



Department
for Business
Innovation & Skills

**GETTING THE JOB DONE: THE
GOVERNMENT'S REFORM PLAN FOR
VOCATIONAL QUALIFICATIONS**

EXECUTIVE SUMMARY

MARCH 2014

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Ministerial Foreword



If this country is to have a vibrant and growing economy, it is vital that our education and skills system helps and encourages people to acquire new competences and abilities and to develop further those they have. Vocational qualifications play an important part in this. At their best, they both communicate an individual's competences in a clear and reliable way and can act as signposts for the progress he or she has made. However, a vocational qualifications system which is confusing or contains qualifications of doubtful value will not deliver these benefits.

A series of reports and studies have shown that parts of the system we have inherited are not delivering and are in need of reform. This document describes the steps we have already taken to reform the use of vocational qualifications in full-time education and training, in particular through the development and introduction of Tech Levels. It also describes the way in which employers are taking the lead in developing new Apprenticeships which deliver the full range of competences they need from a successful and productive employee, both now and in the future. Our task is now to ensure that the rest of the vocational qualifications system is of similar quality and has equal endorsement, and that the picture as a whole is a coherent one.

This extends not only to the content of qualifications themselves, the standards on which they are based and the ways in which they are developed and assessed. It also applies to the types of qualifications Government chooses to fund and whether a qualification is the right mechanism to achieve the aims we are seeking. The paper discusses both these issues.

The paper summarises where we have already taken action and provides a time-line for the introduction of our reforms in England. It also sets out new policy initiatives which will take forward our reforms in new areas, particularly building on the review of Adult Vocational Qualifications led by Nigel Whitehead of BAE Systems. Finally, it presents some ideas for future reforms, including the way we currently fund the development and delivery of skills and competences relating to employability. We intend to develop our policy approach in these areas over the coming months, and we will be engaging with awarding organisations, providers, employers and learners as part of this process.

We are engaged in a project which is aimed at transforming the vocational education and training system, making it fit for purpose in a world where skills needs, and the way that provision can be delivered, are changing all the time. This document maps out the next steps in this project and how they may be taken forward by us and our partners.

A handwritten signature in blue ink, appearing to read 'Matthew Hancock'.

Matthew Hancock
Minister for Enterprise and Skills

Chapter One: The Government's Reform Programme

If qualifications are to be effective, it is essential that they are both rigorous and responsive. A rigorous qualification has high quality, and ensures that an individual is stretched, needing to show the full range of competences required for a task. A responsive qualification responds to individual need and employer demand, and helps to get people into work and to progress their careers.

The current qualifications system is complex and difficult for individuals and employers to engage with. This reduces the capacity of qualifications to act as a clear and reliable signal of competence, and can lead to the development of qualifications which have no real value in terms of employment or progression. Government has also attempted to use qualifications as proxies for progression in learning. In a system where there is no clear measure of an individual's starting-point, it is doubtful whether they are capable of performing this role effectively.

In response to these problems, Government has commissioned and acted on a series of fundamental reviews:

- A review by Professor Alison Wolf on vocational education for 14-19 year olds in England. This found that many vocational qualifications had low labour-market value and employer recognition. The review recommended funding coherent study-programmes rather than qualifications, and that only substantial qualifications with clear employer endorsement should be recognised in performance tables.
- A review of Apprenticeships by Doug Richard, which recommended a move away from Apprenticeship frameworks based on groups of qualifications towards a more holistic approach driven by high-level standards – which define the things an Apprentice should be able to do and know – developed by employers in specific sectors;
- Rigour and Responsiveness in Skills, a Government document which summarised the responses to the Wolf and Richard reviews and identified key priorities for reform of the skills system.
- The Commission on Adult Vocational Teaching and Learning, led by Frank McLoughlin (Principal of City & Islington College), which emphasised the role of qualifications as a “kite-mark” of the quality of a learning programme and emphasised the importance of curriculum and programme design; business and employer engagement and flexibility for locally tailored elements to sit alongside any national core curriculum.
- The review of the adult vocational qualifications system led by Nigel Whitehead of BAE Systems. This found the current system to be over-complex and lacking in clear accountability structures and recommended that the regulation of the qualifications should be strengthened to focus vocational qualifications more clearly on the needs of employers and individuals

Some key messages have emerged from all this work:

- Regulatory, funding and accountability arrangements should be designed to deliver training and qualifications which clearly lead to progression into a job or further study.
- Employers should have greater ownership of occupational standards and qualifications. Wherever possible, their involvement should be direct, rather than through intermediaries.
- The design and assessment of a qualification should reflect the best research and international practice. Assessment methods must be independent whenever possible and credible.
- The system and its output should be clear, comprehensible and simple, and should enable and encourage innovation.
- There should be a clear rationale for what Government funds. This should include consideration of whether qualifications are the right things for Government to fund in specific circumstances and whether they are the best way of ensuring or indicating effective learning and training.

