is good reason to believe that funding units (or at least specified individual units) would attract additional students, colleges also believe that it would enable them to offer more appropriate programmes for existing learners. It would give learners greater freedom to combine units from different qualification routes to construct programmes more finely tuned to their particular needs and aspirations. This would be likely to have a positive impact upon motivation and therefore retention and achievement.

Once again it is difficult to estimate the scale of this effect in the context of a shadow pilot. At the project seminar some colleagues suggested that perhaps 30% of students currently enrolled might choose to construct different programmes were they to have the flexibility that a general system of unit-based funding would allow.

The reception skills programme piloted at North Warwickshire and Hinckley College offers one model of what such a programme might look like. In this instance the college worked with a group of adult returners to construct a programme from NVQ units, GNVQ units and other elements which was tailored to their particular needs and context.

#### **4.1.3 Recognising Unit Achievement**

A number of colleges raised the issue of partial achievement. In one institution the key issue concerned students who for personal or social reasons failed to complete a programme. In another the greater cause of concern was those who were likely to complete but not in the normal timeframe for the qualification. In part this issue relates to performance indicators rather than funding. The contribution of individuals, institutions and the sector is undervalued by a narrow interpretation of success. For some colleges however this is also a financial issue. The proportion of funding which is linked to student achievement may not be able to be claimed.

#### **4.1.4 Credit**

Institutions were strongly supportive of the development of schemes of credit accumulation and transfer. It was seen as an important element in any strategy to raise participation and achievement. Individuals need to be able to gain credit for small chunks of learning and build them towards whole qualifications.

To some extent this argument is independent of funding. It would be possible to have a funding system based on units without well-developed arrangements for credit. It is also possible to make significant progress towards a curriculum organised on the basis of credit ratings without funding being attached to units. (A large modular degree programme for full-time students approximates to this pattern.) While the consensus is that both are desirable and one supports the other, one is not a pre-condition of the other. It is possible to make progress in relation to funding units without waiting for a fully elaborated credit framework and it is also possible to make progress on the credit framework without the funding of units.

One linkage, which several have argued is that credit ratings based on notional learning time might be used in the funding methodology to indicate the size of a unit. There are some difficulties with this proposition which were considered by the project and summarised in Section 5.5 below.

## **4.2 Technical Issues**

The main conclusion to emerge from a study of the technical issues involved in linking funding to units is that there are no special technical problems involved. For most practical purposes a unit of a qualification can be treated like a small qualification to which an appropriate value of funding units can be attached.

On several occasions the project was advised that the funding methodology made it impossible to resource particular activities. On investigation, what proved to be the case was not a technical problem with the methodology but a decision as to whether an activity is eligible to be funded. At the moment, for example, a key test of whether an activity can validly receive support from public funds is whether it leads to a whole recognised qualification.

These comments are not intended to minimise the need for change but rather to identify more precisely the issue needing to be addressed. Decisions about what should and should not be funded are always difficult. If, however, it is agreed that units of qualifications can attract public funding, the methodology is capable of coping.

### **4.2.1 The Scale of the Task**

A general move to funding on the basis of unit aims rather than qualification aims, while technically possible, does pose serious issues for institutions and the FEFC because of the scale of the task. The number of qualifications is already large – the list of individual qualifications maintained by the FEFC has 46,859 records, although of these only 20,464 are ‘live’ and currently offered in the FE sector. To base the methodology on units would involve scaling the list up by a factor of somewhere between 6 and 10 to a minimum of a hundred thousand entries.

It can plausibly be argued that in time a radical review of the qualification structure would show many qualifications to be composed out of almost identical units. Moves to a unitised curriculum would ultimately lead to simplification. While there is no reason to doubt that this could be the case, the evidence available on the state of readiness of colleges and the length of time needed for radical curriculum reform suggests that this is unlikely to occur in the short term.

### **4.2.2 Priority Areas**

In order to introduce the funding of units on a manageable basis it would seem best to identify some priority areas. There is for example no compelling need to change arrangements for that large proportion of students validly and

appropriately registered for whole qualifications. This is not to say that moves towards modularising delivery or giving learners credit for smaller steps of learning within a programme are not appropriate. It is simply saying that the existing funding methodology is compatible with or enabling of such developments.

The analysis of educational issues above however suggests that there is a need for change in respect of key groups of adult learners. It is recommended that changes are piloted in these areas at an early date.

### **4.2.3 Profiling Funding**

A change from funding based on qualifications to a system based on linking funding to units might be held to affect either the total resources made available to an institution or simply the pattern of their availability over time. For those students appropriately enrolled on whole qualifications, it seems logical that the volume of resources ought to be the same whether the funding is attached to the qualification or its constituent parts. The project has therefore considered whether there are problems connected with the profiling of payments to institutions.

The evidence available from the pilot suggests that it would not be to the advantage of institutions to link payments to the achievement by students of individual units. On average the achievement of unit outcomes tends to occur nearer to the end of a programme than the beginning and a strict linkage could have a damaging effect upon an institution's cash flow. In the course of discussions it seems that some commentators are not fully aware of the existing arrangements, which profile payments to colleges over a 12-month period on an agreed basis.

The paper attached as Appendix 6 seeks to examine the different ways in which a unitised curriculum might be arranged and consider whether any of these patterns raise issues about the profiling of resources. The general conclusion is that it would represent a substantial increase in complexity to try to match funding to the pattern of delivery of units and represent no advantage to institutions or learners.

A number of features of the funding methodology potentially cause increased complexity when applied to units rather than whole qualifications. It is suggested that a phased introduction of unit-based funding be adopted in order to test their impact in practice. It is also possible to suggest simplifications to the methodology that would overcome them.

### **4.2.4 Cost Weighting Factors**

One issue to be resolved is whether to attach individual cost-weighting factors to units or whether, in the interests of simplicity, all units should have the cost-weighting factor attributable to the programme of which they form a part. The argument for attaching an individual cost-weighting factor is that any one qualification (say a national diploma in agriculture) might be made up of some classroom-based modules which are relatively inexpensive and some workshop or practical activities which are very expensive. A college might be systematically

disadvantaged if more individuals study the higher cost modules than those of lower cost.

There is, however, no evidence that this is the case. If in due course such a case might be proven for specific areas of work, then it would be possible to allow exceptions from the general rule that units inherit the cost-weighting factor of the whole qualification. This approach would be broadly supported by institutions.

#### **4.2.5 Entry and Achievement Units**

A similar issue relates to the entry units. If the existing methodology were applied and entry units calculated each time an individual registered for a unit, there might be a perverse incentive to discourage people from registering for whole qualifications. It would be possible to combine the entry and on-programme units for a whole qualification and then produce a separate “units only” tariff. Alternatively it might seem simpler to fund basic on-programme units only thus leaving a small incentive for institutions to register learners for whole qualifications.

A final set of issues related to achievement. As with entry units, it would be possible to divide up the achievement units for a qualification between its constituent units, adding them to on-programme units to produce a separate “units only” tariff. Alternatively the achievement units could be retained for qualifications only giving institutions an incentive to meet national targets.

The recognition of partial achievement is a matter of significant concern to practitioners who feel that both institutions and individuals fail to get sufficient credit when they have achieved part but not all of a qualification aim. On investigation however, the issue seems to relate more strongly to performance indicators than to funding. The funding methodology already provides resources in those cases where an individual completes a significant proportion of a qualification. The shortfall of achievement units for those who only partially succeed was seen by most colleges as a relatively minor matter in financial terms.

#### **4.3 Administrative Issues**

Institutions in the pilot saw no insuperable problems in linking funding to units. The general conclusion was that while it would certainly create more work, it would be worth it. The scale of the task would depend on the extent of unit funding. Implementation focused on funding specific units where needed, rather than basing the entire funding system on unit aims would be more manageable.

It is difficult to judge precisely how much additional work would be required to link funding to units. In an attempt to answer the question, a workshop session was included in one of the project seminars after participants had had some experience of the data gathering requirements of the pilot. In drawing up their advice they were asked to assume that to link funding to units would require a data gathering exercise of similar complexity to the one that was currently being modelled and advise on:

- a reasonable time scale over which to introduce the change;
- the scale of the administrative task in colleges;
- what pre-conditions would need to be met for the task to be feasible?

There was some difference of emphasis between the two groups which tackled the problem. One saw the scale of the task as considerable and thought that a five-year implementation programme would be needed. The other felt that it would be possible to implement the change in stages, assuming that students currently enrolled for whole qualifications could continue to be treated as at present and new arrangements introduced for those currently excluded. It was felt that this approach would lead to an increase of some 5-10% in student enrolment – a change which might be accommodated within a year, compared with 3 years or more for full-scale implementation.

The group also felt that responding to the particular needs of employers for specific work-related packages would be more manageable than having to develop individually-tailored packages for everyone.

Both groups identified further work which would facilitate linking funding to units. There was a need for awarding bodies to work to an agreed structure for qualifications and for students to have a unique national identifier.

The experience of the pilot suggests that colleges are right to be cautious about the time scale. Although keen to co-operate, colleges found it difficult to supply information requested about the unit structure of qualifications or value. They did not readily identify the size of units either in terms of guided learning hours or credit rating. This is not to criticise college practice. It confirms that in the absence of a national framework there is little incentive for individual colleges to develop detailed module descriptions of their curriculum in terms of a unit structure. Furthermore, if it is to be used as a basis for funding, a coherent national framework is required rather than a series of separate college initiatives.

## **5. ANALYSIS OF KEY THEMES**

### **5.1 Bite-size Chunks**

A recurring theme in the literature examined by the project and in the comments of participants is the need to make learning available in “bite-size chunks” as a means of widening participation. Many individuals it is argued, are intimidated by the requirement to register for a large or lengthy qualification. This is particularly true of those whose prior experience of education is unfavourable or those whose domestic or work circumstances may impede protracted and regular patterns of study. While there is a broad consensus that the number of people who would benefit from the ability to access learning in smaller units is substantial, it is difficult to prove the proposition because in the absence of funding, it is difficult for colleges to make provision.

The non-schedule 2 pilot projects being funded by FEFC in 39 learning partnerships should shed valuable light upon this issue when they are evaluated. They are designed to provide learning opportunities in ways which could not previously be funded for students from a variety of disadvantaged backgrounds. In some cases this will involve combinations of units of qualifications. It is not clear however whether the design of these pilots, or the programmes included, covers all the circumstances where funding small units of learning might be advantageous.

While it is probably true that in order to widen participation it is necessary to fund some provision at the unit level, it does not seem necessary to fund all provision on the basis of units. Certain elements of certain programmes are likely to be much more important than others in providing those first steps on the ladder that encourage re-engagement with education. The extension of pilot arrangements within a defined group of units might both have a demonstrable effect upon recruitment yet remain simple and manageable in terms of college administrative processes.

### **5.2 Up-skilling those in Work**

In a number of instances, individuals wish to study units rather than whole qualifications, not because of any difficulty in returning to learning but simply because only part of a qualification is relevant. This group is most easily typified by those in work who are seeking up-skilling in specific elements. An individual might wish to update skills in electronics through an NVQ unit but not be interested in acquiring a full NVQ at the same level. Although those in employment are perhaps the most likely members of this group, it could apply equally to some of those seeking work.

