



Research into the FE System's Development Needs to Meet the Challenge of the Implementation of World Class Skills



Final Report

July 2008



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Any opinions, findings, conclusions, or recommendations expressed in this report are those of the authors and contributors and do not necessarily represent QIA's views.



Section 1: Executive Summary

- 1.1 The report summarises the findings from a major consultation exercise with the FE system in order to identify providers' development needs to help them respond to the Implementation Plan for the Leitch Review of Skills.
- 1.2 The results from the consultation have been used to inform the design of a major Development Programme which will be delivered by KPMG on behalf of QIA and which will begin in the summer of 2008.
- 1.3 The consultation began with a postal/online survey of providers from all parts of the FE system, which resulted in 208 responses. The questionnaire gathered providers' perceptions of the impact the implementation of the Leitch Review of Skills would have on eight aspects of their work. It also identified their degree of preparedness for the challenges ahead and their priorities for external support.
- 1.4 Providers expected the biggest impact of the implementation of the Leitch Review of Skills to be felt in the areas of financial management, staff skills and the development of services for employers. However the expected strength of impact was higher for colleges than work-based learning providers and was lower still for sixth form colleges.
- 1.5 Most providers were still at relatively early stages of the process of transition at the time the quantitative survey took place. Providers expected to need external help and support in a wide range of aspects, including the setting of a clear strategic direction, the securing of appropriate staff skills and the development of relevant products and services.
- 1.6 The pattern of support priorities was broadly similar for colleges and work-based learning providers, but the detail of the support required is significantly different and is determined by the legal and funding contexts in which they operate.
- 1.7 Providers are anticipating a wide range of opportunities from the increased employer-responsive funding and the opening up of contracts to competitive tendering, but they are conscious that not all providers can be winners under this approach and the uncertainty of future funding streams is a major cause for concern. There is also considerable concern about the low margins that can be generated from Train to Gain activity, although funding for this area is growing.
- 1.8 Most providers have expanded the number of employer-facing roles in their organisation in recent years but have not yet fully adapted their quality assurance and performance review systems to reflect these new roles and many providers find it difficult to set and assess targets for the returns from services to employers.
- 1.9 There is a strong need for skills development and dissemination of good practice in respect of employer engagement roles and providers are also seeking benchmarks against which to assess their performance.



- 1.10 The second stage of the consultation process was a series of visits to more than 30 providers, backed up by telephone interviews and conversations with provider representative bodies. These visits took place in the Spring of 2008 and took the form of confidential discussions with senior staff, middle managers and front-line staff to assess each institution's readiness for the challenges of implementing the Leitch Review of Skills.
- 1.11 Meetings with senior Finance Managers in providers confirmed concerns about the need to balance cash flow from a widening range of funding streams and the likelihood of barriers to virement between these. Finance Managers are likely to need help developing strategies to deal with this and will also benefit from examples of enhanced management accounting systems. Finance Managers are also keen to increase colleagues' skills in risk-assessing tenders and pricing employer engagement activity effectively.
- 1.12 It is likely that the implementation of the Leitch Review of Skills will require providers to expand and formalise their partnership working and there is a significant need for guidance on effective approaches to this, within the context of charity and company law. There is also a need for example contracts and dissemination of good practice in respect of the recruitment and incentivisation of staff responsible for generating new business.
- 1.13 Meetings with Business Development Managers revealed significant development needs in a range of sales and marketing skills and these reinforce the need for continuity from the Train to Gain Development Programme. More than 8 in 10 Business Development Managers felt they were facing a high challenge in this area but only around 1 in 8 felt their organisation's readiness was high. Providers also believe they are facing major challenges in improving robust local labour market intelligence and in bringing the systems and roles within Business Development Units fully under their organisation's quality assurance and performance review systems.
- 1.14 Business Development Managers, and senior managers, consistently referred to market conditions that made employers "hard to reach" including situations where sectors were dominated by micro-business, operated in rural economies, had casualised labour forces or were facing economic downturns. There was also an interest in reconciling the employer-responsive model with services to the self-employed. Providers are keen to learn from good practice in operating Train to Gain and other services to employers in difficult markets.
- 1.15 Many Human Resource and Quality Managers revealed concerns about the ability of their organisation to recruit and retain trainers and assessors in specific vocational skill areas and there is a need for discussion within the FE system about effective recruitment strategies. Many interviewees described a clear evolution in the role of the assessor as a prime client contact point.



- 1.16 Human Resource and Quality Managers saw particular value in the provision of internal training and dissemination materials (for example PowerPoint presentations or helpline support) that they could use to help support the culture change required by the Leitch Review of Skills, although staff buy-in was positive in most providers. Banks of typical employer questions and effective responses would also be seen as valuable.
- 1.17 Not all these needs require new approaches, for example providers were generally very positive about the effectiveness of peer review networks and the Excellence Gateway.
- 1.18 Overall, many providers feel that the implementation of the Leitch Review of Skills presents considerable risks as well as opportunities and they are keen to identify typical (as well as particularly effective) practice within the FE System to give them reassurance. This will be most valuable when it relates to markets in which it is difficult to operate or to new income streams, such as Department for Work and Pensions provision.
- 1.19 The research identified a number of key areas on which the Development Programme should focus and these are summarised below. In almost all cases, providers stressed that the value of the support would depend on it being directly relevant to their organisation type or markets.

	Immediate	Longer-term
Strategic	<p>Guidance on legal structures to support partnership working.</p> <p>Financial management strategies in the context of diversified funding streams.</p> <p>Strategies to ensure viability for small providers in contestable markets.</p> <p>Evaluation and target-setting strategies for Business Development Units.</p> <p>Recruitment and development strategies for assessors and employer-facing staff (including industrial placements).</p> <p>Strategic alignment to the worklessness/return to work agendas.</p> <p>Models of cost-effective delivery of Train to Gain.</p>	<p>Strategies to align 14-19 developments with employer-responsive provision.</p> <p>Strategies to build commercial awareness throughout the organisation.</p> <p>Development of benchmarking in the effectiveness of employer engagement (including successful progression from legislation-driven Level 2 to voluntary Level 3).</p> <p>Managing staff workloads to provide flexibility of response.</p> <p>Training and dissemination materials to use internally to build staff buy-in.</p> <p>Governor development programmes.</p>
Operational	<p>Specimen flexible employment contracts.</p> <p>Development of top-up skills for assessors.</p> <p>Models of effective employer engagement in hard to reach markets (SMEs, rural areas, casualised workforce etc.).</p> <p>Costing and pricing skills (including developing a bank of frequently-raised issues).</p> <p>Skills in assessing risks and costs in contestable tenders and improve project management (e.g. Prince 2).</p> <p>Training in assessing market potential.</p> <p>Strategies to embed and use CRM systems for effective client management.</p>	<p>Strategies to monitor and evaluate the costs and benefits of successful contract tenders.</p> <p>Strategies to increase employers' willing to pay for training through long-term relationship building.</p> <p>Successful strategies for quality control, learner tracking and monitoring in e-delivery (including harnessing IT to support virtual learning environments).</p> <p>Effective research strategies to generate robust local intelligence.</p> <p>Effective strategies to support self-employment.</p> <p>Sector induction materials for staff/governors recruited from commercial backgrounds.</p>



Section 2: Background to the Research

QIA Development Programmes

2.1 The DfES Grant Letter of March 2007 set out QIA's key priorities for 2007/08. These included supporting the development of the Further Education system to enable providers to operate effectively in the demand-led environment set out in the implementation plan for the Leitch Review of Skills.¹ Annex 1 to *Pursuing Excellence* (the national improvement strategy) set out the initial response of QIA and its strategic partners to the Leitch Review, identifying the form of support providers would require.



2.2 Among a range of support aspects, *Pursuing Excellence* identified the development of relevant management skills, the development of more effective communication skills for dialogue with employers, identification of effective marketing and customer relations systems, strategies to enhance employer responsiveness and the provision of clearer evidence of employer customer needs.

2.3 From the Summer of 2008 QIA will be running the *World Class Skills – developing responsive provision* programme to help the FE system prepare for the challenges of the implementation of the Leitch Review of Skills recommendations. The aim of the support programme is to ensure that providers are able to make the necessary changes to meet the challenge of Leitch implementation.

2.4 The design of the support programme has been informed by a series of regional roadshows and by this investigation into sector development needs. It has also built on the current Development Programme for Train to Gain. This incorporates a wide range of support for strategic and operational changes necessary to deliver the ambition of increased employer responsiveness, including:

- development of organisational capacity to meet the Training Quality Standard;
- the embedding of Skills for Life provision within the Train to Gain offer;
- development of sales skills, training needs analysis and negotiation techniques;
- development of flexible delivery methods; and
- strategic management approaches to the development of organisational responsiveness.

¹ *World Class Skills: Implementing the Leitch Review of Skills in England*, DIUS, July 2007.



The Research Brief

2.5 This research investigation was designed to provide QIA with a greater understanding of the issues FE system providers are facing in responding to employer and learner demand-led models. By assessing the state of readiness of providers to respond to the new agenda, the investigation has provided recommendations for the content and delivery methods of the forthcoming support programme.

2.6 The research and development specification identified twelve questions that QIA (in consultation with DIUS and LSC) wished the investigation to cover and RCU incorporated these into the detailed methodology set out in the next section. The investigation also provided early indications of the costs of responding to some of these needs.

2.7 The scope of the investigation encompassed colleges, work-based learning providers (including those managed by the National Employer Service) and local authority provision. The project recognised the importance of taking into account the FE system's contribution to the employability and social and cohesion agenda, which featured prominently in the LSC's November 2007 *Statement of Priorities*.² Coinciding with the launch of the research investigation, LSC and Jobcentre Plus issued further joint guidance to providers on the delivery of the employability programme for Jobcentre Plus customers³ and this described the role of FE system providers in addressing the worklessness agenda.

2.8 The research investigation ran alongside separate work commissioned from RCU by QIA investigating the specific aspect of fees and fee income.⁴ This work has led to the development of a toolkit that will form part of the new programme.