This paper builds on the earlier documents and identifies further ways in which the Government and others will be taking them forward. It sets out priorities for action to:

- Fund only the highest quality qualifications valued by employers.
- Align the different parts of the vocational education system.
- Ensure that qualifications and Apprenticeships (and the standards on which they are based) are relevant, rigorous and recognised as having value by business and learners.
- Ensure that innovation and new technology are encouraged and supported.
- Identify those qualifications in maths and English which best enable adult learners to progress to GCSE standard.
- Develop a clearer rationale for what qualifications we support through public funds.
- Move towards more qualifications which are graded.

And, over the longer term:

- For Ofqual to undertake reforms to the current regulated vocational qualifications system.

- To consider how to support learning that does not lead to formal qualifications, and whether funding of qualification achievement is the best way of funding training in all circumstances and for all learners.

As part of this simplification process, the Government wants better alignment between qualifications (at 16-19 and 19 plus) and Apprenticeships. High-quality vocational qualifications available to 16-19 year olds (Tech Levels) will also be funded for some adult learners. Both Tech Levels and reformed Apprenticeships will have explicit backing from relevant employers and trade bodies, will be graded and will benefit from an increased use of external and independent assessment.

National Occupational Standards (NOS) are used throughout the UK and underpin many vocational qualifications. The review of the adult vocational qualifications system found that “NOS tend to prescribe outcomes to a degree of detail that can restrict assessment for awarding organisations and delivery for training providers” and recommended that the system should “move over time to a less prescriptive outcome-based standard, rather than continue with a tightly prescribed centralised approach”.

It is important to ensure that there is maximum synergy between work on developing new NOS and the development of new Apprenticeship standards. Means for achieving this are discussed in section 3.3 of the main report.

Chapter Two: Reforms already underway

16-19 Vocational Qualifications

In future only high value vocational qualifications will be recognised in performance tables for 14-16 year olds and 16-19 year olds.

Reforms of vocational qualifications taken by 14-16 year olds have now been completed. For the last three years, the Government has published a list of the vocational qualifications which will be reported in 14-16 performance tables and used to measure school and college standards. These are used to incentivise the provision of high value vocational qualifications which will be reported in performance tables for the first time in January 2015.

The same approach is being taken for level 3 qualifications (level 3 equates to A level) taken by 16-19 year olds. In the first annual list of level 3 vocational qualifications approved to count in the 2016 performance tables, qualifications are categorised as either Tech Levels (which provide entry directly or via further training to an occupation) or Applied General qualifications (which provide more general study of a vocational area of discipline ¹).

To be included in the list, these qualifications have had to demonstrate that they are rigorous and support progression into further study or employment. In the case of Tech

¹ <https://www.gov.uk/government/publications/vocational-qualifications-for-14-to-19-year-olds>

Levels this includes recognition from employers. Examples of firms backing Tech Levels include John Deere, Lovell, Procter and Gamble and Kawasaki. In future Tech Levels will also have to have employer involvement in their delivery.

In some trades or jobs, larger level 2 qualifications provide the main entry route. The characteristics they will need to demonstrate are likely to be very similar to those required for Tech Levels, including evidence of employer recognition, occupational purpose and confirmation they provide and support progression to related employment or further training.

Skills Funding Agency

Following its 2012 annual review of the publicly-funded qualifications offer, in July 2013 the Skills Funding Agency removed from public funding 1,800 qualifications which had low or no publicly funded enrolments. At the end of January 2014, the Agency announced that a further 1,000 qualifications with low demand are to be removed. This is the first stage in streamlining the publicly-funded qualifications offer.

The Agency is now implementing a new set of business rules for the approval of qualifications for funding, which took effect from January 2014 and which support the longer-term direction of this reform plan. The rules reflect Department for Education requirements for vocational qualifications in order that the offers for young people and for young adults are more closely aligned. But, recognising that adults can also have different needs, aspirations and ambitions, the rules also build on the principles of the review of Adult Vocational Qualifications. Qualifications which already meet Department for Education requirements or respond to a government priority will automatically be approved, but other than this, qualifications will need to meet the new rules in order to be approved for Government funding.

These rules cover size, purpose and employer recognition for new qualifications; and proven track record and progression for existing ones to stay in funding. By 1 November 2014, all qualifications will need to meet all of these rules. The new rules will result in a more employer driven, robust and streamlined offer with a further 5,000 qualifications in scope to be removed as part of confirming the 2014/15 offer.

