



# ***Success for All*** **implementation in colleges and in work- based learning providers:**

A second project undertaken in partnership with the Department for Education and Skills and the Learning and Skills Council

August 2004

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We are most grateful to staff in colleges, work-based learning providers, the DfES, the national and local LSCs and other bodies who gave generously of their time and ideas.

## Executive Summary

This is the second OPSR project looking at the implementation of *Success for All* (SfA). The first project (summer 2003) looked at local LSCs and colleges only. This one includes Work-based Learning Providers. The work was undertaken in 12 LSC areas.

### Colleges

Understanding of SfA has moved forward positively since last year, and colleges now recognise SfA as the crucial long-term strategy for the sector. The significance of the Skills Strategy is also understood. There are markedly improved levels of trust between local LSCs and colleges.

**Development Plans** are now established and this year (04/05) will be the real test of planning to expand Level 2 provision for young people and adults. Some colleges remain anxious about the risks of this. Employer engagement targets and workforce development targets need refinement for 05/06.

**Strategic Area Reviews** are perceived by some colleges as too process orientated because many local LSCs are still engaged in analysing data. Testbed local LSCs are further forward and have developed strategy. Elsewhere there is considerable scepticism as to whether local LSCs are empowered to tackle difficult problems, particularly across 16-19 provision. 14-16 collaboration between schools and colleges has developed impressively over the past 12 months.

### Work-based Learning (WBL) Providers

The sector is very diverse. The key messages of SfA and the Skills Strategy are understood but there is widespread cynicism and suspicion towards local LSCs even amongst some very successful providers. These poor relations are primarily a reflection of the necessary rationalisation of the number of contracts, which the LSC has been undertaking.

**Further rationalisation of contracts and providers** is needed through speedy and transparent decision making processes if providers are to feel confident about their place in the learning and skills sector. LSCs also need to review their **relationship management** with WBL providers.

**Development Plans** were established last year, but there are difficulties around communication and planning dialogues with local LSCs because of the mismatch between local LSC areas and the geographical operations of many providers. This is also causing problems with provider involvement in **Strategic Area Reviews**. Providers on their side need to accept an arms length relationship with the LSC and to learn to represent each other.

## Colleges and Work-based Learning Providers

Accountability upwards to LSC, accrediting bodies and government is well developed and recognised by providers as crucial. But there is far less awareness of the need for **accountability to learners and potential learners**. The Learner Survey provides valuable evidence, which could be used to build up mechanisms for this.

**Inspection** The contribution inspection has made to quality improvement is widely recognised. But the present inspection arrangements can also result in providers being conservative and risk averse. The successful implementation of SfA requires development and risk-taking. The new inspection processes should **evaluate capacity to improve and develop** as well as performance. The scale of inspection should be proportionate to performance.

**Quality improvement** can only be the responsibility of providers. Some senior management teams feel overwhelmed by "help" from national agencies. This requires rationalisation. National investment in quality improvement should **only** support long-term strategic developments, including capacity building.

## 1.0 Aims and scope of the review and public services reform

*Bureaucracy Review Group Annual Report 2004* and Sir George Sweeney's *Extending Trust*.

1.1 This project represents a second look at the implementation of *Success for All* (March to June 2004). This report presents the main findings and conclusions and makes developmental recommendations. The project looked at the further education college sector and at work-based learning (WBL) providers. The main focus of the work was:

- Progress with the implementation of *Success for All* over the last 10 months (since May/June 2003) in colleges
- Implementation of *Success for All* with work-based learning providers
- The LSC-led planning framework and the effectiveness of Development Plans for providers.
- The streamlining of accountability for both the framework of SfA and for Inspection
- How far inspection and current quality initiatives are contributing to quality improvement in colleges and WBL providers

The project did not look at all aspects of SfA and, in particular, did not review the extensive work taking place on the reduction of bureaucracy. But the recommendations in this study are compatible with Sir Andrew Foster's *The*

1.2 The core of the project was case studies of providers in twelve LSC areas. These consist of structured interviews with senior managers, chairs of governors, front-line curriculum and service managers in 12 colleges and with managers and some senior trainers in 33 WBL organisations. There were also structured interviews with senior managers of the twelve local LSCs. In total nearly 80 interviews took place. Colleges and WBL providers were selected against a number of criteria to give a reasonably representative small sample. There was also discussion with key players and some other providers as well as desk research. The report therefore reflects the perspective of those responsible for implementation in providers and in local LSCs. Their level of understanding and commitment to the SfA strategy is vital to its success.

1.3 The success of SfA itself has to be judged in terms of its impact for learners, employers and ultimately in terms of whether the workforce is equipped with higher level skills. This impact can be broadly judged in terms of the SfA performance indicators, inspection outcomes and the national learner survey, suitably adjusted. But there is also a case to complement

this with learner and teacher - centred studies (for the period autumn 2003 to summer 2005) based on a small sample of providers to give qualitative data on impact, which would illuminate the quantitative data.

1.4 The work of the project has touched on all four themes of SfA, which are:

1. Meeting needs, improving choice by improving the responsiveness of provision in each LSC area. Strategic Area Reviews are an important aspect of this;
2. Putting teaching, training and learning at the heart of what we do;
3. Developing the staff of the future – workforce development;
4. Developing a new framework for planning, funding and accountability based on greater partnership and trust.

1.5 Our analysis addresses progress with the implementation of the principles and themes of SfA as a public reform strategy. SfA reflects the overarching message of designing services around the customer, and does so within the framework of four principles:

- National standards with clear accountability for delivering them
- Devolution to the front line, allowing far greater freedom and room for innovation so that local

services develop as users wish

- Flexibility, so that local organisations and their staff are better able to provide responsive services
- Choice, for the pupil, patient, or customer and ability, if provision is poor, to have an alternative provider.

The implementation of SfA can be placed in this way in the wider context of public service reform. Related issues arising in the health services, the police and local government can illuminate some of the issues SfA is throwing up: for example, national planning vs local demand, the meaning of choice in this context, accountability to learners and the most effective forms of inspection.

1.6 Work-based learning providers were not a part of the earlier project. We found there are many significant differences in terms of the issues of implementing SfA with WBL providers at this time compared to colleges. There are similarities too and we visited several additional colleges as significant WBL providers in their own right. But we feel it is appropriate to report separately on the two areas of provision - colleges and WBL providers - in the interests of the clarity of conclusions and recommendations.

**OPSR publications relevant to this study:**

First stages of the implementation of *Success for All* in colleges (Sept.03)

Reforming our public service Principles into practice (May 02)

Inspecting for improvement – Developing a customer focussed approach (July 03)

All are available on the OPSR website: [www.pm.gov.uk/opsr](http://www.pm.gov.uk/opsr)

LSCs' work into a much more coherent whole". The Skills Strategy is seen as complementary to SfA.

- 2.3 Many local LSCs regard the practical results from SfA as still at an early stage. Most of the colleges we visited would agree. Testbed local LSCs have been bolder in moving forward with strategic thinking for their areas. Within colleges, the emphasis throughout SfA on the quality of teaching and learning and on teacher qualifications is making a substantial impact.

However, we found there is work to be done on improving the understanding of senior teams in colleges of the strategic significance for them of national work on teaching and learning (Theme 2) and how this should link with their internal quality strategies and staff development as well as with national teacher training strategies. At the time of our visit the first four Teaching and Learning frameworks were in pilot phase so only a limited number of pilot providers had yet experienced the methodology and the training..

## **PART ONE: COLLEGES**

### **2.0 Progress with communication and trust**

- 2.1 The internalisation of the SfA reform strategy in colleges has moved forward from a year ago. Colleges no longer regard SfA as "another initiative", but recognise it as a long-term strategy, which must be treated very seriously. SfA has been successfully presented and reinforced in people's minds by the consistent references to it in DfES and LSC policy and practice. However, some colleges feel publications about SfA itself - the website and annual report - could be strengthened by more analysis of strengths and weaknesses in relation to real progress towards the long-term goals of SfA.
- 2.2 Local LSCs regard SfA as the key framework which is developing the relationship between local LSCs and providers: "joining up the local

- 2.4 The Skills Strategy has had considerable impact on colleges' thinking. But there are concerns around employer commitment to increase work based learning and to the flexibility of the current qualifications. These points are dealt with in the second part of this report on work-based learning.