² *Our Statement of Priorities, Better Skills, Better Jobs, Better Lives*, LSC, November 2007.

³ See <http://readingroom.lsc.gov.uk/lsc/National/nat-prov-guide13November.pdf>.

⁴ Building on *Fees and Commercial Income – Good Practice and Other Key Issues*, LSC, June 2008.



Section 3: Methodology

3.1 A detailed technical statement of the research methodology used to inform this assessment is provided in Appendix 4. This section provides general guidance on the approach taken and the main stages of the information-gathering process, which were:

- agreement of the scope of the research and the sampling criteria;
- desk research into the key policy frameworks;
- gathering of quantitative evidence from a postal and online survey of FE system providers;
- consultation visits to more than 30 providers to assess their development needs and agree a summary statement of their readiness to meet the challenges of the implementation of the Leitch Review of Skills;
- interviews with stakeholders and sector representative bodies to provide background context to provider perceptions;
- initial discussions with potential providers of professional support for the Development Programme; and
- testing of emerging conclusions at the QIA June Conferences.

3.2 Initial planning of the research schedule resulted in the design of a quantitative survey questionnaire designed to produce summary evidence of the needs of the sector. This questionnaire is reproduced as Appendix 1. The sampling frame for the survey included: all general further education, specialist and sixth form colleges; all local authority providers of LSC-funded further education; and a sample of 457 LSC-funded work-based learning providers.

3.3 Questionnaires were sent to providers by post with an invitation to return either hard copies (by post) or to complete an on-line version of the questionnaire. In total, 208 providers responded to the survey and their responses form the basis of Section 5 of this report.

3.4 In addition to the quantitative survey, **RCU** gathered qualitative evidence from a sample of more than 30 providers. This evidence was gathered in field visits and interviews. The schedule for each visit was customised to reflect the context in which the provider operated and the scale of their operations, but the typical schedule covered:

- initial discussions with senior managers of the overall implications of the Leitch Review of Skills and the organisational response to it;
- in-depth interviews with individual managers responsible for finance and funding, services to employers, human resource management and quality assurance;
- focus groups with middle management and operational staff to assess development needs in terms of wider understanding of the Leitch agenda; and



- generation with senior managers of an agreed summary of the scale of challenge represented by the implementation of the Leitch Review of Skills and the organisation's current state of readiness to respond.

3.5 The format of the summary document is reproduced in Appendix 3. The specific content of the summary document was confidential between the provider and the researchers, but the aggregate outcomes have been used to inform this report and are discussed in detail in Section 6.

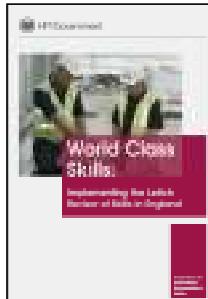
3.6 The sampling frame for the provider visits was designed to ensure that the sample was broadly representative in terms of region, provider type and size. It also included a mix of providers with and without Centres of Vocational Excellence and included some providers in the first tranche of those recognised under the Training Quality Standard (formerly known as the New Standard).

3.7 The emerging outcomes of the quantitative survey and research visits were tested with a number of FE system representative bodies to ensure that they accurately reflected provider priorities. As the needs identified by providers included a potential requirement for legal advice and template materials, the practicalities of providing this kind of support were tested with appropriate consultants working in the FE System.



Section 4: Overview of the Policy Context

4.1 The final report of the Leitch Review of Skills, *Prosperity for all in the global economy - world class skills*⁵ set out the importance of skills to the UK's continuing prosperity. Lord Leitch recommended that the UK should commit to becoming a world leader in skills by 2020. He argued that better skills were the route that would allow individuals to achieve better jobs, higher incomes and greater social mobility. He also stressed their importance to employers, linking a more highly skilled workforce to higher productivity, greater competitiveness and greater profitability. For communities, he argued that better skills create an escape route from generations of under achievement and low ambition.



4.2 *World Class Skills: Implementing the Leitch Review of Skills in England* endorsed the recommendations of the Leitch Review and set out how the Government would develop the supporting framework to implement this skills revolution. The document stated that the challenge would require an enormous shift in attitudes and aspirations, not only in Government but also within providers, workplaces and society itself.

4.3 A key proposal of the Leitch Review was that Government funding and systems should become increasingly demand-led. Employers and individuals would have more power to choose provision that met their needs and training providers would have to become increasingly responsive to what learners and employers actually want. DIUS's implementation plan for the Leitch Review supported this view and stated that:

Treating employers and individual learners as the customers of the skills system is central to the idea of a demand-led approach. Through the measures set out in this plan, we will give employers the opportunity to exert real leverage and decision-making over both the content and delivery of skills and employment programmes.

4.4 The Leitch Review recommended that all vocational skills funding in England (apart from community learning and programmes for individuals with disabilities and/or learning difficulties) should be routed through Train to Gain and Skills Accounts by 2010.

⁵ HM Treasury, December 2006.



4.5 In January 2007 the LSC consulted on proposals for a new demand-led funding system and details of the system that will be implemented in 2008/09 were outlined in the *LSC Statement of Priorities, Better Skills, Better Jobs, Better Lives*. The move towards a demand-led funding system in 2008/09 signifies a wholesale step-change for the learning and skills sector and will have enormous implications for providers.



4.6 The new simplified funding system will have three separate models:

- the **16-18 model**: in which the funding allocation will be based on agreed 14-19 priorities and will give providers sufficient funding stability⁶ to allow local planning and partnership activity;
- the **adult learner-responsive model**: in which providers will earn money based on actual delivery and (within tolerance limits) under or over performance against plan may lead to redistribution of funding allocations;⁷ and
- the **employer-responsive model**: which includes Train to Gain, Apprenticeships and NVQs delivered entirely in the workplace and in which funded provision will be commissioned according to regional and local need and providers will earn money based on actual delivery.

Certain aspects of provision are outside the scope of demand-led funding, including safeguarded Personal and Community Development Learning (PCDL), the Foundation Learning Tier (provision below Level 2) and provision for learners with learning difficulties and/or disabilities.

4.7 The Government has made it clear that public funds will increasingly be directed at the priority areas outlined in the Leitch Review. The Annual LSC Grant Letter signalled a doubling of expenditure on Train to Gain between 2007/08 and 2010/11 (with a particularly large increase at Level 3) and an expansion in 16-18 apprenticeships and provision for learners with learning difficulties and/or disabilities. Overall there will be a significant shift in funding to employer-based commissioned work and away from general adult provision.

⁶ The number of 16-18s in colleges, work-based learning provision and school sixth forms are to be maintained despite falling rolls in many areas.

⁷ Over time, Skills Accounts are likely to become an increasing part of this funding model.



4.8 The Government has made it clear that delivering the vision of *World Class Skills: Implementing the Leitch Review of Skills in England* requires a shared responsibility for investment between employers, individuals and public funding. *Better Skills, Better Jobs, Better Lives* states that providers should redouble their efforts to increase privately funded learning and encourages providers to be bold when setting fee levels. The document says:

As we move towards a system in which learners and providers hold increasing purchasing power, we need more colleges and providers to develop their commercial acumen. We need them to be able to deliver more to businesses and individuals and through wider investment, to increase the income that they are able to generate and the learning that they can sustain.

4.9 The demand-led system proposed by Lord Leitch also envisages greater competition within the learning and skills market, driving up quality and choice. The implications of contestability and competitive tendering were a recurrent theme in discussions with providers during the research investigation.

4.10 Providers were also concerned with the overall levels of funding for the FE System going forward. 16-18 funding levels, announced following the Comprehensive Spending Review, will see the number of learners in post-16 education and training maintained despite a drop in the number of year 11s. This is partly the result of a substantial planned growth in Apprenticeships, from 238,000 in 2007/08 to 281,000 by 2010/11. There is also increased funding for specialist provision for learners with learning difficulties and/or disabilities. The overall adult learner-responsive budget decreases between now and 2010/11, largely due to assumed increases in fee income and commercial income for providers, while employer-responsive funding sees a substantial rise in Train to Gain activity, with volumes of provision commissioned through this route approximately trebling by 2010/11. Train to Gain is also planned to be more flexible and to cover a wider range of employer needs.⁸ This will be accompanied by growth in 19-25 and 25+ Apprenticeships (taking the total number of Apprenticeships to over 400,000 by 2010/11) and increasingly close collaboration between the LSC and Jobcentre Plus to integrate employment and skills support.

4.11 Alongside, and supporting, the development of demand-led funding, the UK Vocational Qualifications Reform Programme (UK VQRP) aims to deliver a vision to *revolutionise the nature of the qualifications structure in the UK*.⁹ As well as strategies to rationalise and simplify the structure of UK vocational qualifications, the UK VQRP seeks to establish planning, funding and delivery arrangements that support sector qualification reform and help drive framework development forward.

⁸ See Train to Gain: A Plan for Growth, November 2007 – July 2011.

⁹ UK Vocational Qualification Programme Brief, January 2006.



4.12 Underpinning the UK VQRP is a commitment to the development of a unit-based qualification offer, in which credit can be accumulated and transferred within the new Qualifications and Credit Framework (QCF). This is expected to lead to the development of unit-based qualifications aligned, within Sector Skills Council Sector Qualification Strategies (SQSs), to sector priorities. The Leitch Review envisaged a clear role for employers in influencing the design and delivery of qualifications and envisaged (re-licensed) Sector Skills Councils speaking authoritatively on behalf of employers. The expected result would be that learners would have certainty that the qualifications they study would be those that were valued by employers, giving them a greater opportunity to enter the labour market and progress within it.

4.13 In December 2007, the LSC published *Aligning Public Funding with Priority Vocational Qualifications in England 2008/09* as an addendum to its *Statement of Priorities*. This has been followed by a series of updates beginning in February 2008.¹⁰ These publications provided detail about the process for aligning public funding to priority vocational qualifications. They confirmed that 2008/09 would see the start of a staged implementation of the process to align funding to priority qualifications on the QCF that will emerge from annual dialogue between the LSC and Sector Skills Councils around their SQSs.