During the course of 2014/15 the Agency will monitor the impact of the new rules in order to ensure that an appropriate balance is maintained between:

- (i) qualifications which clearly signal and support vocational and occupational skills and progression; and
- (ii) qualifications which, for some adults in some circumstances, offer the support required and incentive needed to re-engage with learning and training and build the confidence needed to operate effectively and independently in life and work.

As part of its annual review for 2014 the Agency will report on the impact of its new business rules to Ministers.

During 2014 the Agency will also review the qualification offer at Entry and level 1 in order to ensure that where qualifications are approved and available, their achievement can act

as recognised and transferable currency for the individual. Linked to this, the Agency has also completed a review of the non-regulated provision it funds. It will align its work on reviewing the qualifications offer at Entry and level 1 and non regulated provision to ensure that, for learners at this level (who may need support in overcoming barriers to the world of work and re-entering learning) the available offer provides maximum opportunity for achievement and progression. This will also support the work around different approaches for different types of learners outlined in section 3.4 of the main report and the Agency will report on this work, via its Qualifications Advisory Group, during the spring and summer 2014.

As part of the review of non-regulated provision, the Agency is recommending that English and maths non-regulated provision which is not part of a regulated framework should be removed from funding as well as non-regulated vocational provision. The Agency will continue to fund non-regulated provision for learners with learning difficulties and ESOL learners.

Apprenticeship reform

Existing Apprenticeship frameworks are being replaced by new employer-designed Apprenticeship standards. There will be higher expectations for English and maths within Apprenticeships, a 12 month minimum duration regardless of age or prior experience, more assessment at the end, and the introduction of grading. Eight Trailblazers have been formed already, through which leading employers are coming together to design the first new Apprenticeship standards for their sectors. Further phases of Trailblazers will develop standards over the next few years, and by 2017/18 all new Apprenticeship starts will be working towards standards, rather than frameworks.

The transition will be staged to ensure we continue to build on the best aspects of the current approach and grow the number of employers and Apprentices benefitting from the programme.

English and maths

English and maths GCSEs are being reformed, and the new specifications will be taught for the first time from September 2015. They will be rigorous qualifications, capable of being achieved by the vast majority of students. They will provide a strong foundation for progression to further academic and vocational study. They will include assessment of skills such as spelling, grammar and problem solving, so that employers can be confident that young people with these GCSEs have demonstrated important skills that will be of value in the workplace.

Our ambition is that once the new GCSEs are available they will replace other qualifications as the single gold-standard for literacy and numeracy at level 2. We will review assessment requirements for level 2 and for progression towards that standard over the spring, summer and autumn of 2014.

Higher level skills and progression

The Government will be building on its earlier work to encourage progression by developing the concept of career pathways, in which each step provides a basis for proceeding to the next level. The basic principles are:

- Qualifications will be sufficiently rigorous and broad that they provide a strong basis for progression.
- Universities should be engaged (where possible and appropriate) in the design and approval of vocational qualifications.
- Where a current qualification does not provide a basis for progression to the next level, it should be broadened or deepened or an intermediate step should be developed.
- Funding should support progression.
- We should work with employers to encourage the development of career pathways.

Outcome-focused success measures at qualification level

Whilst the achievement of qualifications is clearly important, emphasis also needs to be given to the outcomes of learning – whether individuals enter or progress in the labour market, and whether they make progress within learning. Currently, the FE Choices website sets out comparable information at provider level.

Our aim is to build on this by creating a set of outcome measures which show destinations into employment and further learning; progression within learning; and earnings change. In the first instance we intend to publish experimental data at provider level in July 2014. BIS are exploring how matched data can be also presented at qualification level, enabling learners and employers to make more informed choices.

Open and accessible information

The review of Adult Vocational Qualifications highlighted the need for simple, accessible information about the vocational qualifications on offer. Different qualification databases are used by different organisations for different purposes and although they may all hold similar information, it is not clear how they relate to each other. Nor is it easy for employers and learners to navigate such databases. Ofqual and the Skills Funding Agency, in collaboration with the UK Commission for Employment and Skills, will work together to see how respective databases can better connect and whether a single point of access is appropriate and practical. They will take this forward during 2014.

Chapter Three: What next for vocational qualifications

Design principles for vocational qualifications and improving the regulatory system

Effective regulation of qualifications helps to give confidence to users that standards are maintained and qualifications are valuable. The market alone will not necessarily secure qualifications meeting these criteria. Regulation is voluntary, but significant numbers of awarding organisations choose it because it gives users (including Government) confidence in the qualifications.