There is an argument that those who want such very specific programmes should pay for them, particularly if they are in work. The public interest it could be claimed is in supporting a national system of recognised transferable qualifications, not in meeting the particular needs of employers and individuals. To the extent that programmes are offered at full cost, they can of course be

based on units, whole qualifications or anything else. Full cost courses pose no special problems for the funding methodology.

There are, however, some areas where the government has made clear that it wishes to support additional small steps of learning. The priority areas identified for the University for Industry include basic skills and IT and in time will encompass other specialist areas. Working closely with the Ufi might be the best way to identify specific units which might be funded on a free-standing basis.

### **5.3 More Flexible Time Scales**

Concern has been expressed by a number of institutions in the pilot programme about the difficulty of supporting learners who need more than the “normal” amount of time to complete a programme of study. Students on GNVQ programmes, for example, might complete 10 out of 12 units within 2 years but require some additional support in a third year to complete all their assessments. A system of funding based on units is seen by some as a solution to this problem.

To some extent the existing funding methodology provides a mechanism for dealing with this issue. If it is known in advance that an individual wishes to follow a programme over 3 years rather than the normal 2 the resources provided by the FEFC can be profiled accordingly. No more resources are made available in total but they can be stretched over a longer period.

It is not clear how basing funding on units rather than the whole qualification will help with this problem. In any unit-based methodology, it seems necessary for the sum of the resources provided per unit to roughly equal the resources otherwise available for the whole qualification. To provide more would produce a perverse incentive for institutions to register learners on one unit at a time even when it was clear that their true objective was the whole qualification. This would generate additional work and might reduce the incentive on individuals and institutions to achieve full qualifications. A resourcing system which linked payment to colleges to the pattern of unit achievement by students would ensure that colleges received funding over the whole period the student was present; but in practice this would achieve much the same result as the current profiling arrangements.

The key question seems to be not whether the funding methodology is based on units or qualifications but whether the FEFC is prepared to finance a continuation of study at the same level. The concern expressed by colleges in this instance might better be addressed through looking again at the rules on resits.

### **5.4 An “Entitlement” Curriculum**

In parallel with discussions about unitisation, the FEFC has been developing, particularly for 16-19 year olds, the concept of an “entitlement” curriculum. At the present time the most developed thinking relates to full-time students and to those studying at level 3. It is however capable of extension to other age groups and levels. Details are set out for consultation in Circular 99/33.



Inherent in the notion of the “entitlement” curriculum is a focus on the learner rather than the qualification. A standard level of funding is provided to support a learner who meets certain minimum criteria in order to qualify as full time although, in the current model, more funding is provided if a student takes additional qualifications. A taper is applied which rapidly limits the maximum amount payable. In one sense this arrangement runs counter to proposals to base funding on units – units above a certain level do not register for funding. On the other hand, funding the learner provides a way of achieving some of the benefits claimed for funding units. In the currently proposed model for example, full-time students can assemble appropriate programmes drawing on components from ‘A’ Levels, ‘AS’ Levels, GNVQs together with key skills, guidance and enrichment activity. There are certain minimum rules of combination (in the current module at least 12 units must be drawn from the main academic programme) but few proponents of a unitised curriculum have argued for an unregulated pick and mix approach.

The reception skills pilot might be thought of as an example of an “entitlement” curriculum at level 2. Individuals are guided to select modules from existing qualification routes, and combine them with elements of key skills and guidance to form a coherent full-time programme. The specification for such an entitlement would probably have to prescribe a minimum number of taught hours and the proportion of modules to be drawn from main vocational or academic programmes.

## **5.5 The Role of Credit**

The development of a unitised curriculum is closely tied up with proposals for a system of credit accumulation and transfer. If individuals and those who advise them about programmes are to build coherent packages out of individual units, a common currency is needed to describe units of achievement and enable their relative values to be compared. Useful work has been carried out over a number of years by the Regional Credit Consortia, HE, Colleges, Further Education Development Agency and more recently in Wales by CREDIS, to develop a workable credit framework.

The pilot project was not concerned with all aspects of a credit framework. It was mainly interested in credit to the extent that it might be the basis of a unitised funding system or a necessary pre-condition for one.

As part of the data collection exercise, the project sought to identify the credit value rating of individual qualifications and the units of which they were composed. Most colleges were unable to provide this data in the absence of a national register of credit ratings. Although all institutions were supportive of the need for a credit framework to be developed, a national system seems some way off. It is difficult for individual institutions to make progress on this matter in isolation. Co-operative arrangements exist in some areas of work, such as those covered by Open College Networks, and there are effective local consortia, such as that organised around the University of Derby. If the establishment of an agreed national credit framework were to be a pre-condition of progress towards

funding units however, then progress would be some way off. QCA envisage reporting to Ministers on Unitisation and credit by the Summer of 2001.

There is a separate argument concerning credit to the effect that the credit rating of a unit or qualification should be used as the basis for assessing its size for funding purposes. The logic is that the credit rating gives a measure of outcomes which is independent of resource input. It is therefore consistent with an approach which seeks to reward institutions for what they achieve rather than what they consume and it provides an incentive to achieve learning outcomes at minimum cost. If the funding of qualifications or units is linked to the cost of provision, it is argued that there is little incentive for institutions to reduce cost.

The project has sought to explore some of the theoretical and practical issues in using credit rating as the basis for funding. Some of the relevant papers are attached as Appendices 5 and 6. The conclusion is that it would be unsound and impractical to base funding on credit ratings or values rather than the current methodology.

The current arrangements for calculating the FE tariff are based on reflecting the average cost of provision over all institutions. This provides an incentive for efficiency in that those institutions which are less efficient than average do not recoup their costs whereas those which are more efficient than normal gain a bonus. If the overall level of efficiency in the sector increases, then the resourcing provided for a programme can reduce.

The FEFC currently uses guided learning hours (GLH) as a proxy for cost since teaching hours are the single most expensive resource deployed by the institution and many other costs vary directly with them. While new approaches to learning such as use of the Internet may change this relationship in the future, it has not happened yet.

Credit rating on the other hand is generally based on notional learning time (NLT), i.e. the time that the average student appropriately placed on that programme would need to take to achieve the required outcomes. (Credit rating is an estimate of this applied to qualifications, not necessarily specified in terms of outcomes.) It is assumed that notional learning time does not vary directly with guided learning hours i.e. some students require a higher proportion of institutional support than others. (If of course NLT and GLH vary together then it would not matter which one a funding model was based upon: the result would be the same.)

Moving from a funding system based on GLH to one based on NLT would produce incentives for institutions to offer programmes with a high ratio of NLT to GLH and a disincentive to offer those showing the opposite pattern. For some categories of programme institutions would receive funding in excess of that needed to resource the programme and for others less.

Since colleges were unable to provide credit for most of the programmes in the pilot, an independent consultant was commissioned to construct credible credit ratings based on figures established by CREDIS in Wales, Regional Credit

Consortia, FEDA and others. Results were obtained on this basis for most of the programmes and compared with GLH values supplied by colleges. A quick summary of the relationship is provided in Appendix 7. They show that there is only a very broad relationship between ratings based on GLH and NLT and that the number of guided learning hours per credit vary substantially between programmes. It would not be possible simply to move from a system based on GLH to one based on NLT without substantial dislocation.

Although building a funding system based on credit rating seems impractical at the current time, this does not mean that progress towards funding units is impossible. Steps can be taken to fund units where an educational need can be identified on the same basis that the current funding methodology applies to qualifications.

It may however be sensible to build another linkage between development of the credit framework and development of the funding system. It seems in general more practicable for the FEFC to introduce a system which funds units rather than one which recasts the whole methodology on a unitised basis. In implementing unit-based funding, priority might usefully be given to those which are part of a framework which can facilitate and support progression. This in itself could provide encouragement to the sector to develop credit-based approaches.

## **6. CONCLUSIONS AND RECOMMENDATIONS**

### **6.1**

The pilot project has concluded that there are no reasons in principle why the funding methodology should not be extended to allow the funding of individual units of qualifications. Within the methodology, an individual unit can be treated like a small qualification. To date the main impediment to the funding of units has not been technical but a policy decision on what is fundable. The White Paper "Learning to succeed" clearly signals the intention of the Government to allow units of qualifications to be funded for adult learners. Steps needed to be taken to put this intention into practice.

**The FEFC is recommended to consult with DFEE, QCA and others and establish a timetable for the progressive implementation of arrangements for funding units of qualifications.**

### **6.2**

A large number of learners will continue to wish to register for whole qualifications. There should be no disincentive to their continuing to do so. The project has concluded that in these cases there is no advantage either to the individual or providing institution to base funding on units rather than on the whole qualification as at present. It is suggested therefore, that the best approach is to allow units of qualifications to be funded in addition to whole qualifications rather than recasting the whole system on a unit basis.

**The FEFC is recommended to develop its methodology by adding the capability to fund units rather than by recasting the whole methodology on a unit basis.**

### **6.3**

The educational analysis in the pilot has identified several areas where there is a clear educational need to fund units of qualifications or combinations of the same units. It is recommending that in implementing changes to the methodology priority should initially be given to units which:

- Encourage learners to take the first steps on the ladder of education
- Meet the specific needs of those in employment or seeking to re enter employment for updating.
- Are part of a coherent credit framework which facilitates progression.

**The FEFC is recommended to give priority to the funding of those units of qualifications which best meet the specific educational needs identified in the pilot.**

### **6.4**

It seems clear that the level of funding attracted by the constituent units of a qualification should not exceed the current agreed total for that qualification as a whole. If the sum of the individual units attracted more than the whole qualification there would be a perverse incentive against registering for qualifications. If the total were less it would be unfair to those individuals needing to access learning one unit at a time. It is therefore suggested that the funding available for a unit is derived pro-rata to the qualification of which it is a part. In a staged implementation consideration can be given whether problems arise in relation to cost weighting factors and achievement units.

**The FEFC is recommended to establish a units only tariff pro-rata to the funding for whole qualifications.**

### **6.5**

There is strong support for the development of a credit framework which can establish a “common currency” for units of qualifications. This will enable learners and institutions more effectively to plan progression and to measure the value of their achievements. There is, however, much work still to be done. The project has concluded it is not necessary to await the development of a national credit framework before making provision to fund units of qualifications. Furthermore, it has not been convinced that credit ratings or based on notional learning time would be a logical basis for a funding system.

**The FEFC is recommended to support further national work, including the work of QCA, to develop a credit framework but not to base its arrangements for funding upon credit.**

### **6.6**

Although not strictly part of the funding methodology the project has highlighted important concerns about performance indicators in relation to partial

achievement. There is an urgent need to review the performance indicators used by the FEFC and the DfEE to enable them accurately to reflect achievement at the unit level. Following on from this project FEDA will use the data collected from pilot institutions to investigate an approach to calculating achievement rates which takes into account success which is currently unrecorded.