4.14 Against this policy context, providers are reviewing their internal structures, financial management systems, staff development priorities and external marketing strategies. These themes formed the key aspects of the dialogue with providers during the research investigation.

¹⁰ *Aligning Public Funding with Vocational Qualifications in England 2008/09 – Update*, LSC, February 2008.



Section 5: Overview of the FE System's Development Needs

Introduction

5.1 In January and February 2008 questionnaires requesting feedback on providers' priorities were sent to a total of 928 providers. Appendix 1 contains a copy of the questionnaire. Providers had the option of either returning the questionnaires in a reply-paid envelope or following a web link and completing the survey online. By the time the survey was closed, 208 providers had returned questionnaires, which represents a response rate of around 22.4%.

5.2 As the table shows, response rates differed noticeably for different provider types and this appears to be an indication of the perceived relevance of the Leitch Agenda for different *categories* of provider. Comments indicate that this was particularly true for sixth form colleges and local authorities.

	Sent	Returned	%
General FE & tertiary colleges	258	99	38%
Work-based learning providers	457	83	18%
Sixth form colleges	101	17	17%
Local authority providers	78	3	4%
Land-based colleges	19	4	21%
Art and design colleges	13	1	8%
Others	2	1	50%
Total	928	208	22.4%

5.3 The response rate for general FE and tertiary colleges was 38%, which is relatively high for a survey of this kind. The work-based learning response rate, although lower than the college equivalent, was also relatively high for this part of the sector. Sixth form colleges, local authorities and specialist colleges were especially targeted during the visit phase to ensure that their views were taken into account.

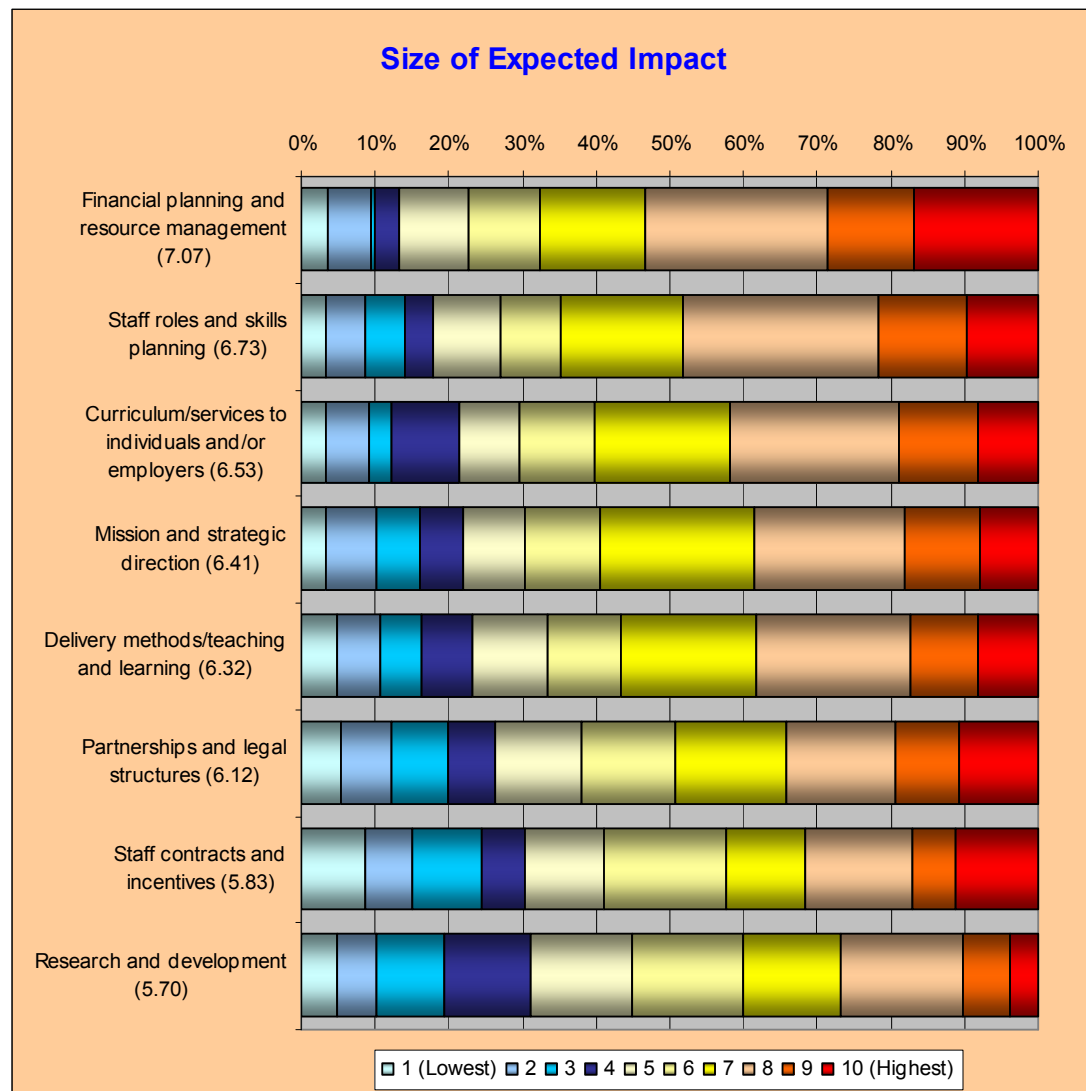
5.4 Respondents were asked if they wished to be kept informed of the results of the consultation. In all 188 of the respondents (90.4%) expressed an interest in the results and it will be important for QIA to build on this positive response in disseminating the survey findings.

5.5 The questionnaire gathered quantitative evidence of providers' views on the impact of the implementation of the Leitch Review of Skills on eight aspects of their work. In each case, providers were asked to rate the overall impact on the aspect, their degree of preparedness and the amount of external support they would require. The responses to these prompts provided background quantitative evidence which was then explored in more detail during the visit phase of the investigation. The final page of the questionnaire gathered qualitative evidence of providers' perceptions of the key benefits and risks arising out of the Leitch Review of Skills, their main actions in response to it and their priorities for the QIA Development Programme. Comments from this section are reproduced in Appendix 2.



Expected Impact of the Implementation of World Class Skills

5.6 The first question on each of the eight aspects covered by the questionnaire asked providers to assess the impact they expected the implementation of the Leitch Review of Skills to have. The assessment took the form of a rating out of ten, where 1 equated to low and 10 equated to high. The chart below lists the responses for the eight aspects, which have been ranked according to their mean rating out of ten. As this was a ten point scale, a mean of 5.5 would indicate that the impact was expected to be neither low nor high.¹¹



¹¹ Where numbers permit and the results are significant, the report includes breakdowns by sub-sector.



5.7 All eight aspects had a mean rating above a mid-point score of 5.5, but there are some clear messages for QIA in the chart. At the time of the survey providers expected the biggest impact of Leitch to be on *financial planning and resource management*, with more than half the respondents giving this aspect an impact rating of 8 or higher. Only one in ten of the respondents rated the likely impact as low (rating of 3 or lower).

5.8 Providers also expect a significant impact on *staff roles and skills planning* and later comments indicate that many providers expect to have to recruit new categories of staff to respond to the Leitch agenda as well as having to expand the skills of existing staff.

5.9 More than 40% of providers gave an impact rating of 8 or more to *curriculum/services to individuals and/or employers*. Later comments indicate that many have already started the process of revising their offer to take account of the increasingly demand-led funding methodology, although there is an acknowledgement that further development is required. Providers anticipate having to review their offer as a result of the LSC's plans to align public funding to Sector Skills Councils' Sector Qualification Strategy priority qualifications. However providers also acknowledge that they need to generate more evidence of qualifications and services that individuals and employers will be willing to fund themselves.

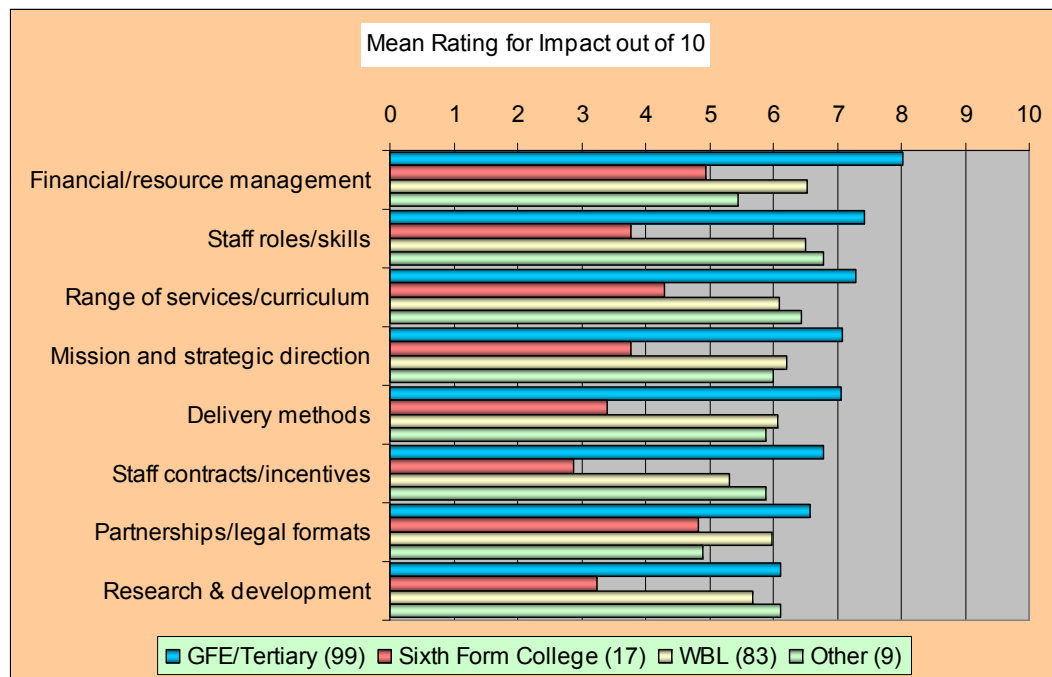
5.10 Providers generally anticipated less impact on their *mission and strategic direction*, *delivery methods/teaching and learning* and *partnerships and legal structures* although in each case at least a third of providers perceived a high impact. These issues also tended to emerge during the visit discussions as aspects where the impact might be bigger than originally anticipated.