Government relies increasingly on the assurance provided by the regulator on the standards, responsiveness and integrity of the qualifications. Ofqual is developing its regulatory approach to respond to this, building on the recommendations of the review of Adult Vocational Qualifications. It will be holding awarding organisations clearly to account for the quality and integrity of their awards and taking strong action where awarding organisations do not meet regulatory requirements.

Ofqual is issuing a statement about the role of regulation in driving up the quality of vocational qualification and its plans for reviewing the current system in parallel with this document.

Principles for Government Funding of Adult Vocational Qualifications

Rigour and Responsiveness in Skills and the Skills Funding Statement 2013-2016 set out government priorities, which remain Traineeships, Apprenticeships, higher standards and better qualifications.

The Skills Funding Agency's new business rules begin to streamline and refocus the qualifications. However, we need to be clear about which other vocational qualifications we will support for adults outside of Tech Levels and Apprenticeships and what their purpose and characteristics should be.

The Skills Funding Agency will not change the current funding matrix approach in advance of the outcomes of Ofqual's review of the Qualifications and Credit Framework. However, once the outcomes of the review are clear the Agency will review the current approach. In doing so, it will consider two aspects. The first is the design of the qualifications themselves in terms of:

- Size
- Structure
- Assessment
- Purpose and use
- Relevance and
- Recognition.

The Skills Funding Agency will work closely with Ofqual to look at these principles, including clarifying roles and responsibilities, considering incentives and risks, and aligning systems.

The second aspect is the totality of the offer, how it is used and who is using it. Relevant considerations include:

- How far the offer supports employer responsiveness
- The right approach to learner eligibility

- Matching qualifications to learners
- Prioritising certain sectors or levels
- Incentivising innovation and use of technology
- Developing key performance indicators.
- How far the publicly funded offer shapes the wider skills market

This work will allow us to ensure that we have the correct balance of qualifications which are clear in terms of their purpose and use, high quality, responsive both to employer and sector needs, and deliver meaningful and transferable currency for learners.

The development of future occupational standards

The UK Commission for Employment and Skills is already working to define the characteristics of new, higher-level occupational standards, along the lines recommended in the review of Adult Vocational Qualifications. At the same time, the Apprenticeship trailblazers are developing new standards for the occupations they cover.

In order to get maximum value from the effort that employers have put into developing new Apprenticeship standards, the Government believes that these should form the basis of any new National Occupational Standards that are developed. We are asking the UK Commission for Employment and Skills to make sure that any new NOS which are produced draw on the content of the relevant new Apprenticeship standard.

Different approaches for different types of learners.

In some cases, in order to draw down funding, providers need things to be developed and assessed as qualifications which should not need such accreditation, such as participation in work experience. Funding qualification achievement, rather than progression or job outcomes, narrows provision and can damage confidence in qualifications which support progression and provide meaningful signals of attainment to employers. A very large number of qualifications exist under the current offer, which is a logical consequence of a public funding system that uses them as a main proxy for all achievement and learning.

We need therefore to review thoroughly how the offer to unemployed people can achieve its core objectives of moving people towards employment and giving them the skills to gain and sustain work. We need to examine the case for retaining a link between funding and qualifications according to different types of learning and different types of learner. We will explore the scope for defining robust outcomes from learning which could replace qualification achievement.

This will involve substantial work: establishing the right set of measures; looking at different models of payment-by-results; and finding the right place for such a mechanism within the wider system. We have already begun a process of dialogue with employment and skills providers to consider the positive outcomes we are trying to deliver through the pre-employment offer. Over the next year we hope to work closely with the sector to

develop this work and to assess the role funding can play in incentivising these positive outcomes.

Technology

It is important that our support for qualifications and training encourages new ways of applying technology to the learning process. We said in the Skills Funding Statement² that we will look at applying an 'online only' funding rate where providers are innovating with online delivery. The Skills Funding Agency will work with the FE sector, focussing through their business rules on a specific range of qualifications where we can test out funding approaches to online delivery. Further work will be needed to understand some of broader challenges and opportunities around learner access, infrastructure, and the potential use of the Personal Learner Record.

Ofqual and the Skills Funding Agency have been asked to jointly lead a feasibility study into providing a single point of access to qualification databases. This will look at users' precise needs, and whether a single, front facing access to the databases can be delivered, what the resource implications would be, proposals for addressing issues, the services that can be offered to which user groups and a timescale for when any new model could be introduced. Interim findings will be presented in the summer with final recommendations at the beginning of autumn.

² <https://www.gov.uk/government/publications/skills-funding-statement-2013-to-2016>

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