- 2.5 The relationship between colleges and local LSCs has improved compared to a year

ago. In the great majority of cases, the relationship is effective and there is a good level of trust at senior levels. This is an achievement at a time that Local LSCs have been restructuring and cutting staff. In the few cases where there are or have been difficulties, these relate to discontinuity or weakness of senior LSC staff or to rigidity in LSC processes at operational level.

2.6 A view expressed by some colleges we visited was that some local LSCs are not empowered to confront some local vested interests. This perception is a concern because it affects colleges' levels of confidence in the LSC.

2.7 Local LSCs face difficulties working with a minority of colleges who are not actively committed to implementing SfA, and/or who are unwilling to be open. Not surprisingly, this appears more likely to happen when a college is giving rise to concerns or when the college believes the SfA priorities for provision work to its disadvantage. We suggested in our previous report on the SfA that the following criteria can be used to judge a college's active commitment to SfA:

1. acceptance unambiguously by governors and management that the college's mission is to serve the whole local community
2. acceptance that the college can continue to improve the quality of provision and outcomes for **all** its students i.e. a culture of self-criticism and learning within the organisation.

3. a relationship of trust and respect between the LSC Executive Director and the Principal.
4. belief that high aspirations for college students will be supported by the LSC in practical ways
5. a perception that the LSC is problem solving rather than simply judgmental
6. a proactive and open approach in all their dealings with the local LSC.

2.8 Frontline managers in the colleges we visited feel that further education is regarded by the government as more important than in the past. But senior staff are still concerned that colleges are under recognised compared with schools and universities. Perceptions of government policy and the implementation of SfA are now inevitably being affected by concerns about funding for 2004/5. Some colleges are concerned that planning may result in cuts to established successful provision. They fear this may happen because of the need to switch existing funding to new priorities agreed in development plans last year for which there is now a lack of new growth funding.

## Recommendations

### To DfES and LSC

- (1) Continue to relate all key developments to the SfA strategy and provide analysis of the difficulties and obstacles, which arise with implementing SfA.**



## To LSC

**(1) Some local LSCs need to judge more accurately the effectiveness of their working relationship with colleges and colleges' active engagement with SfA. There is a list of criteria in paragraph 2.7 above.**

### 3.0 Strategic Area Reviews (StARs)

#### Findings

3.1 Two of the test bed StARs offer valuable understanding of aspects of understanding of aspects of what is required to make the StAR processes effective. The colleges we visited in these areas had a clear understanding of the strategic agenda being pursued and welcomed this clarity even if they disagreed about some details.

The colleges also felt that the local LSCs had strong strategic leadership, which was supporting the sector and could be relied upon to address the substantive issues. The colleges were fully committed to the processes and felt there was real value in them.

3.2 We found that this clarity of strategy and purpose was missing in the some of the other local LSCs which we visited. There may be a number of reasons for this; for example, the extra resource and focus for StARs in the Testbed LSCs, lack of continuity of key senior staff, other major strategic developments.

The consequence was that colleges in those areas were not sufficiently engaged. We had a sense that there was not a strong enough appreciation amongst some colleges of how radical a shift the Government's post-14 strategies –underpinned by SfA - are seeking to achieve in the ways provision is delivered and the offer available. The greatest challenge is at 14-19. Here, the aim is to move from a system built around demand and competition at only level 3, with the other 45% of learners hopefully fitting in somewhere, to a system which will offer every 16 year old a choice which will bring success. This vision being addressed in Tomlinson's curriculum planning has to be matched by implementation planning through StARs.

3.3 Sector skills have moved centre stage and local LSCs and colleges are clear that a radical outcome in quality and quantity is looked for across provision for young people and adults.

But both local LSCs and colleges are cautious about how quickly this can be achieved. There is a risk that this caution might temper radical thinking within StARS.

Colleges have two concerns about planning for skills needs as a whole: planning should be incremental rather than aspirational so that they are not destabilised financially; and planning should be demand-related.

Local LSCs, for their part, see close co-operation with

Regional Development Agencies (RDAs) and Sector Skills Councils as crucial. But Sector Skills Councils (in so far as they have yet been created) are at early stages and they cannot yet make an impact.

- 3.4 Everywhere we visited there was evidence that collaboration between schools and colleges (and occasionally WBL providers) for 14-16 year olds has made substantial progress during the current year 03/ 04. Colleges feel there is a need now to clarify policy in this area in order to move forward.

The main concerns expressed by colleges are: that a long term and adequate system of funding for this work has not yet been created and that this may reflect a lack of appreciation at the DfES of how expensive such provision is; that the demand from schools is outstripping supply; that inappropriate specialisation needs to be safeguarded against; and that quality standards need to be developed if volume is to grow.

Some colleges expressed concern about how demand is being identified in schools and whether the full range of pupils have the opportunity to consider a college experience. At present volumes are relatively small compared to other provision within the college (150 - 300 learners per college), but this is appropriate at a developmental stage and trust is being built with schools, which will yield wider benefits.

- 3.5 The current major focus of the StAR in many LSC areas is perceived to be 16-19 provision rather than adult skills or adult and community provision. This is possibly because with area inspections having taken place or underway in many areas, StARs has built on this work, rather than starting from scratch. However, despite national guidelines, we found a perception that decision-making powers in relation to 16 - 19 provision are unclear. As a result, the colleges we visited were often sceptical of whether there will be outcomes of value for learners. There is perceived to have been a heavy emphasis in many local LSCs on the supporting processes (i.e. data collection), which are seen to be bureaucratic, rather than identifying strategic options.

This reflects the point at which many StARs were when we talked to local LSCs and colleges. Local LSCs, LEAs and colleges await decisions about the StAR proposals in Sussex and Gloucestershire, where some more radical changes in the patterns of provision have been proposed, with interest.

Generally, the colleges we visited believe there to be no political backing for the LSC to take decisions that upset school sixth forms and that the major outcomes will be "fig leaf" collaboration between small 16-19 schools. The Government's policy on choice and contestability in relation to 16-19 provision needs to be reaffirmed to

ensure that this perception can be corrected.

- 3.6 There is a particular problem with confidence in StARs in relation to 16 -19 provision amongst some colleges in London.

We spoke to several London colleges where senior managers are disturbed that 16-19 provision is being reconfigured outside the StAR processes through the creation first of new sixth form colleges (a policy understood) and more recently of City Academies with sixth forms or even a Sixth Form City Academy. They see these two policies as potentially working in contradiction i.e. there is insufficient demand to create new sixth form colleges and new school sixths in the same area at the same time. They also perceive both policies as driven primarily by concern over A level provision and insufficient concern with improving the quality of provision at level 2 and below for over 50% of 16 year olds. Finally, there is concern that City Academies are outside the whole SfA and StARs frameworks. The 16-19 policy in London needs to be clarified by the Department and momentum put back into the StARs.

- 3.7 **Mission review** is part of Theme One, but currently seems to have little significance for local LSCs or colleges. There will need to be a review of colleges' missions when the outcomes of StARs are known.

## Conclusions

- 3.8 Where a strong local strategic direction has been set, providers understand the StAR process and take it seriously. Elsewhere there is a lower level of engagement.

- 3.9 The effectiveness of StARs would be improved by sharper criteria for decision-making than those set out in the LSC's existing national guidelines. The following need greater clarity:

- National priorities v local demand: Meeting any sort of local demand is not an acceptable argument in itself. Present patterns of local demand have to be built upon and changed so that the needs of all employers and learners can be accommodated. Other public services e.g. health, local authorities and the police, face similar tasks in matching local demand to national priorities.
- Choice meaning a high quality and appropriate offer for everyone (whatever their levels of prior attainment) in an area within the priority categories
- 14-19 Pathways: geared to the needs of the learner and not the provider and working towards the vision of success for everyone
- Specialisation in sector skills: how the StAR will determine more specialised and differentiated roles for some colleges and WBL providers in relation to the local sector skills strategies.
- Collaboration: how the present informal arrangements can be

made long term and costs both contained and funded.