5.11 The issue of *staff contracts and incentives* is expected to have a low impact for many providers, particularly where work has already been done to build flexibility into the contracts of staff who deal directly with employers. However, as the chart shows, this is still a big issue for some providers (including local authority providers where the culture of broadening income streams appears to be less embedded).

5.12 The lowest importance ratings were given to *research and development* although there were indications in the follow-up discussions that this question had not been fully understood. Many providers do expect to have to increase the level and accuracy of their labour market intelligence and to have to invest more resources in the development.

5.13 The chart over the page explores the different response patterns for different types of provider, based on their mean ratings for each aspect. The figures for general FE/tertiary colleges and work-based learning providers are relatively robust but care must be taken interpreting the sixth form college responses, which are derived from only 17 institutions.





5.14 The categories in the chart are ranked by their overall survey ratings. Colleges place particular emphasis on the impact of the Leitch Implementation Plan on their *financial and resource management* but there is relatively little difference placed by colleges on the ratings for the next four categories. In all aspects, colleges expect a greater degree of impact than work-based learning providers, with the impact anticipated for sixth form colleges being lower still.

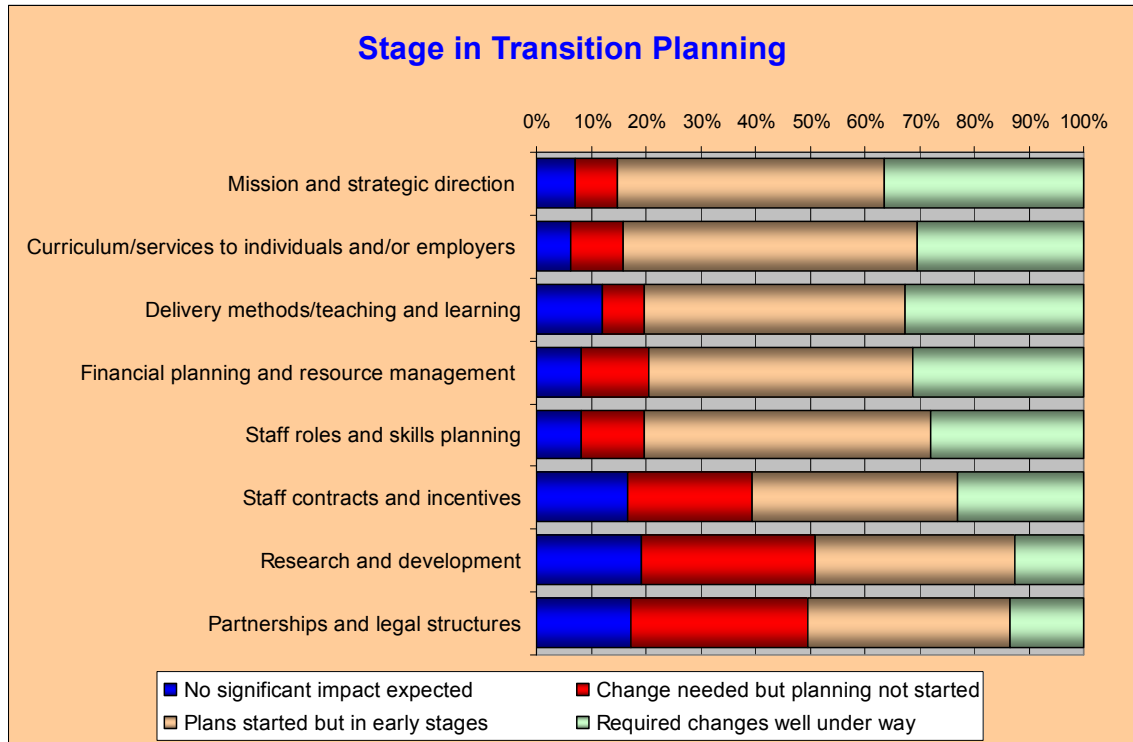
5.15 The relative impact of the different categories on work-based learning providers follows a similar pattern to the overall ratings, with the exception of *partnerships and legal formats* where work-based learning providers anticipate a relatively larger impact. Discussions during the visits indicate that this is because the risk to these providers, as commercial or charitable organisations, is perceived as higher. Work-based learning providers are also often smaller than the partners with which they work and anticipate greater risk as a result.

5.16 Despite the extensive references in the Leitch Implementation Plan to 14-19 provision, sixth form college respondents rated the likely impact of all aspects below a mid-point of 5.5. Interestingly their rating for *partnerships and legal formats* was relatively high and this appears to be linked to a perception that they may have to get involved in local partnerships causing a drain on their resources (as relatively small organisations).



Current Stage in Transition Planning

5.17 The second question for each of the eight aspects asked providers to assess their current stage in the transition process. The results are set out in the chart below.



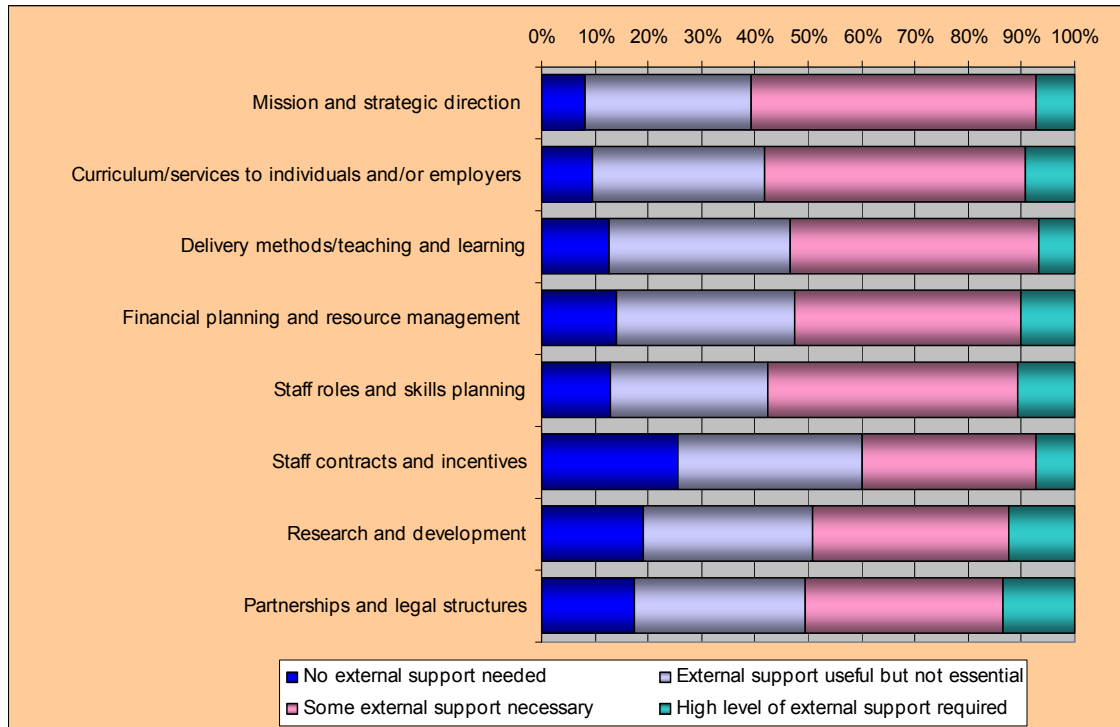
5.18 The majority of providers, for each of these aspects, are expecting to have to change but are at relatively early stages of transition planning. Around a third of providers believe that their transition plans are well under way in respect of *mission and strategic direction*, *curriculum/services to individuals and/or employers*, *delivery methods/teaching and learning* and *financial planning and resource management*. However, in each case between half and two-thirds of providers are at a much earlier stage of transition. It will therefore be important to ensure that the Development Programme reflects typical providers rather than the most advanced.

5.19 Despite (or perhaps because of) the relatively low impact rating, providers appear particularly aware of the need to make progress in the areas of *staff contracts and incentives*, *research and development* and *partnerships and legal structures*.