**The FEFC is recommended to study with the DfEE and others how performance indicators might be made more sophisticated in order accurately to reflect unit achievement.**

## **6.7**

The project has adopted a number of techniques to assess the practicability and the impact of funding units of qualifications. Although it is clear that progressively to implement the funding of units of qualifications is both practicable and desirable some issues cannot be resolved without more pilot activity. There is a need for more innovative work such as that piloted at North Warwickshire and Hinckley College in relation to reception skills. The model of the non schedule 2 pilots currently being established in 39 partnerships will both help take forward planning for some aspects of funding units and also serve as a model for future pilot activity.

**The FEFC is recommended to establish a pilot programme to examine the practical implications of funding units of qualifications on a wider scale.**

## CONTEXT FOR THE COUNCIL'S UNITISATION AND CREDIT FUNDING PILOT

### UNITISATION AND CREDIT

#### INTRODUCTION

1 The Stage 2 Funding Review Group considered the implications of a unit-based credit framework, including the curriculum implications, at its meetings in July and October 1997 and in April 1998. A unit-based qualifications framework and funding based on units of qualifications is considered by the funding review group to be essential if the numbers of adults returning to learning are to be increased. The development of the funding methodology therefore should be linked to a unit-based credit framework.

2 Set out in this paper is the background to and the key points of a proposal for a unit-based qualifications framework to which credit could be attached which would address key government policy objectives and the developments in progressing the proposal.

#### BACKGROUND

##### Widening Participation

3 The Widening Participation Committee, chaired by Baroness Helena Kennedy QC, identified the credit framework as an important contribution towards improving access. The committee recommended to government in July 1997 that it should create a national partnership to develop a credit framework for implementation within the next five years. The national framework of credit would provide accreditation for interim achievement and enable learners to build up credit throughout their lives.

4 The Widening Participation Committee recognised that one of the barriers to widening participation is the limitation for learners to gain credit for small bits of learning. Education and training needs to become more flexible to meet the needs of under represented groups and a national framework providing credit for interim achievement would support an expansion of learning in the community and in the workplace, enabling learners to build up a bank of credit throughout life. Such developments would require funding to be available which recognises achievement at this level.

##### Schedule 2 Qualifications Group

5 The Council's Schedule 2 Qualifications Group has considered the development of a unit-based credit framework in the course of the last year and recommended:

## Appendix 1

- in November 1997, that a paper should be published to the sector for information on the potential for the development of a unit-based credit framework
- in January 1998, that qualifications should be unitised, the size of units being expressed in terms of multiples of a standard 'block' of learning time
- that unitisation needs to be linked to the development of a national credit framework as essential to enable adult learners to obtain recognition for small stages of learning and progress towards the achievement of qualifications
- that awarding bodies should be invited to work on proposals to develop a common unit-based approach, taking account of work already done in Wales and by the Further Education Development Agency (FEDA)
- in May 1998, in response to the green paper *The Learning Age*, that there is a need for unitisation at higher levels
- in February 1999, that proposals in consultation from the Qualifications and Curriculum Authority (QCA) for greater flexibility for adult learners and improving the value of NVQs should be supported in respect of units of qualifications and credit.

The Schedule 2 Qualifications Group has warmly supported work undertaken to date and has encouraged the Council and other organisations to continue to progress the initiative.

### **Quality and standards in further education**

**6** There is a clear role for unit-based qualifications in the quality improvement strategy. The chief inspector's report for 1996-97 highlighted the barriers faced by colleges in making effective use of funding when there are over 17,000 qualifications available and more than 500 awarding bodies which colleges deal with. The chief inspector reported that having many qualifications available poses a serious impediment to the effective and efficient management of the curriculum. The large number of qualifications limits the freedom of colleges to create more viable teaching groups. For example, in 1996-97, there was an average of just under 11 students per class. Colleges could by themselves achieve further rationalisation of the curriculum through modularisation and the creation of common units of study but a national initiative would enable colleges to make the most effective use of resources without restricting their ability to respond to individual learning needs.

### **University for Industry**

**7** A credit framework is key to the success of the University for Industry (Ufi), providing a nationally agreed system for the recognition and accreditation of learning wherever that takes place.

### The Learning Age

**8** A credit framework built on unit-based qualifications is key to motivating learners and building the confidence needed for lifelong learning. It would enable achievements from a range of work place, college, open and distance and community learning to be brought together into a common format which could be added to throughout life.

### MEETING POLICY OBJECTIVES

#### Value for money

**9** A unit-based qualifications framework linked to credit would offer learners the opportunity to set realistic learning goals, which would contribute to improvements in retention and achievement. It would also provide colleges with greater flexibility in organising teaching and learning, particularly where students are undertaking units common to a number of qualifications. A credit framework would provide an effective means of allocating resources if funding could be related to credit.

### PROPOSAL

**10** A unit-based qualifications framework would have units aggregated coherently into qualifications to which it would be possible to attach credit. The characteristics of a unit-based qualifications framework would be:

- the potential for new units to be proposed by awarding bodies which have both added value to the national framework of qualifications and do not duplicate units already in the framework
- learning outcomes of units are clearly stated
- determination of the level of demands made by the unit, for example, in terms of the amount of learning time and accompanying assessment
- rules of combination specified for particular qualifications and especially for qualifications for 16 to 19 year olds.

**11** A unit-based qualifications framework would involve an analysis of existing qualifications into units of achievement and result in a simpler and more flexible system. It would allow for credit to be accumulated towards qualifications.

### KEY POINTS

**12** The key points in relation to taking forward proposals for the development of unit-based qualifications within a credit framework are:



## Appendix 1

- existing proposals for the development of the national framework of qualifications already include components of qualifications in the shape of AS levels, and six unit and three unit GNVQ qualifications
- qualifications drawn from combinations of units need to be coherent and there should be national rules of combination determined by the QCA, particularly for 16-19 year olds
- units do not need to be of the same size and the particular character of NVQs and A levels can be preserved
- the concept of accumulation of units towards a full qualification is already present in the NVQ framework
- an effective way of achieving rationalisation of qualifications is to judge qualifications on a unit by unit basis and identify duplication and overlap at this level
- existing proposals for the development of the qualifications framework include components of qualifications.

### **DEVELOPMENTS IN PROGRESSING A UNIT-BASED CREDIT FRAMEWORK**

#### **Awarding bodies, DfEE and QCA**

**13** Members of the Schedule 2 Qualifications Group met with representatives of the four main vocational awarding bodies (Edexcel, City and Guilds, RSA and the National Open College Network (NOCN)) in July 1997 to consider developing a joint approach to developing the qualifications framework for further education. A joint proposal to the government was formulated which was supportive of the development of a unit-based qualifications framework.

**14** It was agreed that government endorsement for a credit framework policy was essential in order to ensure that resources were available to implement the policy, to have the assurance that it would meet the objectives of other government policies and to ensure a national coordinated and authoritative approach.

**15** A copy of the paper produced as a result of this work and endorsed by the Schedule 2 Qualifications Group was circulated to the sector in November 1997. This paper has been shared with the Department for Education and Employment (DfEE) and the QCA and discussions with awarding bodies, including the Joint Council of National Vocational Awarding Bodies, on taking forward proposals for unitisation are continuing in 1998.

## Appendix 1

**16** The Council, encouraged by the DfEE, has been taking forward the proposals for unit-based qualifications within a credit framework through positive discussions with the QCA. The Schedule 2 Qualifications Group has also been asked by the QCA for its advice on how practical steps can be securely taken towards a wider use of unitisation in qualifications.

**17** As an outcome of the recent QCA consultations on flexibility for adult learners and improving the value of NVQs, the Council will work with the QCA on the links between a credit framework and funding.

### **National Advisory Group on Continuing Education and Lifelong Learning**

**18** A paper on unit-based qualifications within a credit framework, drawn from the joint statement described above, was discussed by the National Advisory Group on Continuing Education and Lifelong Learning (NAGCELL) and recommendations on unitisation and credit are included in *Learning for the Twenty First Century*, the first report of NAGCELL.

### ***Qualifying for Success***

**19** The government consultation, *Qualifying for Success*, set out a number of aims for advanced qualifications and qualifications in general and in particular, to promote the aim of wider access to lifelong learning. In its response to the consultation, the Council suggested that the way to combine general, general vocational and vocational studies would be through units and credit, which could promote access to and returning to learning and assist with progression routes, by making it easier to understand and compare the totality of students' achievements.

**20** Baroness Blackstone wrote to the QCA on 3 April 1998 following the QCA's advice to Ministers on the outcomes of the consultation asking the QCA to undertake further work on the implications of a unit-based credit framework. The QCA expect to do this in spring 1999, following the recent consultations in July 1998 and February 1999 with key bodies including the Council. The Council's responses are set out at annexes A and B. The government wishes to see that for 16-19 year olds there is a qualifications offering which is rigorous and of a substantial size: it is not persuaded that there is a case for breaking down qualifications further than the three unit GNVQ.

**21** In the preparation of advice and in their consultation, the QCA are looking at existing developments and good examples of local practice. The key themes in the framing of the questions for the consultation by the QCA and which are likely to form the basis of the advice include whether:

- a unitised qualifications framework, with unit achievement recognised through certification, would offer a more flexible framework, more accessible to adult learners than non-unitised qualifications

- there is an additional value to assigning numerical credit rating to units and/or regulating their size
- there should be rules of combination that would ensure that young people on publicly funded full-time programmes undertake coherent qualifications/packages.

### ***The Learning Age Green Paper***

**22** *The Learning Age* green paper sought views on the issues which would need to be addressed in establishing a system of credit accumulation and transfer (CAT). In its response to the green paper, the Council acknowledged that a system of credit accumulation would have a significant function in widening participation and in lifelong learning. For adults returning to learning in particular, the possibility of taking a small part or unit towards a full qualification for which achievement is recognised and recorded is a strong motivator. Retention and achievement, highlighted in *The Learning Age* as important in the drive for higher standards, would be improved as a result of a system of credit accumulation.

**23** For learners to be able to accumulate credit for small steps, programmes and qualifications need to be broken down into units. Many qualifications, such as NVQs, GNVQs, and now Advanced AS levels, are already in unitised form and many institutions have unitised their programmes of learning both in order to meet learner needs and to achieve efficiencies.

**24** It is important that learners gain accreditation for their interim achievements or units towards qualifications and that this is recorded in a form which can be used and added to over time and transferred between institutions and forms of learning. The national record of achievement should be developed to form a record of lifelong learning, which can be started and added to at any stage during a person's life. The need for effective student tracking systems is to enable the recording and monitoring of progress towards full qualifications. This should be linked to consideration of the development of a unique student identifier.

**25** There are also links between the development of a system of credit accumulation and the government's aims for the rationalisation of the number of awarding bodies and making the qualifications system easier to understand.

**26** The development of a national framework for higher education (HE) qualifications and the national Credit Accumulation and Transfer System would both underpin the qualifications framework. These are important strands of a coherent post-compulsory education system, a qualifications framework from entry level to degree level and beyond which allows for partial and cumulative achievement of qualifications. Both the HE qualifications framework and CAT system need to articulate clearly with the national qualifications framework for which the QCA is responsible, to provide a credit system for lifelong learning. It is

important that opportunities for transfer and progression are readily understandable and that transfer between the two sectors is seamless.