Such criteria need to be understood and accepted by all the stakeholders in a StAR if the best outcomes are to be achieved for learners.

3.10 On the basis of the LSC areas we visited, our view was that the model emerging from StARs is about collaboration and innovation and is intended to avoid large-scale structural reorganisations and to protect a pluralist approach. But for a learner-focussed collaborative system to be built, the power must exist for someone to demand full transparency from all providers and to take decisions in the best interests of learners and employers even when unpopular with some providers.

3.11 Colleges and local LSCs recognised that Area Inspections (16-19 and now 14-19) have provided stimulus and evidence for StARs. But there was concern that Area Inspections and StARs have now become parallel processes, which it would be helpful to bring together. It is also desirable to have inspectorate input on the quality and coherence of sector skill offers across an area for the whole age-range.

### **Recommendations**

#### **To LSC**

**Strategic Areas Reviews will be more effective if:**

- (1) the strategic vision for the review is clearly defined for the locality**

**and it is kept in front of all providers.**

- (2) criteria for decision making within StARs and the evidence/rationale for them are spelled out in more detail than in paragraph 31 of LSC Circular 03/06 (see para 3.9 above)**
- (3) lessons for effective StAR processes are published from the Test Beds.**

#### **To DfES**

- (1) The Department needs to clarify how City Academies fit into 16-19 StAR policy options in order to reinvigorate the StAR process in London.**
- (2) The inspectorates should play a role in supplying information and evidence to support the whole of the sector skills aspects of StARs.**
- (3) Policy and standards need to be defined for taking forward the successful collaboration between schools, colleges and WBL providers for 14-16 year olds.**
- (4) The role of RDAs in the implementation of the Skills Strategy needs to ensure local LSCs retain decision making about local supply.**

## **4.0 Development Planning and Provider Review**

Findings

- 4.1 Both sides now understand and feel at ease with the Development Planning process. Disagreement about data appears no longer to be a significant issue, and local LSCs are more confident about using college-estimated data for planning purposes. Any fears of local LSCs wanting to micro-manage through development plans appear to have gone away. The new LSC planning cycle is appreciated as likely to make the planning process smoother. Some colleges feel that WBL and Foundation degree programmes should be more clearly integrated with their development plan as a whole.
- 4.2 All colleges undertake self-assessment reviews, which usually feed through to their Development Plan. Most self-assessment processes are well developed from the bottom up. The common inspection framework is popular as the basis of this although it can result in unnecessarily lengthy written outcomes.
- 4.3 Most local LSCs and colleges feel the first year plans were a compromise between completing a new process within a tight time-scale and making substantial changes to provision. As a result the first set of plans have had a limited impact. We even met colleges who kept their targets conservative to strengthen the likelihood of premium funding. Learner number targets were the main area where disagreements arose when local LSCs wanted the numbers increased. But colleges have owned their targets and generally expect to meet them.
- 4.4 We asked local LSCs and colleges whether development planning had yet resulted in any benefits for learners: most people felt unable to judge this. A few, who did, judged that there has been a gain in terms of better progression planning for Level 1 and 2 students. Local LSCs and colleges both expect that in the second year of plans there will be more reshaping of provision, particularly given the lack of growth funding. Local LSCs feel they can bring more knowledge and strategic thinking to the second round. There is agreement that the only way to judge the value of the outcomes planning (development plans and changes to provision resulting from StARs) will be in terms of improved participation and success rates.
- 4.5 Some chairs of governors were critical that development plans only run to 2006. They fear that the two-year horizon may be having a negative impact on longer term strategic planning in their colleges. Some colleges have combined their previous strategic plans and current development plan into a single document because they sensibly want only one working document, or their development plan is a summary of their strategic plan. But this means they are now operating on only a two year horizon.
- 4.6 We asked chairs of governors if they felt LSC planning is freeing colleges up to

concentrate more on the needs of students. Most welcome the emphasis on quality, but do not like being drawn into over detailed scrutiny ie levels of details or professional issues on which they feel unable to contribute. Others are anxious that national priorities may prevent them meeting local student demand. This is may reflect a reluctance to accept planning or concern about loss of revenue.

- 4.7 Provider performance review (PPR):** most colleges are pleased that the scale is being reduced and it is being more closely linked to reviewing the Development Plan. But there remains a lack of clarity on the part of some colleges about the purpose of PPRs. These colleges do not appreciate that there must be regular judgements by local LSCs of how all the providers in their areas are performing.

#### Conclusions

- 4.8** Headline targets dominate the planning: learner numbers and success rates are the key concern for both parties, and the other targets are seen as subsidiary. This is understandable because numbers and success rates relate directly to national funding. But lack of attention to qualitative issues behind employer engagement targets and teacher qualification targets may have a damaging long-term impact on the SfA strategy. Real closer collaboration with employers is a high priority and there must be certainty that the targets will improve this. Teacher qualification targets

on their own may not be sufficiently indicative of the quality of workforce development in a college. It is now recognised by DfES/LSC that the purpose of employer engagement targets needs to be clearer. Teacher qualifications are only a proxy for the vital task of long term professional and leadership development strategies within colleges. A review may be needed in this area.

- 4.9** Local LSCs see a clear relationship between national and local targets. But some colleges regard them as inflexible 'hand downs' from the centre that do not reflect the local area or the circumstances and opportunities of the particular college. The tension between national targets and the demand of individuals in a particular place and time is inevitably an issue. But there also has to be a recognition in colleges that often demand for education is unequally expressed (e.g. people who have some want more – hence level 3 being more popular than level 1 and 2). The art of public service management is to lead people into this more difficult, but nationally important territory. The experience of colleges of some loss of autonomy in return for more funding and a more crucial role in the overall planning of the system is not unique to this sector. In health, GPs have had a similar experience with the setting up of the primary care trusts.

- 4.10** College dissatisfaction with development planning usually relates to the ring fencing of

cash within the plan, particularly in relation to Skills for Life and Level 2 courses for adults. The importance of Level 2 work (for young people and adults) in hitting national targets at Level 3 and for HE does not always seem to be appreciated by colleges. This is probably because many colleges see increased risks in putting on more Level 1 and 2 courses (more difficult retention, poorer results, lower inspection grades) and see no incentives. This issue of reluctance to expand level 1 and 2 programmes because of risk needs addressing urgently. It is a serious obstacle to the pursuit of the national priority of a quality offer for every young person regardless of their prior achievement

- 4.11 Colleges also expressed many concerns about possible cuts in 04/05 to non-nationally accredited provision, which is vital to access and progression for some priority students. This is an issue the local LSCs we met were aware of.
- 4.12 Chairs of Governors are rightly focussed on the needs of their areas and their colleges. They mainly hear about local LSCs' policy and practice at second hand. Their role in identifying key strategic tasks and leadership for the college needs reinforcing and affirming.
- 4.13 Development plans are the frameworks for planning and accountability between colleges and local LSCs. We found the plans of inadequate colleges reflected the commitment of both sides to

get to grips with poor performance. However, both sides are also quite clear that a plan is only a plan and that substantial improvements depend on the leadership, skills and resources within the college.

### **Recommendations To LSC**

- (1) Local LSCs need to convince all colleges that local targets relate to local needs. The case for more Level 2 provision for young people and adults continues to need to be presented strongly. Incentives need to be increased for colleges in relation to Level 2 programmes. Financial incentives could be used and there needs to be public recognition for colleges which are particularly successful in progressing Level 2 students to successful outcomes at Level 3.**
- (2) The case for integrating WBL and Foundation Degree programmes into Development Plans needs to be piloted in the 05/06 planning round.**

### **To Colleges**

- (3) Governors and staff at every level need to understand that it is a high priority to improve choice and progression at Level 2 if they are to cater comprehensively for their communities.**

**(4) Development Plans for 04/05 - 05/06 do not replace longer term Strategic Plans, but should be integrated with them.**

**To DfES and LSC**

**(5) Headline targets**

- **Employer engagement targets need to have clearer purposes and parameters.**
- **The teacher qualification target alone is not an adequate indicator for workforce development and the professional capacity of staff.**

## **5.0 Accountability**

Findings

5.1 Colleges owe accountability to four major groups of stakeholders: to government, to governors, to staff internally, and to 'customers' i.e. learners, potential learners, and employers. Colleges recognise that efforts are being made to reduce the burden of accountability for them but still consider the weight of accountability to statutory bodies and regulators outweighs the others. Providers question the current justification for accountability arrangements to government on two main grounds: (1) the same or related information is required in different formats by different bodies - for example, LSC, OFSTED and ALL; and (2) the amount of administration required is out of proportion to any possible benefit. We did

not question colleges about recent efforts to reduce the accountability burden - for example around audit arrangements - but the issue was not raised as often as last year.