Volume of External Support Required

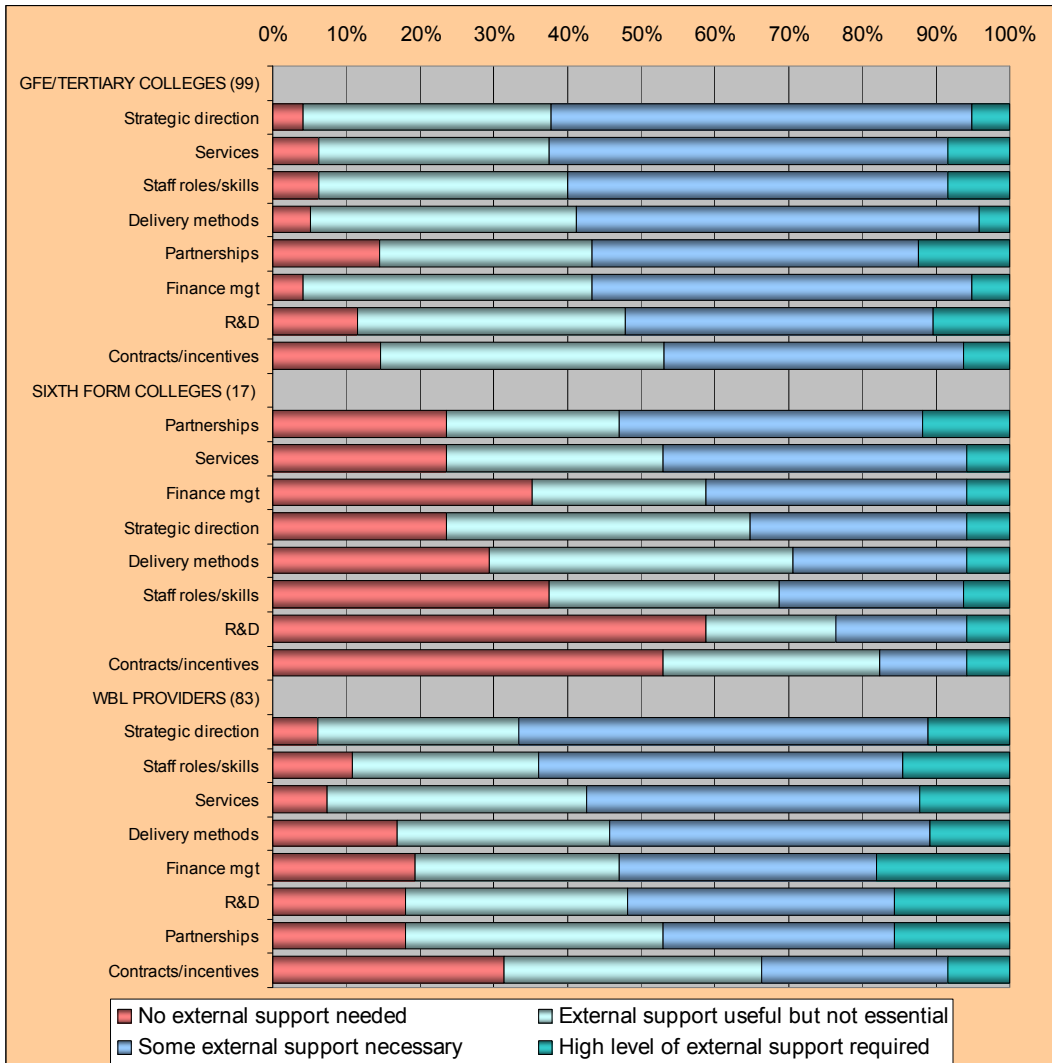
5.20 The third question for each of the eight aspects asked providers to assess how much support they would need. The results are set out in the chart below.



5.21 There is relatively little variation in the proportion of providers anticipating a high level of external support in each aspect and this reinforces the message that different providers are at different stages of development. Providers expect to need relatively less support in the area of *staff contracts and incentives* but otherwise the pattern of expected support needs is fairly consistent.

5.22 The chart over the page shows the sectoral breakdown for this aspect.





5.23 The categories in the chart are ranked by their overall survey proportions of providers anticipating at least some *external support*. Respondents from general FE and tertiary colleges identified few areas in which they required no external help, although over half felt that they could cover *contracts and incentives* with in-house development. The areas requiring the highest levels of support are *mission and strategic direction* and *curriculum/services offered to individuals and employers*. In both cases around two-thirds of colleges expected to need some external support and later discussions indicated that, for many, this relates to the challenge of making employer engagement core business. Provider comments (Appendix 2) and later discussion of issues raised during provider visits indicate concerns in some colleges about their ability to spot and develop marketable services. There are also concerns about the infrastructure available to deliver a genuinely responsive service, given shortages of specialist vocational skills (linked to *staff roles/skills*) and the constraints of current contracts.



5.24 The same three categories topped the list of *external support* required by work-based learning providers, although there are differences in the detail of the support they want, as later sections of the report discuss. Some work-based learning providers already gain a large proportion of their income from directly commissioned training and these providers are reassessing the way LSC-funded training sits alongside other aspects of their business, especially given the prospect of increased investment in Apprenticeships. Other, particularly smaller, work-based learning providers are heavily dependent on their LSC contracts and are very concerned at the risks represented by contestability and minimum levels of performance.

5.25 *Contracts and incentives* are less of an issue for most work-based learning providers as flexible contracts and performance-related pay are already better established than is the case in many colleges. However, there is a sub-set of work-based learning provision characterised by the delivery of Apprenticeships as a unit within a local authority structure where providers (in later visits) felt tight constraints on the flexibility of their response to Leitch.

5.26 The responses of the (relatively small group of) sixth form colleges confirm the perception that most do not expect the Leitch Implementation Plan to impact significantly of their core operations.



Section 6: Provider Priorities for Support

6.1 Appendix 2 contains additional comments made by providers in the quantitative survey regarding the changes they already have in place. It is clear that the preparation for the Leitch agenda has already resulted in a big increase in attention to employer engagement activity, triggered in most cases by Train to Gain activity. Many providers, particularly general FE and tertiary colleges, talk about Leitch resulting in a greater focus on skills and employability, but most see this as reinforcing an existing direction of travel. There is also evidence that the “common currency” of the skills agenda is leading to college providers gaining much better recognition of their current and potential contribution to their local economies. In contrast some work-based learning providers report that they are still encountering attitudinal barriers to their involvement in 14-19 work, despite the clear alignment of 14-19 curriculum changes and the skills agenda.

6.2 The comments include some interesting assessments by providers of the likely benefits of the Leitch Implementation Plan and this will be important context information for QIA in planning the Development Programme. Many colleges are optimistic that the Leitch agenda will open up new markets and provide higher and more diversified funding, but there is a clear impression that colleges believe that a strong business structure will be required in order to reap those benefits. Colleges and work-based learning providers also hope that new funding will result from contestable markets, although there is again awareness that not everyone can win under this approach.

6.3 Appendix 2 also reveals providers' concerns about potential risks resulting from the Leitch Implementation Plan. Many relate to perceived tensions between the need to respond flexibly to local needs and plan provision (with partners) to ensure a comprehensive offer and the uncertainties of future funding. The belief that employer demand and Apprenticeship numbers will grow in line with projected rises in employer-responsive funding still feels like a leap of faith to many providers and one that does not match past experiences of employer engagement. This is especially the case in vocational sectors dominated by small and medium-sized enterprises and in rural economies. Train to Gain is viewed by many providers as being low margin to the point of being unsustainable in some markets (although funding is set to grow rapidly) and this leads to a worrying combination of reduced core funding, greater contestability and growth in lower-margin operations. Not surprisingly, there is considerable interest in any examples of business models which enable this to be done successfully.

6.4 Work-based learning providers expressed concern about their lack of access to LSC capital funding and their ability to secure contracts after the LSC comes to an end. Smaller work-based learning providers are already perceiving a preference for larger (and they would argue less specialised providers) as the LSC's contract management resources begin to diminish. Many smaller work-based learning providers are expressing great concern over their future viability.



6.5 Comments from sixth form colleges indicate that many will continue to reduce their volumes of adult learning, a process started by recent funding priorities but now reinforced by the competitive tendering requirements of the employer-responsiveness funding stream and the structural changes resulting from the Machinery of Government reforms. Sixth form college provision to employers in the past has often involved specialist niche delivery of professional programmes, but sixth form colleges are concerned that provision of this scale (even if high quality) does not fit within the emerging employer-responsiveness model.

6.6 Against this background context, providers gave clear descriptions of the actions they have already put in place and the priorities they believe QIA should have for the Development Programme. There has been a significant investment by colleges (and some sixth form colleges) in employer-facing roles in recent years and this means a substantial potential network of staff operating in these areas, many relatively new in post. Many work-based learning providers are also investing increased resources in sales and delivery staff and the development of partnership models to respond to local need. Yet there is also evidence that some providers are finding it "slow going" generating income and growth in training volumes following the establishment of business units. There is a strong need for the sharing of information on business unit performance so that providers can be realistic about the growth targets they are setting. Appendix 2 describes a market-place in which the supply side is investing heavily in increased capacity against uncertain future demand (especially if the economy is entering a period of stagnation).

6.7 Many providers are pinning their hopes on the Training Quality Standard (TQS), not so much as a kitemark, but more as a catalyst to advance the development of an employer-responsive culture. It will be important for the Development Programme to consider how providers can best maintain that momentum and harvest the benefits from TQS, once the standard has been achieved.

6.8 The respondents to the questionnaire identified a number of priorities that they believed the Development Programme should have. These (recorded towards the end of Appendix 2) were many and varied, but formed the basis of the detailed issues lists that were subsequently used to support qualitative provider visits. In particular providers stressed:

- finance and the management of resources from varied and uncertain funding streams;
- models of effective (and financially viable) employer engagement, especially in difficult or hard to reach sectors and geographical areas;
- business planning and effective management structures in a climate of risk;
- effective delivery and the generation of viable margins within competitive tendering;
- strategies for building commercial awareness throughout the organisation;
- effective quality control, learner tracking and monitoring in e-delivery;
- effective models for employer-facing roles, especially expanded assessor roles, including the setting of performance targets; and



- across all these areas a desire for tried and tested strategies, not theory.

6.9 Appendix 3 contains a copy of a summary document drawn up to support visits to more than 30 providers during the next stage of the research. These providers represented a cross-section of the sector in terms of their geographical locations, size, vocational specialisms and type. The list included general FE, tertiary and specialist colleges, higher education institutions, sixth form colleges, local authority providers and providers delivering work-based learning as private companies, charities, local authority units, colleges and National Employer Service contractors. The visits were backed up by interviews with a number of provider representative bodies and the emerging findings were tested at the QIA Annual Conference Series in June 2008.

6.10 The documents generated during the visits took the form of a confidential "health check" in which providers assessed their own needs based on evidence discussed with the researchers during the course of the day. The detailed results were confidential between the provider and RCU but overall findings from the visits are summarised over the next few pages under the key themed aspects of *Financial Management and Funding*, *Commercial Income and Services to Employers* and *Staff Development, Human Resource Management and Quality Management*. Typically these themes formed separate review sessions during the provider visits, which were also informed by discussions of overall strategy with senior managers and focus groups with middle management and front-line staff.