### Wales

**27** At the beginning of April 1998, the Welsh Office minister proposed in the Wales Green Paper on Lifelong Learning, a single post-16 qualifications framework for all students in schools, colleges, university and work. The proposed framework will bring together all qualifications into a single system of levels and credits. The vision is that people will be able to learn in discrete blocks or modules, accumulating credits and aggregating them into qualifications over time. This may be significant in England, as the same qualifications are used in Wales as in England and these are subject to the same regulation as in England through ACACC, the Welsh equivalent of the QCA.

### Unitisation and Qualifications Database

**28** The Council's unitisation development working group, which has a membership of college representatives, was convened to look at the technical issues and implications of the unitisation of qualifications to which credit could be attached. The group concluded that a unit database could be developed alongside the Council's qualifications database and that there were no major technical impediments to its development and the recording of unit achievement for funding purposes.

### Education and Employment Committee

**29** The education and employment committee in its report on further education in May 1998 recognised that the organisation of qualifications is more important in the further education sector than elsewhere because funding is closely tied to the achievement of qualifications. The report went on to comment on the widespread support for the view that post-16 qualifications would better serve students if they were unitised, allowing for credit accumulation and transfer, and if they were integrated into a single framework to provide the flexibility to meet learners' needs.

**30** The report covered the advice of the Schedule 2 Qualifications Group and the critique by the Council, set out at annex C, of the criticisms the New Zealand national qualifications framework had attracted and which had been reported in the educational press. The report also highlighted the cost effectiveness benefits of a unitised curriculum offering which were drawn to the committee's attention by the chief inspector.

### EXISTING UNIT-BASED QUALIFICATIONS AND CREDIT SYSTEMS

#### FEDA model

**31** A proposal for a national post-16 credit framework was developed by the former Further Education Unit (FEU) and set out in *A Basis for Credit?: developing a post-16 credit accumulation and transfer framework*. FEU's work drew on a number of reports and papers proposing a more unified framework for post-16 qualifications, including the IPPR's *A British Baccalaureate*. It identified a consensus for a unified framework containing both academic vocational programmes which was based on units, enabled credit to be accumulated and facilitated the development of a common core of knowledge and skills in all learning programmes, especially for 16-19 year olds.

**32** The underlying rationale in the proposal for a post-16 credit accumulation and transfer framework was said to be to:

- increase the participation and achievement of post-16 learners
- improve access to learning opportunities and enhance possibilities for progression in education and training
- provide for greater choice and give learners a greater say in what, when and how they learn
- encourage learners to undertake broader learning programmes whether they are in employment, preparing for employment, preparing for HE or developing basic skills
- facilitate the development of a core of knowledge and skills
- develop new study combinations which are more relevant to an innovation culture and which render obsolete divisions and terminology such as academic/vocational, practical/theoretical, creative/technical, arts/humanities/science
- allow specialised and customised education and training.

**33** Although a credit framework was not promoted as a national policy at the time of FEU's work, many colleges have been making use of it over the last five years, both because they anticipate national systems in the future and because they see it as relevant to the development of their own provision in order to increase flexibility, cost effectiveness, participation and opportunities for progression.

## Appendix 1

**34** There is now an agreed credit framework operating in further education using the FEDA specifications which were developed from the FEU proposal. The key feature of the model is that all learning is specified in terms of units of assessment with a unit constituting a set of learning outcomes. A unit can be of any size in order to ensure coherence and avoid fragmentation within subjects. Each unit consists of:

- title (a defined and specific subject name)
- learning outcome (what a learner is expected to know, understand and do)
- assessment criteria (standards for achieving outcomes)
- level (one of seven levels of difficulty or achievement from national curriculum to HE)
- credit value (a numerical value derived from unit size).

**35** Under the FEDA system, unitisation would create a full range of units, each with specified learning outcomes, built and assessed around agreed criteria with a defined level of difficulty and a credit value. To build a national credit framework, FEDA proposed the following:

- qualifications would be unitised so that each unit is an agreed set of learning outcomes
- all units and therefore qualifications would be assigned to one of four levels within post-14 education and three levels for HE and professional qualifications
- the credit value of a unit would be set by agreeing the notional learning time for a learner to achieve each units learning outcomes.

**36** The units would form a national unit database from which providers could choose units to build courses. Specific combinations would be required for specific qualifications. The value and level of units, and therefore the qualifications derived from them, would be indicated on a national credit transcript which could serve as the front sheet of the new National Record of Achievement. The credit transcript could be used by admissions tutors and employers to select candidates.

### Open College Networks

**37** In 1994, open college networks (OCNs) adopted the FEU/FEDA unit specification. OCNs offer opportunities for accreditation outside mainstream qualifications and operate across the whole of England, Wales and Northern Ireland with a national co-ordinating body, the National Open College Network.

There are currently 31 OCNs in England and an estimated 95 per cent of colleges are members of them.

### **National CAT Network**

**38** There are over 400 organisations, mainly FE colleges, in the FEDA National CAT network. Regional and local initiatives began with development funding from the former Employment Department, Welsh Office, TECs, private sector employers and other sources. Significant initiatives include:

- Derbyshire Regional Further and Higher Education Network
- Milton Keynes and North Buckinghamshire Framework
- Greater Manchester Unitisation Project
- Leicestershire Progression Accord
- London CAT Consortium
- North East Midlands Credit Consortium
- Solihull, Warwickshire and Coventry Credit Consortium
- South Thames Unitisation Project
- North West Credit Consortium
- Wirral Unitisation Consortium.

### **Credit System in Wales**

**39** In Wales, the Welsh Office funded a development programme to improve participation and achievement, contracting with FFORWM, the college's representative body, to develop credit. Around £900,000 was allocated to the Wales Modularisation and Credit-Based Development Project (later becoming the CREDIS project) which used the FEU/FEDA credit framework model. Agreement was reached on the definition of a unit of assessment and guidance for writing units for a database. OCN peer processes were used to approve new units and agree a credit rating. The Welsh Office required 2,000 units to be written and quality assured in the first year. In the second year, the unit database was developed to provide access to the new units and colleges were funded to develop unitised and credit-based programmes accredited through the OCNs. Work then began on establishing credit ratings of national qualifications and values were attached to GNVQ, A level and GCSE which were then used as a basis for funding by the Further Education Funding Council for Wales. NVQ credit

ratings have proved difficult to apply fully, but an average credit rating has been applied for funding individual NVQ units.

### Links with HE CAT Schemes

**40** The FEDA model is for a national credit framework from post-14 to HE, covering schools, FE and HE to provide progression opportunities for a learning society. The Derbyshire Regional Network, involving one university and five colleges has developed a unified credit framework across HE and FE. The credit framework specifications are based on those developed by FEDA, having four levels within FE and four within HE. External accreditation is provided through the North East Midlands Access Partnership, the University and other nationally recognised agencies working in collaboration with the Derbyshire Regional Network. It is envisaged that an effective system of credit accumulation and transfer within the credit framework will build on the University's established integrated credit system and similar developments in some of the FE colleges. Comprehensive unitisation across the curriculum and external accreditation of units and programmes for the award of credit is planned, leading to the establishment of a network-wide bank and database of accredited units.

**41** In Northern Ireland, a CAT system is being developed which is a single post-14 credit framework across schools, FE and HE.

**42** The Welsh HE CAT scheme is linked to the Welsh FE credit framework described in paragraph 27 above. Both the HE and FE funding councils in Wales link credit to funding. The two initiatives have worked towards the development of compatible credit frameworks. Both define credit as a measure of outcomes achieved in notional hours at a given level with levels defined in terms of level descriptors. The HE framework uses a credit size of 10 notional hours which can be articulated with the 30 notional hour FE credit.

### COMMON OBJECTIONS TO CREDIT FRAMEWORKS

**43** There are a number of objections to a proposal for a credit framework which are recognised and which can be overcome. Objections commonly raised to a credit framework and ways they may be addressed are:

a. the use of notional learning time would undermine the principle of individuals learning at their own pace:

- notional learning time is a method of establishing the relative 'size' of units or qualifications. It does not imply that programmes would be taught in a particular way and be time-specified. This is especially so if there is the same level of funding for a qualification regardless of the time spent achieving it. The Council, for example, individually lists NVQs and other qualifications so that the same number of basic funding units is available for whatever time period is taken to achieve the qualification;



## Appendix 1

- b. a large number of units would make standards difficult to control:
  - the creation of a credit framework offers scope to reduce the number of qualifications and units available;
- c. it would erode standards by making independent assessment more complex and expensive:
  - unit-based qualifications do not necessarily demand certification for each unit. The government has initiated measures to ensure that all awarding bodies have strong internal quality assurance mechanisms. Criteria for accreditation will include robust and valid assessment measures. Where qualifications are unit-based, each unit is separately assessed, and the outcomes recorded. Modular A levels, and GNVQ units, for instance, already have an element of independent assessment of each unit;
  - the records of successful completion of units would not necessarily take the form of the individual certification of such units unless needed. This would be a separate decision from the unitisation of qualifications to underpin a credit framework;
- d. a credit framework is too complex and would cause confusion:
  - the addition of a credit framework to a unitised qualifications structure would enable total achievement at any given time to be presented simply in terms of an overall number of credits at particular levels. This would make it easier to compare the achievements of different learners and to measure progress over time;
- e. incoherent combinations of units would result, undermining whole qualifications (the 'pick and mix' scenario):
  - this would be avoided by the QCA specifying, for the purposes of a national qualification and therefore for public funding, rules of combination for particular awards. This would particularly apply to 16 to 19 year olds who would be required to have particular combinations for breadth. This is not dissimilar to the proposal for a national advanced diploma which would combine qualifications and units from different families and subject areas.

**44** Objections to credit frameworks have also focused on the experience of other countries. A recent well-publicised example was that of Professor Alan Smithers' critique of the New Zealand system. Further details on the New Zealand experience and a commentary on the criticisms are at annex C.

### ROLE OF THE QCA

**45** The criteria for the accreditation of general and general vocational qualifications (which have been the subject of recent QCA consultations) should require that awarding bodies' qualifications submissions are specified in units. The proposed criteria for the accreditation of vocational qualifications require that these qualifications are specified in units. The QCA should give guidance on a common format for specifying qualifications in unit terms, each unit specified in terms of learning outcomes so that achievement can be described and measured in a common way across all qualifications.

**46** The QCA could take unitisation forward by developing its approvals process so that units of qualifications become eligible for public funding and appropriate combinations of units are specified for the purposes of public funding. The QCA could address duplication and overlap by looking at proposals for qualifications on a unit by unit basis. The QCA could create a national database of units which providers can draw upon but within the rules of specified combinations. This means that awarding bodies will need to make available units of qualifications for others to use.

**47** Other key roles for the QCA could include:

- the commissioning of credit rating of qualifications
- the mapping of existing units and their relationship within occupation and subject areas
- requiring awarding bodies to define the number of guided learning hours necessary for the achievement of a unit when units are submitted to the QCA for approval
- the maintenance of a national unit database.