5.2 Benchmarking data provided by LSC is valuable to colleges, although often not available for WBL qualifications. Widespread support was expressed for the proposals in *Measuring Success* to include value-added in future data because a value added dimension would make comparisons more meaningful. Front line managers were not familiar with the detail of the proposals and there was little recognition that value-added will be extremely difficult and time-consuming to implement for a whole college. But their enthusiasm reflects the view that value-added data would make the range of indicators broader and more balanced, particularly for institutional comparison.

5.3 We asked local LSCs and colleges about the best forms of accountability to potential learners and their parents. People applying to a college need to know not whether it is "a good college", but whether the course they are interested in will be good for them in terms of such things as programme content and level, learner support, social compatibility, outcomes and what people do as a result of the course. This was not a aspect of accountability to which people seem to have given serious thought. College prospectuses are marketing led and do not often fully



reflect the views expressed. In some instances college managers stated course guidance interviews do provide this range of information.

- 5.4 The way data accountability impacts on the administrative burden of front-line staff varies considerably between colleges depending on the extent teacher record keeping is on-line. Where it is, the burden appears to be felt less.

### Conclusions

- 5.5 The basis for intelligent accountability to government is a single set of transparent data published by a college, WBL provider or sixth form. This data set should be built up from the data of value to governors and staff in managing the organisation. The data can then be manipulated by funders, regulators and partners as they wish. This high level data may be important for regional and national accountability and for institutional comparisons, but is often of little value in itself to others - for example, whole college performance indicators reveal nothing meaningful to a potential learner, whose interests lie more in course options, teaching quality, learner support and progression opportunities.

- 5.6 Providing all the information and transparency an individual needs to select the right course is the most important form of accountability for a learner-focussed service. This crucial aspect of accountability receives a lot less analysis and innovation than

accountability to funders and regulators. The reason for this is there is so much upward accountability that providers already feel over accountable and other stakeholders are inevitably squeezed out. One way would be to build information around the matters that are most important to learners that have been identified in the Mori survey. Another way would be to build up information about whether learners felt afterwards, say three months into their programmes, that they had received all the information they needed to choose their course.

- 5.7 It can be easy for colleges to welcome new accountability measures, such as value-added, and then complain about the administration involved when they are implemented. Administrative systems should be designed at the same time as the policy is decided.

- 5.8 Curriculum managers and teachers are most directly affected by accountability systems for awards and accreditation. Huge amounts of their time have to be spent on this work. The complexity of some award systems is disproportionate to their value. Controlling the administration associated with the introduction of the reforms proposed by Tomlinson and the ones to be proposed for sector skills will be critical to the success of these reforms.

### Recommendations

**To DfES/LSC and the Inspectorates**

- (1) **The data needs of both the LSC and inspectorates should be met from a common data set for use by all agencies.**
- (2) **The administrative burden of awards and accreditation should be reduced as an integral part of 14-19 curriculum reforms. This area of reform is recommended in the Foster report on bureaucracy.**

**To LSC/Colleges**

- (3) **Colleges should give a higher priority to information and transparency for potential learners at programme and level and this should be recognised by LSC as important as upward accountability.**
- (4) **Greater investment should be made in on-line data capture as a routine part of teachers' administration.**

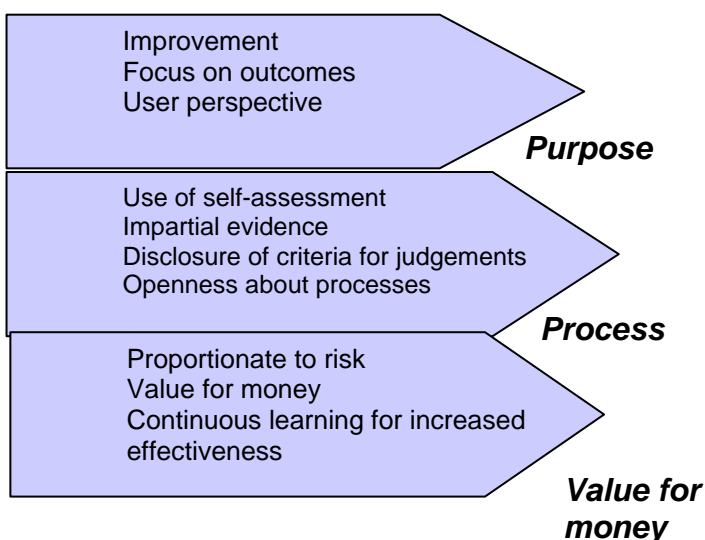
**6.0 Inspection**

Findings and analysis

6.1 It is a unanimous view that Inspection has been a key driver of improvement over the last 10 years for colleges and more recently for WBL providers. The Common Inspection Framework has set the standards for the sector

and is widely supported. The Framework also provides the basis for self-assessment review. Colleges also highlighted the contribution inspection makes to capacity building in relation to quality through the "nominee"<sup>1</sup> system and through the use of current practitioners as associate inspectors.

6.2 Our findings about current inspection arrangements in colleges are usefully analysed in relation to the Government's policy on inspection, which has the following principles:



**6.3 Purpose**

Change and development are critical to *Success for All*. It is important that colleges expand and innovate in such areas as *Skills for Life*, Levels 1 and 2 work generally and WBL. These are all high-risk areas in terms of inspection outcomes for colleges. The

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<sup>1</sup> Under the nominee system for colleges, a member of the College staff works closely with the inspectors and learns much about the processes of collecting evidence and judging quality. Unlike WBL inspections, the college nominee is not present for the inspectors' grading meeting.

Ofsted/ALI inspection is a snapshot of performance at a moment in time. It does not give positive recognition to risk taking or development. It therefore discourages change and encourages conservatism. This approach makes many colleges highly risk averse and encourages 'development blight' for a substantial period prior to inspection visits. Leadership and management are the key to change, but are not assessed independently of current curriculum quality i.e. leadership and management grades on average mirror curriculum grades. If inspection is to support SfA rather than slow it down, there should be two judgements: one measuring the current quality of provision, the other measuring evidence of institutional capacity for change, improvement and innovation. The Audit Commission evaluates capacity for change and development when inspecting local authorities.

### **Process**

- 6.4 The major criticism of some better colleges is that the current undifferentiated model of full scale inspection (i.e. the same for all providers every four years) is poor value in for them when the costs for the colleges and inspectorates are weighed against the benefits to the public, colleges, LSC or employers. Other colleges, however, insist that preparations for inspection and external evaluation are valuable disciplines and they would be very unhappy to be excluded from all inspection

on that the grounds that they are already good. Most colleges expressed a preference for more frequent, shorter inspections: perhaps every two years focussing on a small number of curriculum areas.

- 6.5 There is a unanimous view amongst the colleges visited that if the new inspection arrangements are to be proportionate and risk based, Inspectorates will require better knowledge of the context and development of colleges. Many colleges favour basing this on the data available through the LSC and on a sampling of the self-assessment review. Colleges also favour a system of geographical attachment as part of an inspector's role, with occasional monitoring visits and dialogue with colleges in an area to build up the inspectorates' contextual knowledge. Colleges accept it is not the inspectors' role to give formal advice, but they believe the lack of any dialogue in the current system is wasteful of the unique pool of knowledge possessed by full-time inspectors.

### **Value for money**

- 6.6 The quality of reporting inspectors is perceived as crucial to a balanced and fair outcome. There are criticisms of some individual part-time inspectors. There is a need to ensure that part-time inspectors experience is recent and that there is a rotation of these positions
- 6.7 Colleges with inadequate provision, which have been subject to monitoring visits

and re-inspection, reported positively on this system as a stressful but effective way of supporting the need for major improvement. Managers consider feedback on monitoring visits against the action plan provide more constructive feedback than inspection itself and welcome this. Managers consider the current timescales for re-inspection are the minimum necessary to achieve improvement.