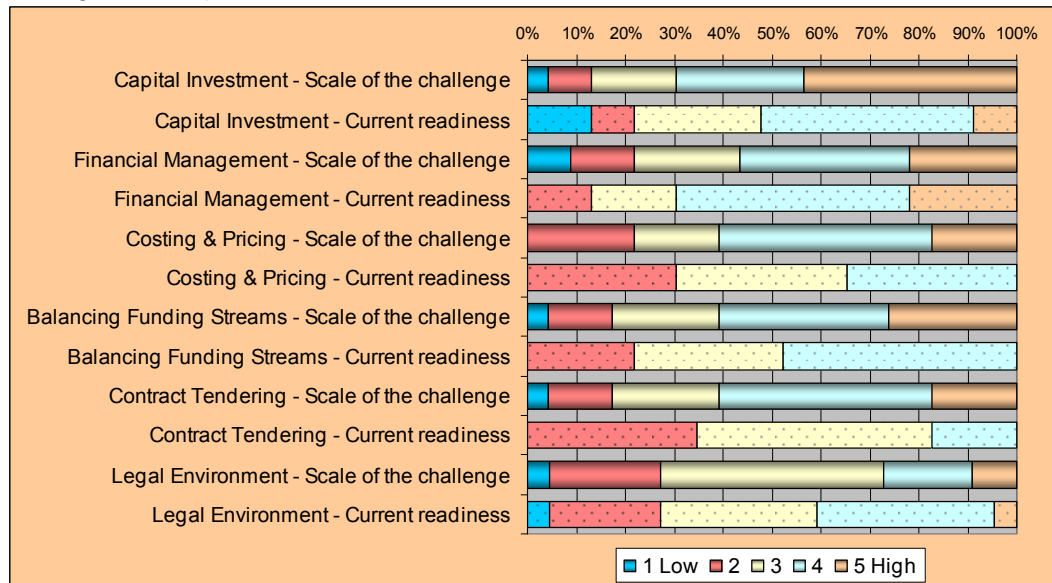
6.11 The summary health check document in Appendix 3 allowed providers to rate the *scale of challenge* facing them in a wide range of implementation areas and their *current state of readiness*. Both aspects were scored out of five, where 1 = low. The judgements were arrived at by the senior managers nominated by each provider, but the ratings were informed by feedback from RCU consultants on issues discussed throughout the visit, including feedback from focus groups with middle managers and front-line staff. No attempt was made to validate the ratings or to moderate them between providers, although researchers did bring in evidence from discussions during the course of the visits if provisional ratings appeared out of step with these.

6.12 The evidence gathered during the visits was essentially qualitative and the charts that follow should be used for background information only. Each provider represented around 3% of the sample for the visit phase and as a result minor variations in percentages are not statistically robust.



Financial Management and Funding

6.13 The first set of issues related to *financial management and funding* and summarise the discussions RCU researchers had with Finance Directors/Managers in the providers. The first set of bars for each issue show the perceived *scale of challenge* and the bars with dotted shading show the perceived *state of readiness*.



6.14 *Capital investment* was felt to present the greatest challenge to this group of providers and was also an area in which readiness, although relatively high, lagged behind the challenge. Several of the providers had invested in significant capital projects and that investment had been predicated on ambitious growth targets. Finance Managers felt that the increased uncertainty of future funding under the Leitch Implementation Plan and strategic commissioning increased the risk of those projections. Several work-based learning providers drew attention to the constraints on their access to LSC capital funding and believed that this increased the risk of investments to develop capacity. Local Authority providers also faced restrictions in their ability to invest resources in physical capacity.

6.15 *Financial management* is an aspect in which providers feel more confident, with more than two-thirds of the providers visited describing their readiness by selecting one of the two highest scores. In particular many providers (across all parts of the sector) have recruited Finance Managers from commercial backgrounds and they have brought professional resource management techniques with them. However the challenge is still high and Finance Managers are concerned, in particular, that the demand-led funding system makes it harder to transfer resources between different funding streams. This is likely to increase the complexity and bureaucracy of management accounting and complicate cash flow management.



6.16 Almost two-thirds of the providers gave a high or relatively high rating to the challenge of *balancing funding streams* and none felt able to give a rating of 5 to their current readiness. In part this reflects a lack of detail in the funding models.¹²

6.17 There were some very interesting discussions around the issue of *costing and pricing* and this is likely to feature strongly in the Development Programme. Many Finance Managers described a tightening of costing mechanisms in recent years and an improvement in the quality of information of the costs associated with a range of delivery activities. However, few were confident that their institution priced effectively. This came out in a number of different ways, for example concerns that proposals developed in order to win competitive tenders might not result in viable pricing. One Finance Manager commented that it was relatively easy to win tenders but that it was a lot more difficult to build in viable margins or to deliver the contractual promises in a cost effective way. This was also linked to concerns about the ability, especially in smaller organisations, of project managers to monitor and control delivery costs.

6.18 The ratings given in the chart to *contract tendering* illustrate these concerns very clearly. Most providers believe they are at the early stages of a steep learning curve and would value help from providers who are further along it.

6.19 Finance Managers across a range of organisations felt that there would be a need to spread the understanding of *costing and pricing* issues more widely in future and to ensure that non-financial staff understood the commercial implications of decisions they were making.

6.20 Underpinning many of these concerns was a belief that the market for training and workforce development did not offer easy pickings. Even without the prospect of an economic slowdown, which was less likely at the time many of the visits took place, Finance Managers were sceptical about the potential for increased demand in the markets in which they operated. This was sometimes due to structural issues, for example the average size of employers or the costs of servicing contracts in a rural economy, but there was a more widespread worry that many employers had got used to obtaining publicly-funded training free or nearly free and that a long-term culture shift would be needed to alter this.

6.21 The final major issue discussed with Finance Managers was the legal structure underpinning partnership working and joint legal ventures. Finance Managers in many providers have a role to assess risk and secure professional advice on major initiatives. This is not an aspect that is seen as a high priority, but there was strong support for the availability, within the Development Programme of guidance on the options facing providers in firming up partnership working. Partnerships can run from loose informal agreements to formal mergers and joint business ventures and these arrangements also sit within a complex framework of company, charity and financial regulations.

¹² The practical operation of Skills Accounts was a particular area of uncertainty.

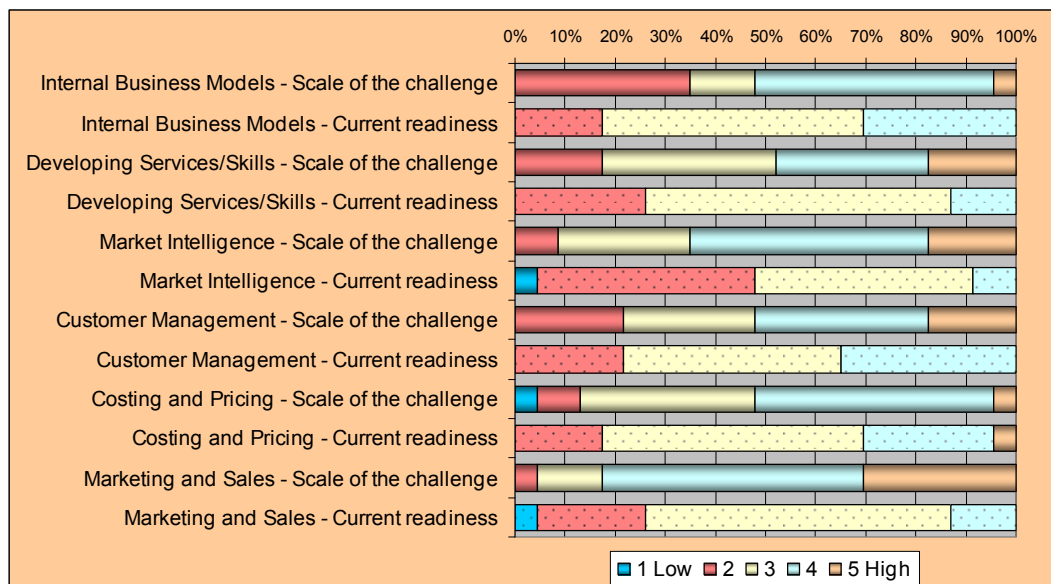


6.22 As part of the research, RCU staff visited a major provider of legal advice to the further education and training sector and they reported a growing demand from the sector for guidance on the powers of managers and governors/directors and on examples of partnership structures that can operate legally and effectively. These structures include trusts, legal partnerships and the establishment of companies and also relate to mergers (which are starting to include mergers between sector bodies and organisations outside the normal conception of the sector). Large providers may, in future, increasingly be holding companies for separate legal entities operating in a variety of financial and regulatory frameworks.

6.23 Finance Managers were looking for a range of options within the Development Programme for support, including helplines/websites and the provision of template materials and documents. There was also considerable interest in software and toolkits that supported internal modelling or staff development, for example the price sensitivity toolkit and models that could replicate the demand-led funding calculator in cost centres.

Commercial Incomes and Services to Employers

6.24 During each visit, researchers interviewed the lead staff responsible for generating commercial income and developing services to respond to employer needs. These staff had a wide range of titles but are referred to as Business Development Managers in this section for ease of reporting. The interviews resulted in the agreement of ratings for the perceived *scale of challenge* and perceived *state of readiness* in a number of key areas and these ratings are summarised below.



6.25 The biggest challenge perceived by Business Development Managers is *marketing and sales* and this reinforces the message that many of the themes covered by the Train to Gain Development Programme are still highly pertinent.¹³ Business Development Managers have responsibility for generating commercial activity and many are worried that it will be very challenging to hit the stretching targets they are being set. More than 8 in 10 described the *scale of challenge* as high or relatively high but only around 1 in 8 was willing to describe their organisation's *readiness* in the same way.

6.26 The specific concerns behind these ratings differed from provider to provider but there were some common themes, including how to move from general labour market intelligence to the identification of specific prospects, how to spot marketable expertise within the organisation and how to negotiate and close contracts in a cost effective manner. *Market intelligence* is a significant area of concern, as secondary information often lacks robustness at a local level and few Business Development Managers have a significant budget for customised research. Almost half the Business Development Managers described their *current state of readiness* as low in this area.