### FUNDING

**48** Unit-based qualifications could be funded if the following were in place:

- an agreed standard unit length or size (or multiple of)
- qualifications expressed as a number of standard units
- a coherent unitised framework for combination
- effective student tracking systems within colleges
- a single tariff value for a standard unit

- a qualifications database holding details of units associated with approved qualifications.

**49** The development of the funding methodology should be linked to a unit-based credit framework. Initial studies suggest that existing data and funding systems are consistent with such an approach.

### **SUMMARY OF ADVANTAGES OF A UNIT-BASED QUALIFICATIONS AND CREDIT FRAMEWORK**

**50** To summarise, there are significant advantages to a unit-based qualifications and credit framework. These include that it would:

- provide the means to reduce duplication and overlap in the qualifications framework by requiring components of qualifications to be justified on a unit by unit basis
- encourage adults and those not currently participating in education to work towards achieving nationally recognised qualifications by the recognition of achievement of units towards a qualification
- enable adult learners to build a personal, relevant portfolio of lifetime achievement
- ensure that qualifications formed from agreed combinations of mandatory and optional units would meet the diverse needs of employers and individual learners
- encourage parity of esteem between academic and vocational qualifications
- facilitate recognition of the fact that an overarching certificate or qualification may be built up of units at different levels
- improve student motivation and improve retention and achievement
- provide an effective means of allocating resources, in that funding could be related to credit
- increase efficiency in the use of teaching resources can be achieved by the identification of units common to a number of qualifications
- enable distinctions to be made more easily between provision which should be publicly funded and that which it is more appropriate for employers or others to fund.

### SHADOW PILOT

**51** The stage two funding review group is considering for 1999-2000 the unitisation of the curriculum within a credit framework and believes that the development of the funding methodology should be linked to a unit-based credit framework. Initial studies suggest that existing data and funding systems are consistent with such an approach. The review group recommended that the Council runs a shadow pilot in a small number of volunteer colleges in 1998-99 for a range of qualifications which would shadow the normal application of the funding methodology.

**52** Circular 97/38 asked for volunteer colleges to take part in a small shadow pilot in 1998-99 for a range of qualifications. The response to requests for volunteers has been very encouraging, with 125 colleges responding to say they would like to be considered for inclusion. The shadow pilot project is now in progress.

**53** The pilot project is jointly-funded by FEDA and the Council. FEDA is undertaking the day-to-day work and will prepare proposals on:

- the approach to credit rating
- how to attach the elements of the funding methodology to credits
- the data collection mechanisms required.

**54** The role of the group of pilot colleges is to:

- provide practical advice and guidance on the approach to be piloted
- supply data in relation to their institutions
- comment on the likely impact on college practices of a unitised curriculum
- comment on the feasibility and potential costs of full implementation
- provide feedback on issues arising during the shadow implementation.

**CONCLUSION**

**55** The development of a unit-based qualifications and credit framework is strongly supported by the sector and has a role to play in meeting key policy objectives. The need for its development has been reflected, for example, in the growth in demand for OCN accreditation over the last five years. The time is now right to move forward on its development and the key issues to be resolved are who leads the development and how it is resourced. A national policy direction is needed. The Council's shadow pilot in the meantime will identify the issues associated with linking funding to such a framework.

### THE NEW ZEALAND EXPERIENCE

1 Professor Alan Smithers was commissioned by the New Zealand Education Forum in 1997 to respond to the government's green paper, *A Future Qualifications Policy for New Zealand*. His report, *The New Zealand Qualifications Framework*, attempted to address the government's dissatisfaction with the progress of qualifications reform. Professor Smithers was critical of the qualifications reform in New Zealand and in his view, the development of the qualifications framework in England should not follow the same path.

2 The main premise in Professor Smithers' report is that the New Zealand government was mistaken in a search for a "magic" formula for reform of the qualifications system which has taken two forms: first that of unit standards and more recently in the form of quality standards. These were both thought in their turn to be the ways to transform the education and training system in one go and Professor Smithers believed neither were capable of achieving what was being asked. In respect of the unit standards approach in particular, it may not be possible to state the standards with enough precision to convey what a qualification is about. To specify a qualification clearly enough for teachers and moderators, it is necessary to provide the minimum information of purpose, content and assessment. The idea of a unit is separate from that of a standard. Whilst it is sometimes an advantage for a qualification to consist of components, they too need to be expressed in terms of purpose, content and assessment. The shift of emphasis to quality threshold is no more an answer than unit standards. 'Quality' was considered to be an elusive notion.

3 The main recommendations of the report in respect of the New Zealand Qualifications Framework were:

- that the emphasis in qualifications reform should change from seeking a single formula (in the form of unit standards or quality threshold) to working through issues from first principles
- a national qualifications system is desirable as it gives recognition to qualifications and assists choice
- a qualifications structure should start from determining how learning can be represented in qualifications and then seeing what linkages can be made
- a national qualifications network is a more helpful concept than a framework as it indicates more flexible and open arrangements
- the use of unit standards as the common currency for a qualifications structure should be abandoned as they cannot be stated with enough precision to ensure fairness, consistency and validity of assessment
- qualifications should be stated in terms of their purpose, content and assessment

- there are sometimes advantages to identifying components of qualifications but it should normally be the whole qualification which is identified within the framework
- links between qualifications and opportunities for cross-crediting and credit accumulation should be identified wherever possible.

**Response to criticism of the New Zealand system**

4 Professor Smithers identified a number of difficulties with the New Zealand approach, not all of which are applicable to the position in England. The difficulties identified and comments on their applicability and relevance to both the circumstances which apply in England and the Council's proposal are compared in the table below:

<b><i>New Zealand System Difficulties</i></b>	<b><i>Comments</i></b>
Few qualifications have been obtained	This could be a parallel with the experience of early low take up of NVQs in England
Many schools and all universities have been reluctant to take part	In England, the Council and the sector supports a proposal for unit-based qualifications and a credit framework for further education
The New Zealand approach was to organise all qualifications into units, set down what needs to be done as standards and then create qualifications	The Council's proposed approach emphasises the unitisation of existing approved qualifications and the specifying of coherent combinations of units rather than the creation of new qualifications
Teachers reported difficulties with school subjects specified as unit standards and universities are unhappy with simple pass/fail components	There is no proposal that grading should be abolished nor that academic subjects should be defined by unit standards
Inconsistencies in assessment and heavy workload	This is a difficulty which has been experienced in England with the introduction of a number of qualifications reforms and the lessons which need to be learnt from this are well known. The government has recognised this in the delay to the introduction of proposals for advanced qualifications by delaying introduction by a year in order to allow time for further consultation and planning
The attempt to state what a qualification is through unit standards misunderstands the nature of qualifications which differ in their purpose, content and assessment	The proposals for England do not envisage a uniformity for all qualifications of this nature

5 The key points drawn from a comparison between the New Zealand system and what is proposed in England are:

- grading units is possible and it does not have to be a simple pass/fail system
- it is not proposed in England that standards can be assured through unit specifications alone
- there are too many differences between the qualifications systems, the policy and other contexts of the system in New Zealand and those of England to make comparisons
- the closest comparison to the system in New Zealand is NVQs in England and it is the NVQ approach above all that Professor Smithers is critical of, rather than unitisation of qualifications which he recognises is of benefit in some cases.



**ANNEX A**

	<b>A Based on whole qualifications</b>	<b>B Based on unitised qualifications</b>	<b>C Based on credit-rated units and qualifications</b>
<b>1 Flexibility and access</b>	<p>A qualifications system based on whole non-unitised qualifications does not provide sufficient flexibility for lifelong learning nor for learners to combine parts of qualifications for broader study. Whole qualifications vary greatly in size when measured by the actual guided learning hours. The Council currently funds qualifications which are longer than 9 guided learning hours. The system does not allow easily for the mixing of types of qualifications. Most importantly, in terms of widening participation, it does not allow for the recognition of smaller steps of achievement and accumulating achievement over time. <i>How to Widen Good Practice</i>, the report of the Widening Participation Committee recommended that ‘accreditation must allow for the recognition of small steps in achievement and for credit to be transferred’.</p>	<p>A unitised qualifications framework would provide greater flexibility and access to opportunities for gaining a whole qualification. In the context of lifelong learning, it would allow learners to build up units towards qualifications over time. It would also allow employers and professions to select units to meet their training needs.</p> <p>A unitised qualifications framework does not necessarily require certification at unit level, particularly where students are combining units from the same qualifications. Certification of each unit however, would need to be available for learners who are undertaking only one unit at a particular time. For some learners, the Progress File could be used to record certification of units.</p> <p>The public currency of a unitised system should be units but this does not preclude certification of specified combinations, for example, the overarching certificate.</p>	<p>Credit ratings can be applied to whole qualifications as well as units. This would depend on the rules of combination applied.</p> <p>Credit accumulation with unitisation however, would provide greater coherence, rigour and flexibility. Transparency and ease of understanding would be made possible if it could be seen clearly which units made up a given number of credits.</p>

	<b>A Based on whole qualifications</b>	<b>B Based on unitised qualifications</b>	<b>C Based on credit-rated units and qualifications</b>
<b>2 Quality Assurance</b>	<p>The criteria for accreditation of whole qualifications need to be flexible enough to accommodate qualifications which provide access to further education: the emphasis should be on making the framework more flexible to encompass access provision made within the sector.</p>	<p>Rigour can be sustained in a unitised framework from certification at unit level and from imposing rules of combination.</p> <p>The responsibility for unit development should be with awarding bodies although the regulatory body has a role in identifying gaps in the framework and the need for the development of new units to meet sector or subject needs. It may be possible for providers or professional bodies to devise units which fit particular specifications but in order to ensure rigour and comparability, it is essential that the regulatory body determines whether the units are sufficiently rigorous and of the required level. The quality assurance arrangements would be similar to those proposed for whole qualifications at the moment. It would be important that QCA takes a strong role in rationalising what is available and has an overview and systems to prevent overlap and duplication at unit level.</p>	<p>For rigour, coherence and public confidence, credit values need to be applied by a national body. QCA is best placed to do this, drawing on the data and information held by other national bodies. In Wales, agreement on credit values was reached with the colleges and in England, much work has already been done on this by the Council for funding purposes through the process of individual listing of qualifications based on guided learning hours, which now covers 80 per cent of enrolments.</p> <p>If credit is applied to units, then the quality assurance issues are for the units rather than credit.</p>

	<b>A Based on whole qualifications</b>	<b>B Based on unitised qualifications</b>	<b>C Based on credit-rated units and qualifications</b>
<p><b>3 Coherence</b></p>	<p>A qualifications framework based on whole non-unitised qualifications makes comparisons and equivalences between most qualifications difficult and also leads to learners repeating the content of qualifications when combining more than one.</p> <p>QCA could more easily address the duplication and overlap in the system at present through a unitised framework.</p>		

**THE FURTHER EDUCATION FUNDING COUNCIL  
RESPONSE TO THE  
QUALIFICATION AND CURRICULUM CONSULTATION  
ON FLEXIBILITY FOR ADULT LEARNERS**

## **1 Enhanced flexibility through existing qualifications**

**Question 1:** *Do the changes, already planned, offer the flexibility needed by adults and other part-time learners, or are further steps required?*

The changes explained in paragraph one go some way towards offering flexibility for adult learners, where they are studying the main qualifications on offer to 16-19 year olds. This will have minimal impact, given that only 20% of adults in further education are studying for these qualifications. The new framework does not of itself offer a great degree of flexibility. For the framework to be more flexible would require all qualifications to be unit-based. It would also require:

the admission to the framework of entry level qualifications which were unit-based, and linked directly to specified routes within the rest of the framework

clear rules of combination within the unit-based qualifications, which determined which pathways could be followed, and what final qualification would be achieved

a cumulative recording and certification system.