## **Recommendations**

### **To DfES/the Inspectorates**

- (1) The new inspection system should be consistent with the Government's Policy on Inspection. In particular, it should be proportional (less or more against performance), risk-based (involving the use of self-assessment and provider performance review), and should evaluate both performance and the college's capacity to improve and develop.**
- (2) The overall volume of inspection should be reduced, but there should be some level of regular inspection work in every college.**
- (3) Within the proposed new system, inspectorates will need a geographically - based link to providers and with the LSC for both planning the new inspection programme**

**and contributing to ongoing strategic area reviews in relation to 14-19 and sector skills.**

## **7.0 Capacity building and quality improvement**

Inspection and quality improvement

- 7.1 There are clear limitations to the contribution inspection can make to improvement. We found there is a danger that, because of the power of inspection, quality improvement can be modelled too closely on inspection itself. Several colleges we visited were giving emphasis to "mock inspections" as part of their quality improvement. Inspection cannot explain how quality can be improved and weaknesses overcome in a particular context. This is the essential task of leadership and management at every level in a college and, most importantly, of teachers and trainers themselves. *Success for All* recognises the need for clear quality improvement strategies, in particular through Theme 2 and in Theme 3.

Findings

- 7.2 There is widespread support for a fully qualified workforce and for leadership and management training. The setting of national standards for these activities is seen as an essential role for the DfES. Current initiatives for both these areas are supported, but anxieties are also expressed. Several college

curriculum managers said that some teachers recently trained on Certificates of Education could not reliably meet the standards in the Common Inspection Framework. And there are concerns that Leadership and Management Training is not yet sufficiently rooted in an analysis of the particular challenges and contexts of the sector. Colleges also perceive a relative lack of separate attention to or standards for analysing strategic capacity through inspection ( see section 6.0 above).

7.3 We asked colleges what external agencies and the centre, in particular, are contributing to quality improvement on the ground. Many people that we spoke to feel they are overwhelmed by 'help' in the form of publications and materials on websites from DfES, LSC, OFSTED, ALI, LSDA, NIACE and other agencies. 'Help' comes to often at a pace and in a form that is not easy to digest or differentiate. Some large colleges scan and filter incoming material and direct it towards appropriate curriculum managers, who find much of value. But some senior managers take a critical view and query whether this is the most effective way of helping their colleges develop organisational capacity for change and improvement.

7.4 Colleges appreciate the local development money they receive for improvement. Colleges and providers who are addressing demanding action plans arising from inspection know they have to provide more time for all staff

to bring about improvement. For example, for staff to develop embedded models in Key Skills and Skills for Life. Some colleges feel that resources for front-line staff to improve quality are not prioritised as highly as money going to central agencies to improve quality.

7.5 Teachers whom we met who are directly involved in the national pilots of the Teaching and Learning Frameworks for key curriculum areas (including ICT, E2E, Health and Social Care, and Science) are expressing interest and enthusiasm. But most of the senior managers we met did not understand how the frameworks are intended to contribute strategically to their responsibilities for quality, even in the colleges where the pilots are taking place and their own staff are enthusiastic.

7.6 **Premium funding** is not viewed by the great majority of Local LSCs and colleges we visited as an effective tool to support quality improvement or innovation. This is because only a small number of providers can secure it and the criteria are consider out of reach of the majority of colleges.

## Conclusions

7.7 The centre has a key role to play, in developing national strategies for improving the quality of teaching and learning and for providing the conditions for quality to prosper. But there is a danger that the strategies are not understood by those who lead

colleges because there are so many different initiatives directed at them. There needs to be a clearer differentiation of roles in external quality support work. On the one hand, there is the strategic development work to improve quality, which can only be commissioned and managed from the centre. On the other, there is a whole range of other action research, evaluation and staff development initiatives, which can be very worthwhile, particularly for those directly involved, but should not be presented as national in its significance.

7.8 There is plenty of evidence that such local and regional support work can be valuable when it is based around communities of shared professional interest inside and between organisations: for example, groups of Skills for Life practitioners, networks around Centres of Vocational Excellence and links set up between providers. But this support work should not be confused with the more radical strategic developments for the sector as a whole. It is also very important that senior staff feel a stake in these local and regional activities. The Specialist Schools Trust networks are interesting examples: they are supported regionally by the Trust, but the particular schools control and pay for the activities.

7.9 The Teaching and Learning Frameworks are rightly concentrating on working with practitioners. But the development and dissemination strategy for these Teaching and Learning Frameworks is intended to

address long term change and institutional embedding. We would emphasise on the basis of the views of senior managers we spoke to that part of dissemination is to join up this important classroom-based work with teacher training standards and with leadership and management roles and training. The increasing emphasis coming from DfES and OFSTED that pedagogy needs to derive from the specialist curriculum areas and levels being taught, as well as from the generic needs of learners is not accepted by some in the sector, particularly it seems at senior strategic levels. There is a long tradition in some parts of further education of a more generic approach, which has also informed much management practice. To change this, one task of the Leadership College could be to examine and challenge this tradition as necessary.

7.10 The quality improvement agenda in *Success for All* is radical: it aims for professional communities of teachers who can sustain quality improvement across the sector and are also ready to handle the big professional challenges ahead arising from the proposed Tomlinson 14-19 curriculum reforms and the sector skills councils strategies. Addressing this agenda requires full understanding of the development strategy on the part of the senior teams in colleges and it requires centrally managed sharply focussed research, development and capacity building which is understood and valued by all.

## **PART TWO: WORK-BASED LEARNING PROVIDERS**

### **Recommendations**

#### **To DfES**

**(1) National funding for quality improvement should be focussed only on *strategic* development work (and any related research) directed at national standards.**

**(2) The dissemination of the Teaching and Learning Frameworks and the underlying pedagogic principles should be targeted at the senior staff of colleges and at teacher trainers and the Leadership College, as well as teachers and curriculum managers.**

#### **To LSC/Colleges**

**(3) Local LSCs should work with colleges to build closer ownership of the range of valuable regional and networking activities, often organised through the regional arms of national agencies, so they enhance whole institution quality improvement strategies.**

### **8.0 Success for All and the wider context of work-based learning**

8.1 The first section of this report sets out the aims of the project and how the work was carried out. We visited thirty-three Work-based Learning (WBL) providers and their local LSCs in twelve areas.

8.2 WBL providers are characterised by their diversity. The providers visited varied greatly in terms of size (from 14,000 learners to 100 learners), areas of learning provided, ownership (nationally 62% of providers are not for profit and 38% are commercial), and reasons for being in business. The views of providers were also affected by their contracting arrangements, by their relationships with their local or lead local LSC, by how successful they are and by the demand for the areas of learning they offer. A relatively small number of providers (about 40 out of 950) deliver approximately 50% of WBL contracted by the LSC.

8.3 Contracting arrangements for providers are complex reflecting their diversity and the fact that the geographical operations of providers are national, regional and local so they frequently do not align with the geographical areas of single local LSCs. There are

four types of contracting arrangements:

- **National contracts** with LSC HQ. These are relatively few in number and only with either major national employers who undertake WBL for their own workforce development and or with major single sector trainers.
- **Lead contracts** with a single LSC but covering delivery in a significant number of different LSC areas. These providers may be national (eg NACRO) or local.
- **Contracts with several local LSCs:** These are providers in several areas but not large enough to warrant a lead contract.
- **A contract with a single LSC** for a local provider.

8.4 Senior staff amongst providers understand the broad strategy of Success for All (SfA). However, LSC-funded contracts often only constitute part of the work of the organisation - sometimes a small part - alongside a variety of other work both public and private. So SfA is not and cannot be as central or overarching a strategy for their organisations as it is for colleges. Training and other operational staff generally have little knowledge of SfA as a whole, but they are aware of the drive to raise quality, in terms of success rates and staff qualifications. Amongst some providers, particularly the more successful and the larger

ones, the implementation of SfA has had a positive impact in terms of planning, collaboration and attention to learner success.