6.27 Researchers also encountered a consistent need for support in strategies to get the most out of Customer Relationship Management systems, which most of the Business Development Managers had established. In few instances had these systems yet seen the transition from a system that monitored commercial activity to one that was being used actively to manage commercial relations and generate business.

6.28 One significant area of concern that is not fully covered by the ratings is that many Business Development Units still sit outside formal structures and feature positions that do not sit comfortably into organisational role descriptions. Few of the providers had well developed performance indicators for their Business Development Managers, who in many cases were concerned about unrealistic expectations as a result. Most Business Development Managers believe that projections for the sector of employer income are not realistic within the envisaged timescale. Business Development Managers and senior management consistently asked whether there were solid examples from within the sector of providers generating genuine and significant surpluses from their commercial activities. In particular, providers wanted examples of successful strategies in difficult market conditions, for example industries where employers operated with low margins, industries dominated by small businesses and rural economies.

¹³ This will include continued support to achieve, embed and evaluate the systems necessary to achieve the Training Quality Standard. It will also include continuing high volume of demand for sales training, negotiation skills, training needs analysis, pricing awareness and commercial contract management.

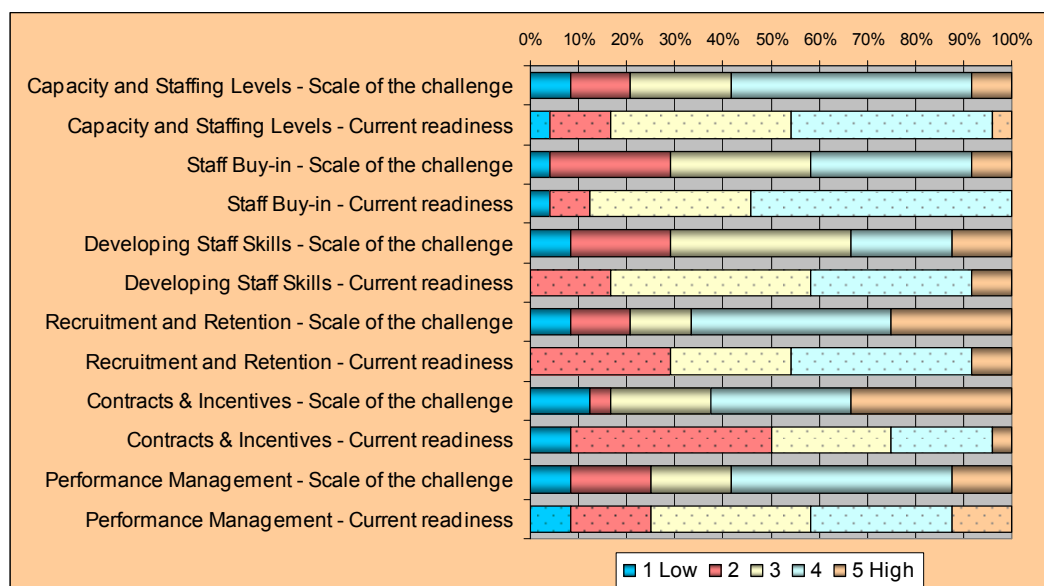


6.29 The concerns about the ways in which Business Development Units are judged are linked to a wish for evidence of the effectiveness of different models of linking commercial activity with more mainstream provision and a wish to ascertain what represented a typical return on Business Development Unit investment. Business Development Managers would value examples of role descriptions, codes of conduct and performance review structures that are operating effectively in the FE system. Many of the roles felt to be necessary do not sit comfortably in current structures, for example assessors who can also cross-sell and identify training needs.

6.30 Finally there is a need, linked to the Training Quality Standard and the Framework for Excellence, for the dissemination of good practice in the gathering of, and response to, employer customer views.

Human Resources and Quality Assurance

6.31 The chart below summarises the perceptions of Human Resource and Quality Assurance Managers taking part in the interviews. Two-thirds of the providers visited gave a high or relatively high rating to the challenge of *recruitment and retention* of the required staff and this was largely related to problems of securing trainers and assessors with particular vocational skills. In some sectors the volume of potential assessors is low while in others the rates of pay that providers can offer compare poorly with salaries that can be earned in industry. For smaller providers in particular there are also difficulties recruiting staff to work on temporary projects and contract-funded work. In larger providers the issue is more one of *capacity*. Several providers, in particular those with periods of financial pressure in their recent past, noted that permanent staff timetables had been filled to meet financial performance targets, but that this left little room for flexibility or work to develop services.



6.32 The linked area of *contracts and incentives* was also a major area of concern, with well over half the providers visited identifying this as a high or relatively high challenge. Levels of readiness were perceived as quite low compared to other aspects of a provider's recruitment strategies (such as non-salary benefits and continuing professional development support). The concern over *contracts and incentives* during the visits contrasted with the relatively low ratings given during the quantitative survey. The implications of incentive-based contracts tended to emerge as an issue during the course of discussions as it became clear that current structures were not appropriate. One Human Resources manager commented:

We can't deliver a flexible response to employers without flexible contracts but there is an in-built resistance to this because it makes management and communications more difficult.

Providers expressed a strong need for examples of model contracts and successful approaches to recognising the different role played by some employer facing staff. For example one college had introduced a third strand for business services staff in its pay scales, alongside lecturing and support staff.

6.33 Human Resources Managers were more confident of the progress that had been made in securing *staff buy-in* for the changes necessary to align structures and delivery to the Leitch Implementation Plan. The scale of challenge is seen as relatively high, but most of the providers visited felt they had been successful in convincing a critical mass of staff that the changes were necessary, positive and long-term (i.e. that Leitch was not just "another initiative." However, there will be a continuing need to promote this message and Human Resource Managers were keen for the Development Programme to include access to readily adaptable training and briefing materials, in PowerPoint or PDF format that could be used to raise awareness at all levels of the implications of key policy drivers (e.g. Skills Accounts, National Apprenticeship Service and demand-led funding). Mention was also made of helpline support for providers in key issues.

6.34 Where possible, Human Resources Managers (and other senior staff) want these to be themed to reflect the context in which they operate, e.g. delivering the Leitch agenda in a local authority organisation or the role of sixth form colleges in an employer-responsive system. This was particularly true of providers contracted to the National Employer Service. It is likely that these materials would need to be developed in conjunction with sector representative bodies in order to have credibility. There is a linked, but separate, need for materials that can help to raise the sector awareness of trainers, assessors and governors who have been brought into providers from outside the learning and skills sector.

6.35 The Development Programme will also be a vital opportunity for the sector to think through common issues where there is not yet a clear way forward, through conferences or forums. One example is the changing role of assessors in a demand-led system and another



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might be the introduction of performance-related pay for staff who generate new business. The latter issue is linked to the issue of *performance management* for employer-facing roles.



6.36 Performance review in many providers is based around teaching and learning observations and the hitting of success rate targets and do not fit well to the roles carried out by Business Development Unit staff or to workplace training and assessment. There is also a need to build the skills of managers in setting evidence-based targets, supported by better management information on employer engagement activity. Providers were more confident that they had strategies in place to *develop skills* among current staff, although there will continue to be a need for “conversion” programmes to develop skills in staff who are taking on employer-facing roles for the first time. For example, there is expected to be a continuing need for support in developing costing and pricing skills and skills in risk-assessing tenders. Another idea proposed by a provider was for the Development Programme to build up a bank of typical questions or objections raised by employers during the negotiation of training and development services and effective responses to these.

6.37 As discussed above, several providers commented that current systems of performance review were not fit for purpose in the context of new staff roles emerging from the implementation of the Leitch agenda. There are similar concerns over quality assurance systems¹⁴ and the need to focus more on employer satisfaction and the impact of training and development work on business performance. This is an important aspect for the Development Programme, which can help to ensure that there is consistency in the approach providers take to monitoring the quality of provision, which will help to support peer review networks. The providers visited were very positive about the benefits of peer review networks and wanted them to be extended into employer engagement work, while recognising that this might be difficult with neighbouring institutions. There is also a continuing need to support providers implementing new curriculum structures, including 14-19 diplomas and the Vocational Qualification Reform Programme.¹⁵

6.38 One National Employer Service provider felt that the UK VQ Reform Programme had particular relevance because it opened up the prospect of more effective curriculum mapping that would help them integrate the previous learning of new recruits with their own training programme. New entrants come to the company with a wide range of qualifications but the company is able to give very little credit for this. The implications of the UK VQ reform Programme for employer-responsive services need further examination and may need to be under-pinned by a mapping of qualifications against occupation progression routes. Although the company was considering this in the light of its own training provision, it also felt that the UKVQRP could open up new services to employers customising unit-based training to fill gaps.

¹⁴ One particular concern is the maintenance of quality within partnership delivery and sub-contracting.

¹⁵ The VQRP is the focus of a separate Development Programme but there are strong links to the Leitch agenda as providers are unsure of how to build learner and employer support for the new approaches to credit accumulation that will become possible within the Qualifications and Credit Framework.



6.39 Some of these themes have already been reflected in the Train to Gain Development Programme and there is strong support for this to continue. Providers were also very positive about the Excellence Gateway and the support available through it. Many providers feel exposed in their management of employer engagement activity and require reassurance that the approaches they are taking to recruitment, target-setting, professional development and quality assurance are in line with good practice elsewhere in the sector. In particular, providers are keen to exchange experiences of engaging successfully with employers in difficult markets, for example those characterised by high proportions of micro-businesses, or ethnic-minority owned businesses, or with largely casualised workforces. Some providers also feel exposed when first opening up new markets, such as contracting with the Department for Work and Pensions in order to address the worklessness agenda. This is an important aspect of the Leitch recommendations and, as always, the most valuable lessons are expected to be learned from providers who are slightly further down the same path.

6.40 A number of the providers interviewed identified the role of assessors as vital to their implementation of the Leitch agenda. A number relied on self-employed and part-time assessors and were finding it hard to increase capacity in the face of projected need or to respond quickly to employer requirements. One idea mentioned was a national register of approved assessors, while some providers are considering joint appointments with sub-regional partners to help smooth out unpredictable demand. Another suggestion (encompassing senior roles as well as specialist assessors) was for QIA to establish a bank of expertise into which providers could buy for short periods.