## **2 Unitisation of qualifications**

**Question 2a:** *Should adults and other part-time learners be able to register for single units of qualifications, either as learning goals in their own right, or as a way of achieving qualifications over time?*

Enabling adults and other part time learners to register for single units of qualifications, either as learning goals in their own right or as a way of unitising qualifications over time, would contribute significantly to widening participation and raising achievement.

However any learner, not just adults and part-time students, should be able to register for single units of qualifications. It would cause unnecessary complication to create artificial barriers to a unit-based framework and raises definitional issues such as what is an adult and how much study is part-time. There are many reasons why a full-time student, for example, someone following a three A level course, might wish to add to their programme one or two accredited units from another part of the qualifications framework.

**Question 2b:** *What do you see as the main logistical issues that would need to be resolved and what measures would need to be taken to ensure they did not become barriers to implementation?*

The supposed 'barriers' should be seen in terms of administrative and policy problems which have not yet been resolved. The key tasks are:

to agree rules of combination, for instance of core plus options, which would create coherent qualifications for particular purposes. These 'rule' should be approved by the QCA but could be proposed by awarding bodies, by National Training Organisations, or by professional associations and higher education institutions. Universities have let it be known, for example, which additional units of GNVQ would assist admission to particular degree courses

to identify units which are so similar in content that either they cannot be combined with each other, or that one of them is redundant (this would further assist rationalisation)

for institutions to agree, through collaborative arrangements, which of them can contribute expertise in a given area in order to maximise student choice. This already happens, for example, in consortia of schools and colleges which offer a wider range of A levels than any one of them can provide; through co-operative arrangements between colleges and schools to offer GNVQ, and through education/work combinations which allow NVQ assessments to be completed

tracking student achievements, which is already a duty performed by colleges and training providers. With appropriate backup from information technology, this need not be as burdensome as some of the systems devised to track NVQ achievements have proved to be.

The Council's unitisation funding pilot which will report in July is exploring logistical issues for institutions such as tracking and recording student achievement, in addition to modelling ways in which funding can be attached to unit-based delivery.

Other issues which need to be addressed are:

the costs of accreditation for a unit-based system, particularly if the number of awarding bodies which learners need to register with increases in order to gain the particular units required

the level of guidance and support needed, particularly on entry to unit-based programmes.

**Question 2c:** *Would you wish to see safeguards such as rules of combination of units in order to avoid fragmentation of learning programmes?*

Where public funding is involved, there needs to be rules of combination for units leading to whole qualifications. This is important to avoid fragmentation and duplication of units similar in content. It should also be possible, however, to achieve a single unit.

### **3 Recognising smaller steps of achievement**

**Question 3a:** *Would you restrict the range of sizes of units in the framework, and if so, what parameters would you set?*

It is important that small steps of achievement are available to adult learners and therefore there is a need for units which are smaller than many of those currently available in the framework. It would not be helpful however, particularly from a funding point of view, to have too much variation in size, although multiples of a standard size could be allowed.

It would be helpful if units in the framework had the same credit value. FEDA has made proposals for the nature of the building blocks in the framework, and could be asked to help.

**Question 3b:** *Would you include NVQ units in any standardisation of unit sizes?*

NVQ units should be subject to the same degree of standardisation as other units. It is acknowledged that because they have been designed to be free of particular learning contexts there are difficulties in standardising NVQ unit sizes, and therefore that this may take place over a longer period of time.

#### 4 Defining the size and level of units

**Question 4b:** *Would you allocate individual units to the same level as the qualification of which they form a part, or would you use other methods for deciding the level of a unit? If so, what other methods?*

There are qualifications such as Access to Higher Education units which allow learners to take units at different levels and this flexibility should be retained. The level of a unit should be set independently of the qualification.

It would be helpful if units were accorded the same level as the qualification of which they formed a part. This would not prevent learners from beginning with a unit at a lower level, if that was what they needed, nor progressing to achieve one or two units within the qualification at a higher level, in order to accelerate their progress.

#### 5 Credit values

**Question 5a:** *Do you feel that the inclusion of qualifications and units that represent small steps of achievement in the national framework would be sufficiently motivating for adult learners, without allocating credit values?*

Small steps of achievement need to have credit value to be motivating for adult learners, encourage accumulation and to be placed in the framework. Credit values make it easier for learners to understand the relationship and comparison between units.

**Question 5b:** *If you favour allocating credit values, would you allocate them only to smaller units targeted at adult learners, or all units in the framework?*

Credit values should be allocated to all units in the framework. This would be important in assisting the many people whose learning programme is interrupted in some way (30% of all A level students; 30% plus of all adult learners). It would greatly assist the lifelong learning agenda in enabling all learners to begin and continue accumulating credits over time.

**Question 5c:** *Do you favour the allocation of additional credit for achieving full qualifications?*

If a synoptic assessment is deemed useful for particular forms of qualification, it should itself be accorded credit value. For instance, someone following a unit-based course might complete the course with a multi-faceted project or dissertation. This would itself be a unit carrying credits. It would be more helpful to add credits to acknowledge distinctive performance than to acknowledge the completion of a qualification; to do the latter would suggest that the whole is greater than the sum of the parts, which would cause some difficulties.

### 6 Size of a single credit

**Question 6:** *If a credit based system were to be introduced for the national qualifications framework and its components, would you favour 10 or 30 notional learning hours as the basis for one credit?*

Higher education learning is of a different order from further education, as are the student numbers involved. A credit that is awarded for the equivalent of two days' work would create a huge administrative burden for colleges. It would also complicate funding, lead to over-assessment and be more difficult to quality assure. It would be far more helpful to associate a credit with 30 hours' learning (about a week's learning time, or two weeks teaching time in the average college) than with 10. If the 10 hour credit were adopted (and the durability of a single framework for FE and HE is acknowledged), this should be the smallest size. Unit sizes could be multiples of 10 hours.

### 7 General feasibility and timescales

**Question 7a:** *What would you see as the most challenging aspects of the proposals you have made in response to the questions above?*

The biggest challenge would be to develop a "can-do" approach to the task. If Scotland, USA, New Zealand, and others can develop a credit-based system, England and Wales can. There is enormous support for the ideas within the FE system, and the educational world in general. The second challenge is to the vested interests in the awarding bodies and lead bodies which the QCA has the power to change.

The particular tasks to be undertaken are:

- agreeing a system of ascribing credit value to units and qualifications

- applying funding mechanisms to a unit-based credit system

- developing approaches to tracking student achievements

- training and development for staff

- mapping qualifications, identifying common units, finding ways of getting awarding bodies to work together to offer common units and rationalising their awards

marketing and presenting clear information to learners, employers and providers  
developing regulatory and quality assurance procedures.

**Question 7b:** *When would you think it feasible to expect the changes to be put in place?*

The changes should be implemented as soon as possible but it is important that they are fully tested first and an incremental or staged approach is therefore recommended. There is much that can be done fairly quickly by building on the developments and pilots already underway in further education.

The timescale is linked to the resources available. The task will take considerable work, and need the help of many expert practitioners. The resources allocated will have to match the task.



## **Unitisation and Funding Shadow Pilot Project**

### **Participating Institutions**

**Barnet College**

**Bishop Auckland College**

**Bournemouth & Poole College of FE**

**City of Stoke on Trent Sixth Form College**

**Harlow College**

**High Peak College**

**Knowsley Community College**

**Lewisham College**

**North Warwickshire and Hinckley College**

**Park Lane College**

**Reaseheath College**

**West Sussex Adult Education**

FURTHER EDUCATION FUNDING COUNCIL - UNITISATION PILOT 1998-99

SUPPLEMENTARY DATA FOR STUDENTS STUDYING UNITS ONLY

PROGRAMME TITLE :

institution reference code :

PROGRAMME NO. :

A	B	C	D	E	F	G	H	I
student reference code	student name	Qualification reference code	Units achieved on-entry	Units in this programme	Units completed in this programme	Units achieved in this programme	Units required to achieve qualification aim	Additional units in this programme

Appendix 4

J	K	L	M	N	O				P	Q	R	S	T	U
Unit 1 guided learning hours	Unit 1 status	Unit 1 credits	Unit 2(S) guided learning hours	Unit 2 status	Unit 2 credits	Unit 2(P) guided learning hours	Unit 2 status	Unit 2 credits	Unit 3 guided learning hours	Unit 3 status	Unit 3 credits	Unit 4 guided learning hours	Unit 4 status	Unit 4 credits

## FOR UNITISATION WORKING PARTY - JANUARY 1999

### ATTACHING FUNDING TO UNITS - CREDIT OR GUIDED LEARNING HOURS

A central aim of the unitisation pilot project is to identify appropriate ways of attaching funding to units rather than whole qualification aims. The task raises a number of questions some of which are technical and some more concerned with issues of principle. A central one is how to determine the value of the units to which funding might be attached. Two broad approaches have been suggested. One is to follow the existing logic of the funding methodology which seeks to reflect the cost of particular programmes. It does so by using guided learning hours as an indicator of programme size and subsequently attaches cost weighting factors to reflect the fact that guided learning can take place in high cost or low cost contexts (classrooms, workshops etc). The alternative approach suggested seeks to describe the size of a unit in terms of student learning. It is widely accepted now that this calculation should be in terms of notional learning time - the average learning time taken by the average student appropriately placed on that programme. Notional learning time (NLT) differs from guided learning hours (GLH) in that it reflects all the additional study and reflection engaged in by the student. Current conventions see 30 hours of notional learning time as representing one unit of learning credit. The aim of this paper is to explore the implications of using one or other measure for determining the size of units for the purposes of funding.

It is assumed at the outset that to use one measure rather than another would produce different results. If they were systematically related i.e. if NLT could be expressed as a function of GLH the discussion is pointless - we simply need to collect the one which is most readily to hand. In fact there are good reasons for thinking that NLT varies independently of GLH and we need to analyse the consequences of using one measure rather than another.

The pilot project will collect some information from colleges about GLH and NLT values for units which will help assess the consequences of adopting one method rather than the other. It is possible however, to do some a priori reasoning. The table below describes two ideal types of programme to illustrate the ways in which the two measures might vary in order to help thinking about impact. Qualification aim type A (we might characterise as philosophy) has a notional learning time significantly higher than guided learning hours. Students, in addition to time spent in lectures and supervised tutorials are encouraged to read on their own and prepare assignments at home. For every hour under supervision we might assume a further hour during which the student is actively learning on their own. Qualifications of type B (perhaps craft/catering would be an example) are quite different. Students require a more substantial programme under the direct supervision of teachers or instructors but there is

little opportunity for learning outside this formal setting. Possible values are summarised in Table 1 below.