8.5 There is a widely held view across the range of providers we visited that providing WBL has become more difficult. However, funding through the LSC has actually increased considerably over the past two years. Reaction of providers to SfA as a strategy is often clouded by other concerns.

These concerns include: the LSC's reduction in the number of free standing WBL contracts; the lack of a perceived level playing field with colleges in terms of financial resources; and a belief amongst many that providing WBL has become less supported over the last few years although outcomes are more demanding. This has led to cynicism and suspicion in the sector about the government's plans for it and about the way the local LSCs are treating WBL providers - even where inspection grades were high, improvements being made and growth being forecast.

8.6 These perceptions require addressing, but there is also a need to contextualise them within a wider picture of the challenges faced by WBL providers and to recognise that the changes introduced by the LSC - stemming, in part, from SfA - is usually only one of the challenges. There would appear to be three broad factors impacting on providers:



- **The fragmented nature of the market demand for WBL.** Aspects of this are: the differing relevance of WBL to different occupational areas and employers e.g. ICT and construction; the complexity of approved qualifications and competition from other qualifications.
- **The limited capacity of the leadership and management of many provider organisations** (reported in inspections and Provider Performance Reviews), particularly in relation to managing staffing, managing the relatively sophisticated level of business planning now required by the LSC and, sometimes, closeness to employers,.
- **The changing requirements of the LSC** in relation to planning and accountability, quality and outcomes and to contracting arrangements, some of which arise from SfA.

These first two issues need to be borne in mind when considering the difficulties and criticisms reported here. It is

also important to note that we met some providers who are very successful and are making strong financial returns within the current arrangements.

8.7 Local LSCs are working to give high priority to work-based learning in line with the Skills Strategy. Many of the local LSCs we visited believe

they face major problems in doing so because:

- Demand from employers is frequently low and from suitable young people is often low, particularly in some parts of the country.
- Sector Skills Councils are very new and have not yet produced their agreements.
- Some WBL providers are weak in terms of quality and in terms of responsiveness to market opportunities. Currently, inspections are findings about 32% of providers inadequate: still a high percentage, but better than a year ago.
- Some colleges are reluctant to provide WBL for reasons of risks, outcomes and costs and the likelihood of poor inspection outcomes as a result.
- The time invested in WBL by local LSCs should be proportional to the value delivered.
- The LSC inherited a tradition of micro-managing WBL contracts which created a culture of provider dependency.

8.8 In this report, we seek to analyse how the SfA reform strategy can be applied across fragmented WBL markets and across a complex set of providers. We appreciate this is a demanding task.

## 9.0 Restructuring the organisation of WBL providers

### Findings

9.1 In most LSC areas visited, the number of WBL contracts has reduced by at least half over the last three years. Providers are critical about what they perceive as a lack of common national approaches to this rationalisation.

9.2 Local LSCs have been using a number of organisational solutions to solve the urgent problems of poor quality, lack of management capacity, fragmented provision and high inherited transaction costs:

- Clustering providers on an area basis around a single lead provider (sometimes a college), who holds a single contract
- Contracting a consortium who hold a contract on behalf of several providers
- Funding a post within providers' associations to support quality and management
- Encouraging mergers

Quite independently of the LSC contracts have also reduced as a result of some providers giving up their contracts and of some deciding to go out of business.

9.3 There is a mixture of reactions to the way that the provider base is being rationalised. When it is done well, providers support the coming together

under a hub that has the capacity to undertake some of the tasks that are beyond the smaller provider. However in some cases we found that the way the metamorphosis has been managed has created uncertainties and suspicions amongst providers. Unsurprisingly, WBL providers prefer rationalisations which they themselves propose and can be suspicious of sub-contracting through colleges. The LSC has supported development work with the Association of Learning Providers on how collaboration can work well.

9.4 On the other hand, some of the most successful providers we met are eager to expand. They want growth at the expense of other providers and do not think it is the LSC's job to support less effective providers.

9.5 National and regional providers often complained that it is difficult for them to establish effective working relationships with all the local LSCs where they provide. Such providers believe this can result in them being considered less in the award of contracts than 'local' providers.

9.6 We found considerable concern about sub-contracting arrangements, shared by WBL providers and by colleges and by ALI. National providers do not like the exclusion of sub-contracted provision from their own inspection. Small providers can feel their status is lowered and their future potential reduced. Some colleges, as lead providers, feel they have a responsibility

for quality, which they cannot always exercise with confidence and which may reduce their inspection results. But sub-contractors are most unhappy when their money is top-sliced because they receive less.

## Conclusions

9.7 The process of improving the WBL provider base and making it more manageable would be assisted by the LSC's use of explicit criteria about the characteristics of successful WBL providers. We suggest the following as a starting point:

- in depth expertise about a limited number of career routes;
- effective links with a group of appropriate employers and the capacity to respond to their needs;
- responsiveness to changing skills needs and industry methods ;
- skills in providing flexible and personalised programmes for learners at appropriate times and places;
- an appropriate high-quality learning environment;
- providers with clarity and confidence about their values and mission ;
- critical mass (about £3+ million turnover) to support a reasonable level of infrastructure overheads
- and the leadership and management skills to achieve all the above.

9.8 Providers are needed with all these characteristics or the capacity to reach this standard if SfA and the Skills Strategy are to be implemented. Such criteria are also important in mission reviews. LSC's need to consider the lessons so far from restructuring and consider whether a more radical approach is needed in some places, for example, by bringing in successful providers from elsewhere. The LSC should not continue to support poor providers' improvement when learners' interests would be better served by an alternative provider.

9.9 There is a need to identify more clearly the distinctive role of colleges in WBL provision because many WBL providers are critical and insecure about the role of colleges. We came across excellent examples of successful collaboration between WBL providers and colleges, but generally both sides need to work on collaboration brokered by local LSCs.

9.10 An examination of the recent history of the rationalisation of housing associations might be relevant in analysing options for moving forward. The housing association sector had far too many associations and consequently was experiencing similar problems. With help from the Housing Corporation to enforce mergers and reorganisations, housing associations now have sophisticated group structures and can respond to local circumstances whilst

remaining nationally competitive.

## Recommendations

### To DfES/LSC

**(1) Complete the programme of rationalisation and reorganisation of contracts as quickly as possible. Set clear criteria which providers have to meet in terms of capacity and flexibility (see paragraph 9.7 above). Do not support poor providers' improvement when the interests of learners would be better served by alternative providers even if this requires some temporary loss of places.**

### To LSC

**(2) Evaluate evidence as to what sorts of group contracting arrangements are working best and publish it.**

**(3) Explain how collaboration between WBL providers and colleges can strengthen provision.**

**(4) Operate transparent and standard funding arrangements for sub-contracting and ensure consistent levels of funding reach learners.**

**(5) Set a time scale to move to plan-led funding for good provision.**

## 10.0 Communication and trust

### Findings

10.1 There is a markedly lower level of confidence and trust on the part of WBL providers in their local LSCs than we found amongst colleges. Less than half the 33 providers we visited felt they had a positive and effective relationship with their local LSCs. There are, of course, a variety of reasons for this. Some of these relate, unsurprisingly, to the restructuring of contracts (discussed in the previous section 2) and others to StARs and to contracting arrangements, which we will deal with in later sections.

10.2 But there are some common themes in provider criticisms. local LSCs are correctly perceived to be adopting a more hands-off and less closely supportive approach. But this change is not perceived as part of a new and more strategic relationship, but is regarded as indicative of staff shortages and of less importance being attached to WBL providers. Providers cite as evidence of these views that being a WBL contract manager is a difficult and unpopular job. Contracts managers are perceived to be caught between the regulatory and administrative requirements of the LSC and the needs of providers. Contract managers can change as frequently as every six months. This discontinuity leads to a lack of retained knowledge in the LSC about providers, which is frustrating

for them. These difficulties are considerably increased when a provider is contracting with several local LSCs.

- 10.3 There is seldom yet recognition by providers of a partnership relationship with the LSC; they feel they are still working for rather than working with. A significant number of providers state the LSC is not open with them and they do not understand what is happening. Local LSCs are clearly aiming to deal more strategically with providers in line with the principle of devolution in SfA. The difficulties may in part be arising because the LSC staff who handle WBL contracts are essentially operational in their approach and may not be effective in communicating the wider SfA vision. In this way, providers may perceive conflicting messages.