**Table 1**

<b>Programme</b>	<b>GLH</b>	<b>NLT</b>	<b>Credit</b>
Qualification type A (philosophy)	600	1200	40
Qualification type B (catering /craft)	900	900	30

The current resource distribution (before even taking cost weighting factors (CWFs)) into account is based on the GLH column. Qualification type B receives 50% more than qualification A. To move to an allocation based on credit would give it 25% less. The likely consequences are easy to see. There would be an incentive to institutions to develop type A programmes rather than type B and pressure on those concerned with credit rating to raise their descriptions of the notional learning time associated with B type activities (this latter is not unlike the pressure on NVQ Assessors and verifiers created by output related funding).

The above is a caricature but it does help pose the key question; are there type A courses which we might regard as credit rich and type B courses we might call credit poor. It seems likely that credit rich courses would occur in two contexts. In classroom based subjects rather than workshop activities; and with higher level courses where students are more capable of undertaking independent study.

The above analysis ignores cost weighting factors(CWFs). To introduce them raises a further problem with using credit. Cost weighting factors are applied to those things which have cost -time spent in a classroom, a workshop, a resource centre or an agricultural training facility for example. The CWFs used by the council are based on actual calculations of the average cost incurred through a particular delivery setting. It is not clear how CWFs might be calculated for notional learning time. A logically consistent approach might be to identify a CWF of 0 for all hours of learning time outside the formal support arrangements of the institution and for the remainder to be calculated as for the GLH method. This guarantees that two methods each produce the same answer.

A powerful argument for using credit is the view that institutions should be funded on the basis of what they produce rather than the inputs they use. Many see a funding methodology based GLH as representing a return to the bad old days when LEAs met college costs rather than paid for their outputs. Credit is seen as representing an independent measure of value. Colleges which are efficient at generating credit by keeping costs low, benefit from their efficiency.

Though a strong argument this is not an accurate description of how the funding methodology works in practice and it is not clear whether a funding mechanism could ever approximate to this ideal. The current FEFC methodology operates by allocating funds to a college not on the basis of the actual resources it uses but the average level of resourcing applied by a typical college using the current mode of production. Institutions which operate more efficiently than the average can gain a temporary advantage. If innovations become widespread and the general production function changes, the tariff is adjusted and the benefit flows to the public purse rather than individual institutions.

The consequences of a misalignment between tariff values and college costs is well illustrated by the explosive growth of franchising (or outward collaborative provision(OCP)) between 1994/95 and 1997/98. A new mode of production was introduced which generated a substantial financial incentive for colleges to develop in particular areas and huge growth occurred in a sub set of programmes that could be effectively delivered through OCP. The arguments to this point appear to raise some serious doubts about moving from a GLH based calculation to one based on NLT. We need to ask however whether the advantages of unitisation are compromised by not explicitly linking credit into funding. It is of course perfectly possible to use two measures of a unit - a GLH calculation for funding purposes and a credit rating for curriculum design and student progression.

A number of the most important features of a unitised framework seem unaffected by how the size of the unit is determined for funding purposes. The basis of calculation seems neutral with respect to the following arguments

- delivering learning in smaller chunks promotes access
- unitisation allows the crediting of partial achievement which is both just and encourages motivation
- unitisation allows students and institutions greater freedom to combine elements of programmes in tailor made learning packages
- identifying achievement and retention at unit level gives a fairer reflection of institutional performance
- unitisation allows individuals to take differing amounts of time to complete qualifications to reflect their life style
- unitisation gives the potential for institutions to combine elements of programmes to maximise class size

The above analysis leads to the conclusion that the funding council should initially at least adopt the GLH approach to calculating the size of units as a basis for funding the unitised curriculum. There are some theoretical difficulties with the use of notional learning time within funding. There may also be some pragmatic difficulties with such an approach since a nationally

agreed system of credit rating for qualifications and units is not yet in place. To use GLH for funding purposes does not appear to conflict with the many advantages identified as associated with the development of unitised curriculum. It does not mean that the further development of credit is inappropriate in the wider context of unitisation.

## Funding a Unitised Curriculum - Issues

This paper seeks to explore some of the issues involved in linking funding to a unitised curriculum stimulated by some early feedback from pilot colleges. Comments are invited from the Steering Group on both the content of the paper and on how the issues should be progressed.

1. There appear to be two separate circumstances with which the funding methodology has to deal. One set of cases involves existing qualifications which colleges increasingly want to deliver in a unitised fashion. In the main this relates to students who are currently enrolled and for whom colleges are funded. The other set concerns units or parts of qualifications which are not currently eligible for funding – individual NVQ or GNVQ units for example. In the main this relates to potential students currently outside the system. It seems helpful to deal with the two cases separately.
2. The FEFC does not currently fund programmes which fall outside the various categories of schedule 2. In practice this means that if an individual wishes to study only one element of an existing programme, one module of a modular 'A' level for example they cannot be funded. Many colleges believe that the refusal to fund small chunks of learning acts as a barrier to participation, but it is difficult to confirm this since because it isn't funded it doesn't happen.
3. The key question for this study is what are the funding issues here. There is no technical difficulty in adding qualifications to the schedule 2 list and database. For the purpose of the methodology any units it was agreed would be eligible for funding could be treated just like small qualifications. Deciding whether to fund small chunks is an important issue but it is a policy issue not a funding methodology question.
4. A secondary issue for colleges and FEFC is that of data volumes. Adding units as well as whole qualifications would increase the size of the Qualaims database. Can we estimate by how much and judge whether it would matter? If it is true that it would attract learners currently put off by the size of whole qualifications it could increase the number of enrolments but presumably this is a good thing. The only cause for concern might be if substantial; numbers of those currently enrolled on whole courses were to be reregistered unit by unit. It ought to be possible to ensure that colleges do not have incentives to complicate in this way.
5. The second set of issues arise as colleges choose to deliver whole qualifications in a modular fashion. The issues for the funding methodology depend in part upon how modular delivery is organised. The diagrams below illustrate some ideal types in order to bring out the issues. Guidance is needed on how unitisation/modularisation is likely to develop in practice.



6. Figure one is intended to show two alternative approaches to modularisation. It takes two idealised programmes, one in forestry and one in law and illustrates alternative structures. Fig 1A divides the programmes according to subject. It allows one of the benefits of modularisation – colleges can combine groups for common subjects – but within one programme the units have substantial differences in cost. This might cause problems if individuals were allowed to enrol on individual units – which cost weighting factor should apply to maths for example. The alternative solves any CWF problem but does not allow economies of scale.

Fig 1A

Forestry
Maths
IT
Chainsaw Practice

Fig 1B

Law
Maths
IT
Law

Forestry		
etc	Softwood Plantations	Arboriculture

Law		
Etc	Civil Law	Family Law

7. Figure 2 shows two alternative ways in which modules might be organised over time. It takes, for the sake of illustration only, a hypothetical hairdressing course. In Fig2A the modules run concurrently throughout the year; in Fig2B they run in a sequence. What are the implications for the funding methodology?

Fig 2A

Cutting Techniques
Colouring Techniques
Perming
Etc
Etc

Fig 2 B

Washing	Cutting	Colouring	Advanced Colouring	Etc	Etc
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8. At first sight funding a structure as in 2A on the basis of units would appear to make little difference. If a student completes the programme successfully the college would be fully funded in both cases. If the student drops out then the college would receive payment for the periods they attended and not for those for which they had withdrawn (in this model it is assumed that the census dates are unchanged) There would be no change in entry units under any circumstance and the only changes to on programme units might occur if a student dropped some but not all units before the end. In this circumstance, if the qualaim remains the same the college is better off under current arrangements. If the qualaim changes there is an adjustment to the programme as at present. If the reduction in programme means that no recognised qualaim can be quoted then the situation is as paragraph 2.

Some differences could arise in relation to achievement units in cases where students achieved some units but not the whole qualification. It would be possible to amend the funding methodology to allow a range of payments for achievement – say a basic payment per unit plus a bonus for whole qualifications.

9. A structure such as in Fig2B might appear to have greater implications for the methodology but on closer examination things are not so easy. The payments in respect of entry units would appear to be unaffected. The treatment of on programme units might change; but if work were evenly spread throughout a course and the census points were kept the same then the scheduling of funds would not be affected. It is difficult to see what advantage would flow to counteract the additional work involved if the FEFC were to introduce extra census dates, or modelling the uneven flow of work through a year.

There could be changes in the profile of achievement units in a structure as illustrated in 2B. Assuming that achievement units are earned, unit by unit then there is a case to be made for paying them as they are achieved throughout the year. In theory this could mean that colleges receive a third of their achievement units at each census point rather than at the end of a programme. In practice the profile of achievement gained will lag behind delivery of modules; and some element of achievement income is always likely to be linked to gaining the full qualification which can only be known at the end. There is therefore less at stake here than might be thought.

10. The above examples are simplified models. The reality in colleges is more complex as illustrated in Fig3 – an Access programme offered by one of the pilot colleges. It contains several component units, some of which run over the whole year and are assessed at the end; others

## Appendix 6

of which last for less than a term and are assessed in part after each module and in part after all the modules are completed (a final synoptic assessment which may be a significant element in some modular programmes. ) It would be complex to tie funding to the various elements which make up this programme; and the preceding analysis suggests that in most cases it makes little financial difference. It is not clear what benefits would flow to offset the cost of such complication.

***** GCSE English *****			
***** GCSE Maths *****			
Tutorial			
IT			
Biology 1	Biology 2	Biology 3	Biology 4

### Funding by credit or GLH

One of the aims of the pilot project was to compare alternative approaches to funding units and in particular to assess the impact of basing funding either on a measure of resources (guided learning hours) or a measure of achievement (credit). In practice this comparison hinges upon the relative “weight” of a qualification or a unit established by the two methods. The project therefore sought to gather information about the “weight” or size of a set of qualifications and their constituent units in terms of both credit and guided learning hours (GLH).

Colleges were all able to supply GLH values for whole qualifications. They also supplied GLH values for units though in the main these appear to have been derived mathematically (by dividing the total for the qualification by the number of units). Most colleges did not give a credit rating or credit value for either the qualifications included in the pilot or their constituent units.