## Conclusions

- 10.4 There is a need to build better levels of trust with providers. This is unlikely to happen until the processes of restructuring WBL contracts is complete. It is only then that providers will be clear and confident about their future role in the system.
- 10.5 But there remains the need for changes in the conduct of LSC/provider relationships. It is important to continue to streamline funding and reporting. Although there have been simplifications over the past three years, one college WBL manager said "The college would be unviable if it had to do this level of admin for all its provision." Important directions for change in the

relationship between local LSCs and WBL providers are analysed in the latest report of the Bureaucracy Task Force, *Extending Trust*.

- 10.6 For general communications, another factor is the diversity of the sector. It is difficult to reach WBL providers with a single communication strategy. There are such major differences in terms of scale, specialisms and types of provision between providers that communication needs to be segmented in terms of different groups of providers. This is particularly the case with reference to teaching and learning and staff development.
- 10.7 However, for there to be more effective communication and better levels of trust, providers need to recognise there is a price. They need to be more transparent and open with their data (not argue commercial confidentiality), to be committed to consistent quality, to be willing to work in viably sized units and to collaborate with other providers in the sector. All providers need to accept that a more strategic relationship is appropriate for independent and private providers operating outside the public sector and this requires a move away from close support from the LSC.

## Recommendations

### To DfES/LSC

- (1) Segmented communication strategies are needed to**

reflect the diversity of the sector. It is also important to clarify the respective roles and responsibilities in communicating to the sector of DfES and LSC.

#### To LSC

- (2) Communication systems for lead local LSCs ( ie when a large amount of a contract is delivered in other LSC areas) need to be made more effective in consultation with WBL providers.**
- (3) Greater stability of contract managers is needed and better systems for maintaining continuity when the manager changes.**
- (4) Contract managers need the discretion to manage the LSC's relationship with providers in the new style. But some of them also require training in effective relationship management.**

#### To Providers

- (5) Providers have to recognise their responsibility to provide transparency, high quality and to accept an arm's length relationship with LSC.**

## 11.0 Strategic Area Reviews

### Findings

- 11.1 The local LSCs we visited have all made efforts to involve providers in StARs. However, in most LSC areas, providers do not feel much involved. There are several reasons articulated for this:
  - Small providers may find involvement too time consuming if it requires regular attendance at meetings.
  - Some large national providers feel they do not have the opportunity to become involved in all the areas where they have an actual or potential interest.
  - The StAR may appear to be largely focussed on schools and colleges.
  - The StAR may not appear an important forum. For example, decisions on the rationalisation of WBL providers are taking place without the StAR having been completed.
- 11.2 There may also be another reason: many private WBL providers see themselves as a distinct and separate group from colleges. Such providers feel their priority is to be aligned with employers and this is the best guarantee of their futures. They may not want to see themselves as part of a local network of wider educational provision: for example, they are focussed on one industry, or they may have commercial objectives

which are considerably wider than just providing WBL through an LSC contract. But large national charities, local voluntary providers and Local Authorities have different attitudes. Such organisations are keen to be part of local arrangements and communication.

11.3 Where the strategic planning agenda is moving faster (for example, the Birmingham and Solihull and Sussex testbeds), providers are clear about the strategy even if they do not support it. A number of providers elsewhere in the country expressed misgivings about these strategies and were arguing the case for a more consistent national approach in StARs.

11.4 At the same time, we came across evidence of increased collaboration between WBL providers, colleges, schools and the Connexions service. This collaboration included WBL provider involvement in 14-16 vocational pathways in three areas. We also came across examples of close organisational collaboration between colleges and WBL providers working well: for example, through Centres of Vocational Excellence, joint provision and lead contractor arrangements.

11.5 A number of providers stated that they are unclear as to how the voice of employers, particularly SMEs, is being brought into StAR decisions.

#### Conclusions

11.6 The views of providers on StARs in part reflect a sense of vulnerability amongst some

WBL providers within their local settings. Most WBL providers have not yet found a clear or confident role as part of a sub-regional strategy and are not likely to until they are confident that the LSC's restructuring of WBL contracts is complete.

11.7 It is impractical for all providers (local, regional and national) in an area to regularly take part in the StAR processes. They need to develop collaboration between themselves that can provide genuine representation.

11.8 There is a need to sort out more clearly the criteria which will be used for making decisions about improving the responsiveness and quality of WBL provision in an area, as we have argued for college FE provision (see para 3.9 above). These issues around demand, choice and competition need to be clarified as part of StARs:

- LSC supply-side reforms are more strongly driven by national targets than by local demand, which often has to be stimulated.
- WBL covers very different markets in relation to employers and employment. For example, whilst some providers only cater for learners with employed status, (e.g. the vast majority of Apprenticeships and Advanced Apprenticeships), others provide programmes for the non-employed (e.g. Entry to Employment), which are designed to secure participation and to

end unemployment. The vocational purpose of this provision is motivational rather than reflecting employer demand.

- WBL providers need to be confident that young people in schools receive full information about WBL and that WBL is presented to them as a choice of equal value to other choices.
- In some learning areas, demand maybe large enough for young people to have a choice between one or more colleges and one or more WBL provider for the same type of programme - for example, this is quite often the case for hairdressing. In this case, the choice by a young person will be based on location, ethos, size of organisation, results and choice of workplace.
- In other learning areas, the need may be for learners to have one high quality and appropriate choice. So WBL providers will specialise in some areas and colleges in others.
- Collaboration: How this is to be managed between providers and between providers and colleges.

**Recommendations  
(see also the  
recommendations about  
colleges and StARs at the  
end of section 3)**

**To LSC**

**Strategic Area Reviews will  
be more effective if:**

- (1) there is a workable  
system for the  
contributions, in each  
LSC area, from:**
  - **National and regional  
providers**
  - **Local providers  
working exclusively  
with employed-status  
learners**
  - **Other small local  
providers;**
- (2) there are clearer sector  
skills strategies in each  
area and the LSC spells  
out its policy on choice  
for learners and how this  
impacts on competition  
and collaboration (see  
para 3.9 above);**
- (3) it is more clearly defined  
what aspects of policy  
and decision-making are  
national, regional and  
local in relation to WBL  
in such ways as to  
encourage local LSCs to  
be responsive to local  
employers and to  
learners.**

**To Providers**

- (4) They must organise  
effectively in providers'  
associations so that they  
are able to represent  
each other in the StAR  
processes.**

## **12.0 Planning and accountability**

Findings



- 12.1 As a result of the first year of Development Plans providers are now thinking in terms of three-year targets. Development Plans are viewed primarily as a requirement of the LSC although often welcome. For many providers we visited, LSC work is only part, and sometimes a small part, of their activities. The plan is separate from such providers' business plans and not a working document. The detail and guidance given for planning was felt to vary considerably between local LSCs and this was a frustration for providers contracting with several local LSCs. Some large providers were concerned that lead local LSCs were not very interested in their development plans because most of the plan is delivered outside their areas. Some providers were also concerned that local LSCs, for whom they provide but with whom they do not contract direct, are not fully committed to them as providers and this may make them a low priority when funding is tight.
- 12.2 The requirement to set a three-year horizon for student numbers and success rates, and the existence of such targets offers aspiration and comfort to providers and their customers (employers) even though contracts are still for one year. But many providers are still to be convinced that three-year targets are real: some are being told there is not enough funding for the targets agreed last year for 04/05 and this could undermine their commitment to the value of planning.
- 12.3 Self Assessment Reviews (SARs) based on the common inspection framework have become part of the practice of all providers we visited. The SAR is recognised as an important part of the quality process, but a few providers see it as over elaborate in the length and detail for the nature of their organisations. Among the better-managed providers, the SAR was used to inform the development plan.
- 12.4 WBL requires skills and management information systems, which appear to be difficult for some providers - particularly small community-based ones. The model for WBL funding is complex. To manage efficiently, providers need to be able to plan and forecast starts, progression rates and "earned-value". LSC is perceived by some providers as putting an extra burden on them in respect of MIS by ending monthly processing for them of provider data returns. Reconciliations appear hard work for both sides and this may be an unnecessarily complex system. But the difficulties also point to the need for critical provider mass. There is widespread complaint that LSC student data requirements are different from the requirements of the inspectors.
- 12.5 **Provider Performance Review (PPR)** does not fulfil a consistent role in communication and evaluation between local LSCs and providers. There was some dissatisfaction from providers working in several local LSCs, who were not convinced non-

lead local LSCs make any real contribution to the PPR process.

- 12.6 **Accountability to Learners:** as with colleges, upward accountability far outweighs accountability to potential learners. The heavy emphasis is on accountability to local LSCs and to employers. Little of this information is informative to potential learners ( see Part 1 section 5). What is more the present emphasis creates a feeling of substantial accountability on the part of providers without their meeting the needs of potential learners.

## Recommendations

### To DfES/LSC and the Inspectorates

- (1) **The data needs of both the LSC and ALI should be met from a common data set for use by all agencies, which is collected by the LSC. This data should also be used for Provider Performance Review.**

### To LSC

- 1. Improve communications about planning so that there is coherence for providers who hold contracts to provide in many LSC areas**
- 2. The current round of development planning (summer 04) needs to reinforce to providers the value of planning for both sides. There should**

**be feedback on plans to all providers on behalf of all relevant LSC areas.**

### To Providers/LSC

- (1) **They should introduce greater accountability in terms of relevant information about provision to potential learners. The information required is similar to that set out in para 5.3 for colleges on page 17.**

## 13.0 Inspection

- 13.1 This section should be read alongside the section on inspection in colleges (section 6)
- 13.2 Inspection is viewed by providers as the most vital support for improvement. The Common Inspection Framework and the inspection process itself command credibility and respect. Most of the providers who received poor inspection outcomes are nevertheless enthusiastic about the quality improvements brought about subsequently. The inspection nominee system<sup>2</sup> is seen by providers as an important source of learning for their organisations.

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<sup>2</sup> Under the inspection nominee system, WBL providers nominate a member of staff to work closely with the inspectors throughout the inspection, including attendance at the meeting to decide on grades. This provides the nominee with experience of the processes of gathering evidence about quality and evaluating it.

- 13.3 Our findings about current inspection arrangements need to be analysed in the context of the Government's Policy on Inspection as described in paragraph 6.2 on page 19.

### **Purpose of Inspection**

- 13.4 The Skills Strategy and SfA both require providers who can sustain development and change successfully. Therefore, the argument for inspection to judge organisational capacity to develop and improve outcomes for learners, as well as the quality of provision and

current outcomes, put forward in Part One of this report (section 6) for colleges, applies just as strongly to WBL providers. There will be opportunities for growth and innovation in WBL. It is very important that the most suitable providers are chosen on a sector basis for this growth.

- 13.5 There are difficulties in applying the current, essentially school, model of inspection to work-based learning. Within the time constraints of an inspection, it is often impossible to see much of a learner's experience and inspectors and providers can express dissatisfaction at this. A slimmer model of inspection will result in even less time to observe some providers, so other ways of examining learner experience will have to be devised. In the case of poor providers, there will be more time and a more thorough scrutiny of the whole

delivery model may become possible over a longer period of time.

- 13.6 There is a need to ensure that the right 'bundle' of provision is inspected within a provider to form a reliable view of learner experience and of the quality of leadership and management. This can be difficult because of sub-contracts and because of different management arrangements for different areas of publicly funded provision (eg Learn Direct). For example, some of the key provision of a large national provider may be excluded from their inspection because it is on a sub-contract from a lead provider locally, even though it is subject to the quality assurance of the national provider.

### **Process of Inspection**

- 13.7 The whole inspection process was often characterised by provider as unnecessarily expensive, bureaucratic and resulting in distraction of staff from looking after learners; a lighter touch inspection system would be welcomed.
- 13.8 WBL providers, like colleges, favour more ongoing contact with a member of the Inspectorate and would like to see a less inflexible division between evaluation and advice. Providers would also like to see a link between Provider Performance Review and inspectors.

### **Added Value**

- 13.9 Providers questioned how up-to-date some individual inspectors are in terms of their

knowledge of current industry practice. There were persistent complaints that the LSC and ALI require different data about students. Inspection is seen as penalising providers for the time that learners take to complete programmes regardless of their individual needs.

## Recommendations

### To DfES/Inspectorates

- (1) The emphasis of accountability needs rebalancing so that some real emphasis is given to accountability to learners and potential learners.**
- (2) The broad model of future inspection recommended for colleges applies also to WBL providers, including the vital need to evaluate organisational capacity for change and development - see Part One section 6 recommendations**
- (3) Future arrangements for more intense inspection of poor providers should build on the experience of monitoring and re-inspection and ensure more time is available to evaluate fully all aspects of learners' experience.**
- (4) Resources are required for work-based learning inspectors to maintain their industry knowledge so it is up to date.**

## 14.0 Quality improvement

### Findings

- 14.1 It is appreciated by providers that LSC and ALI have made substantial efforts to assist quality improvement. Providers refer to inspection reports for guidance. But beyond this, providers generally feel there is far too much written advice and guidance about improving quality being directed at them. As a result, they cannot judge its relevance. Face-to-face help from outsiders is often welcome: from consultants, LSDA and the ALI PDU. The *Excalibur* resources and the Standards Unit resources were known amongst some of the providers we visited, but they were not clear about their significance and uses. There are major difficulties in targeting quality advice at WBL providers in general; it is likely only a customised approach will be successful.
- 14.2 But, whatever external advice and support is provided, there is no way around quality improvement as the primary responsibility of the organisation itself. Some providers regard inspection and external consultants as the main source of quality improvement. They may not have internalised quality improvement systems properly. Attention has been given to developing self-assessments reviews (SARs) by providers. Some are enthusiastic about SARs as the key to improvement. But inspectors report that for many small providers "quality systems are still in their infancy", although improving.

- Improvement of learner success can also come about through managing the programme framework more effectively and organising assessment in different ways. For example, one provider reported an improvement of 60% in Key Skills as a result of using on-line testing!
- 14.3 Colleges are under as much pressure to improve their WBL provision, as are other providers. Colleges we visited have all moved to a model which integrates WBL provision more closely with other related specialist teaching in the college. Responsibility for the quality and delivery of those aspects of teaching and learning provided in colleges now lies with the relevant specialists advised by the college WBL unit, which manages the contracts overall and puts its resources into the work of external assessors and liaison with employers.
- 14.4 As a result of Theme 3 (workforce development) of SfA, there is evidence of the provision of increased training and qualifications for teaching staff. But providers are concerned that qualified staff are then lost to colleges; this is a concern about training generally expressed by small and medium sized enterprises, of which many providers are examples. Colleges often offer more attractive employment packages on paper, but the most successful providers we visited maintain they can retain staff through the interest of the work and the very flexible employment packages they can offer individuals, compared with colleges.
- 14.5 We found no familiarity with the work of the Leadership College.
- Conclusions
- 14.6 The college model, that integrates WBL into the broader management of teaching, suggests that collaborative models, bringing together different specialisms, are often appropriate for improving the delivery of the new WBL programmes.
- 14.7 There is a demonstrable need for management development amongst some providers, but this is unlikely to be met by fitting them in alongside colleges in existing Leadership College programmes.
- 14.8 The development of strong management and the consequent internalisation of quality improvement needs to be a focus of the restructuring of WBL.
- Recommendations**
- To DfES**
- (1) The important messages on quality improvement from national development work need to be identified and delivered much more clearly and accessibly and suited to the scale and focus of the different sorts of providers.**
- (2) Teacher training qualifications need to be delivered in ways**

relevant to WBL, where the emphasis is often very different from colleges with work place support and assessment being critical. But all teaching qualifications should be recognised across the post 16 sector. Financial support should be available to those providers who are SMEs within the sector to support workforce development on the same basis as comparable training for other employers.

- (3) Capacity building with providers for managing quality improvement is an issue as is the quality of leadership and management capacity generally. The Leadership College needs to consider the particular needs of different sorts of WBL providers and target and segment marketing accordingly