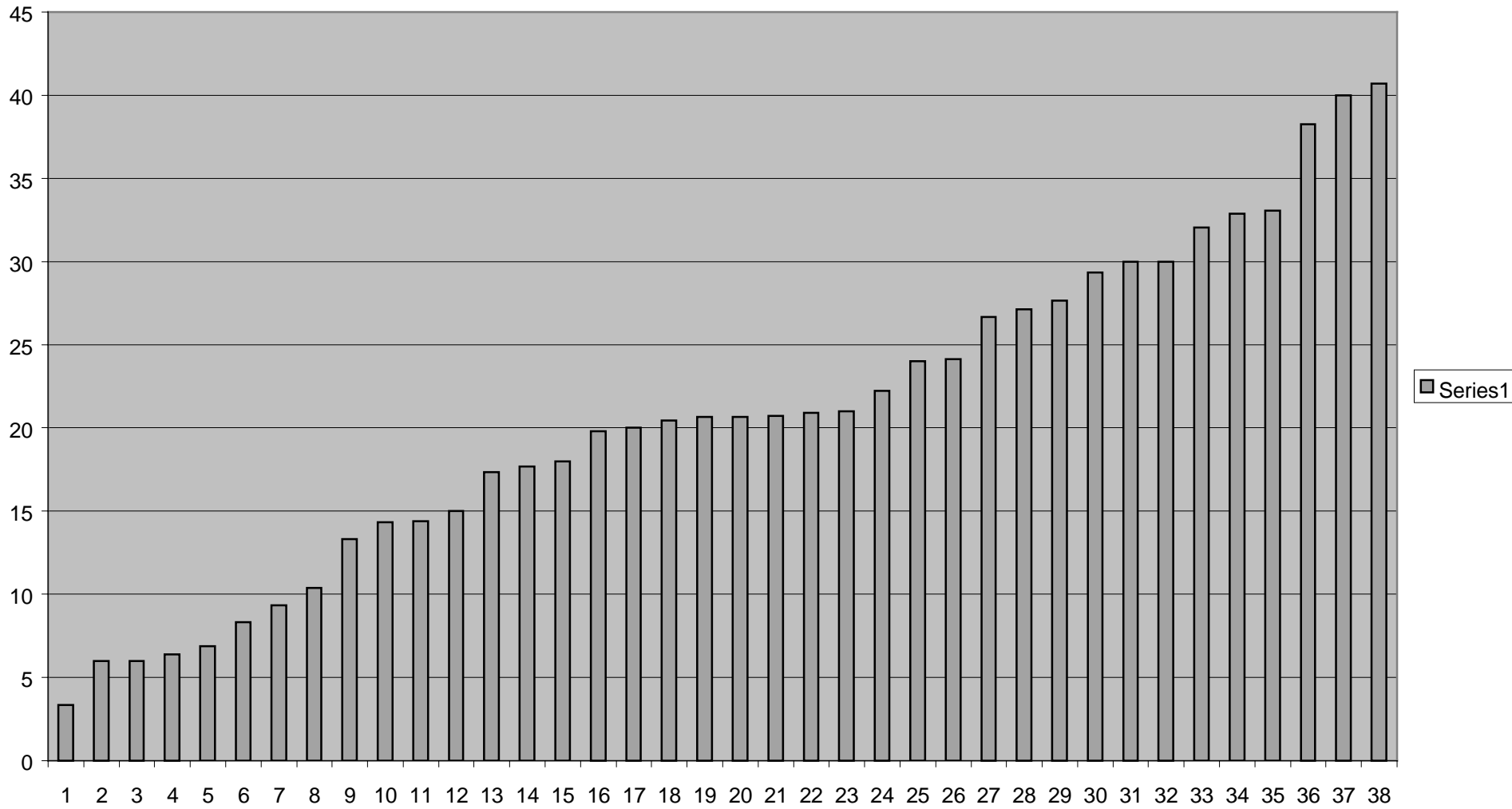
To enable further work to be done on the comparison of the two approaches FEDA commissioned a consultant to derive appropriate credit ratings for the qualifications in the pilot. These were derived from a variety of sources, principally the Wales database of units, the NCN database of qualifications and from work currently being undertaken in the north east credit alliance to be used in a project piloting the use of credit transcripts on Tyneside. In a small number of cases it was not possible to provide an agreed equivalence and these cases have been ignored.

The two graphs attached represent different ways of showing the relationship between values of guided learning hours and credit. The bar chart shows the ratio of guided learning hours per credit for the 38 qualifications for which both items of information were available. It shows considerable variation with 6 qualifications requiring over 30 guided learning hours to produce a credit whereas 7 require fewer than 10 guided learning hours. The scattergram shows the same data in a different way. The values for each qualification are plotted on a graph which has credit values on the vertical axis and GLH values on the horizontal.

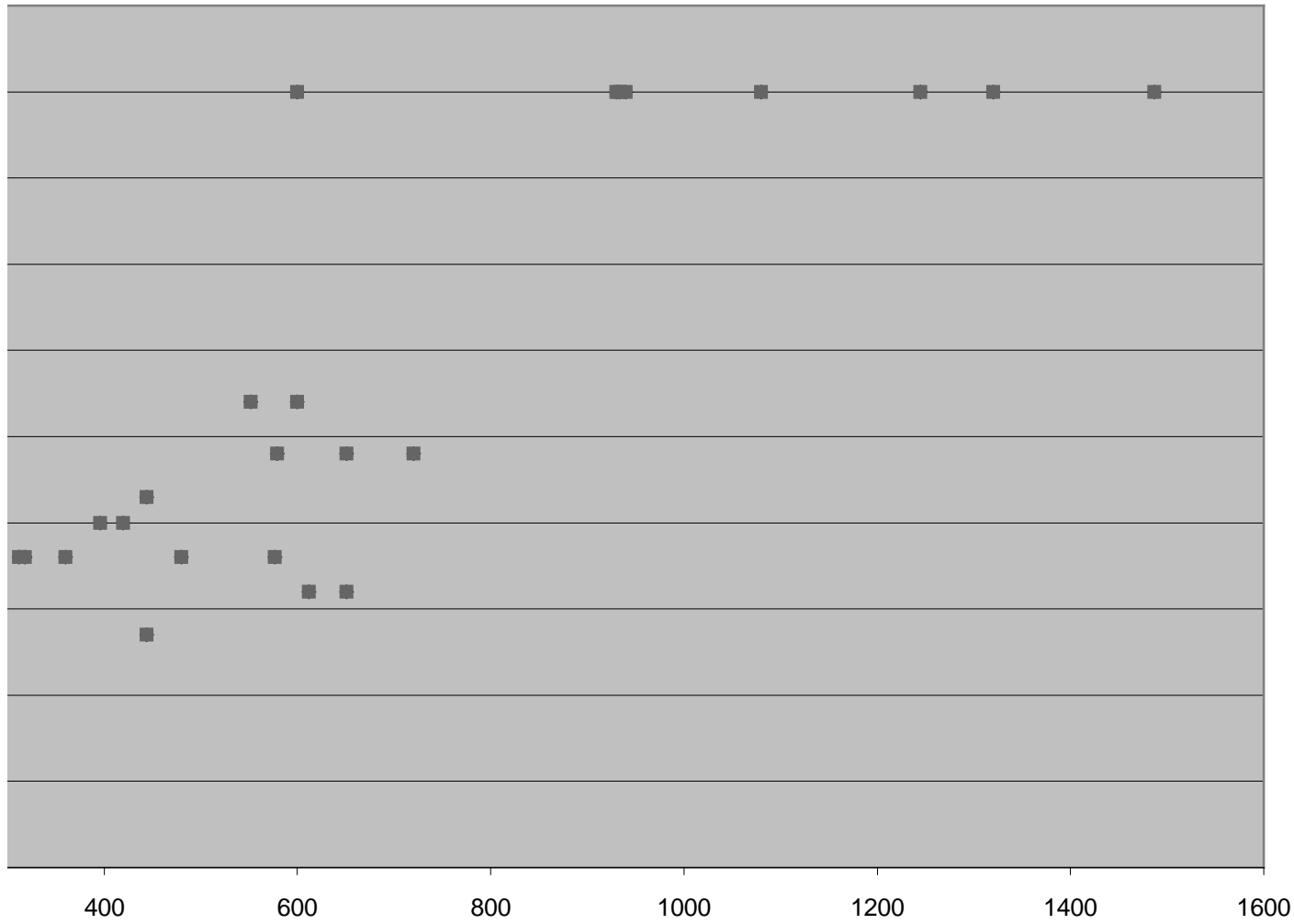
One conclusion is drawn from this data. If the relationship between credit rating and GLH shown here is typical then to move from the current funding regime based substantially on GLH to one based substantially on credit could produce substantial dislocation. Further work is required to see whether there are any anomalies in the data which give rise to the distribution shown but taken together with other arguments there are strong grounds for caution about building a credit based resourcing system.

# Guided Learning Hours per Credit

Appendix 7



Credit Values against GLH



## STAKEHOLDERS CONSULTATION

Invitations were sent to:

Teresa Bergin	National Open College Network
Noelle Buick	FEFC Inspectorate
John Brennan	Association of Colleges
Martin Cross	OCR
Richard Hart	Further Education Funding Council for Wales
Jill Johnson	UCAS
John Lambert	University for Industry
Geoff Lucas	Qualifications and Curriculum Authority
Andy Powell	National Training Organisation
	National Council
Sandy Roger	Department for Education and Employment
Alan Tuckett	NIACE
Julia Bennett	Local Government Authority
Chief Executive	TEC National Council
Chief Executive	Scotvec
Sonia Reynolds	InCCA
Prue Taylor	City of Bristol College

## Unitisation Pilots – Log Book

The log book provides a mechanism for the project team to gather detailed information about the impact of the project, and about issues which the project has raised for the administration and management of institutions, as well as for the delivery of the curriculum. The information in the log books will both inform the research and establish the staff and institutional development issues which need to be addressed in supporting full implementation. Your full use of the log book will therefore make an important contribution to the project and to future development.

This log book is intended to track some of the issues as they emerge, when colleges in the pilot are reflecting on the Unitisation pilot. The intention is that you capture issues as they arise in key areas of the college experience of unitisation, though you may need to meet briefly on a monthly basis to ensure all key issues are recorded.

We are interested in recording the following range of issues:

- Curriculum design, coherence and rationalisation
- Curriculum delivery
- Assessment and accreditation
- Impact for learners of unitisation
- Student tracking - within programme delivery and through the ISR/additional spreadsheets
- Costs of implementation/additional resourcing required
- Staff development implications

### Instructions

- Please use this book to regularly log issues, comments, observations or support needs as they arise **throughout** the programme.
- The log is arranged in monthly sections. Each month contains space for entries under key areas in which we are seeking feedback from you.
- Please jot down all thoughts, comments, issues which arise - no matter how small you think they are. If you need more space use additional sheets and attach them to the log.
- Please identify actual impact during the pilot where relevant and anticipated impact if the pilot was fully implemented (in the appropriate columns)



October 1998

<b>Curriculum and accreditation issues</b> (Planning, curriculum design, curriculum rationalisation, delivery, potential for co-teaching, curriculum coherence)	
Issues raised in the pilot	Issues if fully implemented cross college
<b>Impact upon learners</b>	
Issues raised in the pilot	Issues if fully implemented cross college
<b>Tracking Issues</b> (Entry, on programme, achievement, learning support, remission, child care, tracking within programme delivery)	
Issues raised in the pilot	Issues if fully implemented cross college

## Appendix 9

<b>Cost of implementation this month</b> (What for ? How much)	
Issues raised in the pilot	Issues if fully implemented cross college
<b>Staff development implications</b> (What skills are missing/need to be developed if this went into operation ?)	
Issues raised in the pilot	Issues if fully implemented cross college
<b>Other issues</b>	
Issues raised in the pilot	Issues if fully implemented cross college