Section 7: Conclusions and Recommendations

7.1 Senior managers across the FE System perceive the Leitch Agenda as a huge challenge and expect to need considerable external support in order to ready their organisations for the changes ahead. In most of the organisations visited there was a clear understanding of the likely implications of the Leitch agenda at a senior level, but knowledge is not high among ordinary staff and there is also work to be done raising the understanding of some governors/directors. There was also a consistent view that external support was needed to convey the scale of the challenge to an internal audience. Many providers are planning substantial rates of growth in their employer-derived income but lack confidence in labour market information and employer commitment to support this.

7.2 Programmes will have to be made clearly relevant to different sub-sections of the FE System. For example there are major challenges in trying to deliver innovative work-based learning or adult education in a local authority decision-making structure. Non-college providers expect colleges to dominate general events unless they are clearly themed and the Development Programme will also need to reflect operational contexts. This includes, but is not restricted to:

- effective employer engagement in a rural context;
- effective income-generation within a local authority context;
- Leitch implementation in National Employer Service contractors;
- linking the Leitch and Higher Skills agendas in mixed economy colleges; and
- expanding delivery in the context of Group Training Associations.

7.3 As well as taking account of sub-divisions by provider type, the Development Programme will also need to consider the potential for support to be delivered in a regional or sub-regional context. Many providers identified a need to drive culture change across the whole organisation, but could not afford (downtime and travel costs) to send a critical mass of staff to national events. However a more localised approach will have to be balanced against a reluctance to be open in admitting barriers to progress in the company of neighbouring providers.

7.4 The research investigation has thrown up a very considerable list of support needs for QIA and its selected contractor to consider. These extend beyond staff development into the need for toolkits, templates and guidance on legal constraints. For example, there will be a demand for legal advice, especially around flexible contracts and new models of formal partnership and governance.



7.5 The Development Programme will be most effective if it recognises the different stages of development at which providers find themselves. The table below summarises some of the main issues that have emerged during the report and breaks these down into immediate priorities and longer-term issues. However providers are at different stages of the development process and the report has made clear that a number of current elements of the Train to Gain Development Programme will continue to be needed as new waves of staff enter employer-facing roles.

	Immediate	Longer -term
Strategic	<p>Guidance on legal structures to support partnership working.</p> <p>Financial management strategies in the context of diversified funding streams.</p> <p>Strategies to ensure viability for small providers in contestable markets.</p> <p>Evaluation and target-setting strategies for Business Development Units.</p> <p>Recruitment and development strategies for assessors and employer-facing staff (including industrial placements).</p> <p>Strategic alignment to the worklessness/return to work agendas.</p> <p>Models of cost-effective delivery of Train to Gain.</p>	<p>Strategies to align 14-19 developments with employer-responsive provision.</p> <p>Strategies to build commercial awareness throughout the organisation.</p> <p>Development of benchmarking in the effectiveness of employer engagement (including successful progression from legislation-driven Level 2 to voluntary Level 3).</p> <p>Managing staff workloads to provide flexibility of response.</p> <p>Training and dissemination materials to use internally to build staff buy-in.</p> <p>Governor development programmes.</p>
Operational	<p>Specimen flexible employment contracts.</p> <p>Development of top-up skills for assessors.</p> <p>Models of effective employer engagement in hard to reach markets (SMEs, rural areas, casualised workforce etc.).</p> <p>Costing and pricing skills (including developing a bank of frequently-raised issues).</p> <p>Skills in assessing risks and costs in contestable tenders and improve project management (e.g. Prince 2).</p> <p>Training in assessing market potential.</p> <p>Strategies to embed and use CRM systems for effective client management.</p>	<p>Strategies to monitor and evaluate the costs and benefits of successful contract tenders.</p> <p>Strategies to increase employers' willing to pay for training through long-term relationship building.</p> <p>Successful strategies for quality control, learner tracking and monitoring in e-delivery (including harnessing IT to support virtual learning environments).</p> <p>Effective research strategies to generate robust local intelligence.</p> <p>Effective strategies to support self-employment.</p> <p>Sector induction materials for staff/governors recruited from commercial backgrounds.</p>

Appendix 1: Survey Questionnaire

This questionnaire was sent to 928 providers by post. The providers could respond either by completing a hard copy of the questionnaire and returning it in a freepost envelope, or by following the link to an on-screen version.



Appendix 2: Additional Comments Provided by Providers

This appendix contains further comments supplied by providers in answer to open questions on the survey questionnaire.

Potential Benefits of Leitch Implementation Perceived by Providers

Finance and Funding Issues

General FE Colleges

- A new income stream for 19+.
- Greater levels of income.
- Diversification of income; new markets; increased responsiveness.
- Opportunity to increase our income and contribute to economic development.
- Significant potential increase in funding income.
- Potential for increased business and income.
- We are a large organisation well prepared for the implementation of Leitch. We are ahead of our competitors and have sound financial health to help tackle cash flow or reduced income issues.
- Key benefits include access to significantly increased funding stream for adults.
- Reducing dependency on public funds facilitates a fundamental shift in working practices and increases the opportunity to diversify business.
- Ability to bid into additional funds. A real opportunity to be entrepreneurial and to be rewarded for being so.
- A broader range of income streams and more flexibility in the marketing strategy.
- Depends on some funding changes e.g. will sector skills councils' recommended qualifications become priorities for funding and what will the Foundation Learning Tier look like?
- Maximum income through the development of provision and the curriculum.
- Diversification of income.
- Hopefully better resources available to support the transformation to a world leader in skills delivery.
- Access to greater funding (albeit contestable).



Sixth Form Colleges

- As a sixth form college 16-19 is main core business. May give more stability and funding to adult provision. Recent cuts in funding have made this a declining area.

Work-based Learning Providers

- Increased levels of funding and an acceptance by employers that some services should be paid for.
- Funding will be more readily available.
- Increased funding if successful.
- Greater ability to signpost customers towards funding.
- Opening up of the funding streams.
- Possibility of attracting funding from government and companies to support our training.
- Potential for direct contracting (as achieved new Training Quality Standard) and improved business prospects.
- Accessing LSC capital funding which is currently unavailable to my company.

Issues Relating to Commercial Activity

General FE Colleges

- Closer working with employers with a greater emphasis on meeting their specific needs and delivering training in ways that suit their circumstances.
- Greatly enhanced opportunity to engage with employers and to focus the curriculum on employment priorities.
- Closer relationships with employers.
- Different relationship with employers and the economy having a real impact.
- Increased flexibility of response to more clearly articulated employer needs.
- More employer focused that better meets the needs of individual learners.
- A focus on employability skills and employees constantly raising their skills levels and not just doing an NVQ and stopping! Great potential to expand our work in this area.
- Greater urgency to work with employers but other actual benefits is debatable.
- College already has a good start with workplace learning.
- Bringing us closer to employers.
- Capitalising on successful business services model leading to increased opportunities for income generation. Also fairer rate of funding (possibly).
- A more co-ordinated approach to the portfolio of services to employers.
- Engagement with the employer community.
- More support for employer engagement.
- Extension of opportunities to engage employers in skills development.
- Enhancing the college's reputation among employers and enabling the college to keep up to date with employers' requirements.
- Larger potential market.
- New opportunities for the employers we already work with recognition of our work in workforce development over the past 12 years.
- Raised profile with employers and recognition of contribution to the agenda for raising skills levels.



- The opportunity to build further on our already strong employer engagement abilities.
- Links with employers.
- Clear focus on addressing employer needs.
- Increased credibility with employers.
- Increasing demand for skills training.
- It will raise the importance of training with employers and increase our activity.
- Greater engagement with employers etc.

Specialist Land-based Colleges

- New opportunities in new markets.

Work-based Learning Providers

- Opening up the market.
- We will be able to offer a more structured range of training and development to our customers.
- Puts skill development on the agenda of local business and organisations.
- As an employer led organisation we should be better placed to respond to employer needs.
- To engage with employers in Health and Social Care Sector to develop the staff to meet ever demanding requirements.
- Working with effective and productive employers.
- Potential for more business.
- Better employer engagement.
- A greater commercial awareness and focus.
- A great opportunity to meet employer needs - supported by targeted funding.
- Further opportunities for business development.
- Significant increase in the number of apprentices in training.
- Meeting the direct needs of employers.
- Being able to tailor training and development to the employers' needs, not just what is a government priority.
- The launch of the Skills Pledge and/if employers required to sign.
- Will be able to offer employers a wider range of qualifications (hopefully) thus meeting their needs more.
- More opportunities across wide range of potential employers and learners.
- Continued growth of our delivery within priority sectors.
- Additional work available.
- Increased workload due to training opportunities we can offer learners.
- New opportunities to quote for new markets.
- At present involved with HE to hospitality workforce therefore student potential is management level.
- Widening participation across our employer / provider base.

Local Authorities

- The financial support for staff training opens up increased markets for us as providers.



Strategic Direction

General FE Colleges

- Clearer vision.
- Now given clear focus.
- Clearer focus on core mission of employability.
- Clarity of focus of activity. Opportunities for growth.
- Greater clarity of focus on mission.
- Better focus on skills, employers and results.
- Greater focus on employability and on delivery meeting skills gaps.
- Moves forward the agenda we have been working towards for some time.
- Central to our mission.
- Skills based college already so builds on our expertise.
- Developed partnerships function with other providers.
- Close working with partner organisations.
- Increased responsiveness, more funding, greater freedom within priorities. A bigger role in sub-regional/regional and national planning.
- Working with employers in the workplace to improve Skills for Life and vocational skills will enable the college to meet its mission as a community college.
- Greater opportunities for new areas of work / provision particularly in employer work.
- Re-modelling, re-engineering.
- The local area plan now includes FE due to the skills agenda.
- Raising the WBL profile across organisation.
- It further supports our direction of travel.
- An opportunity to be innovative and change the business model to one which is efficient, lean and nimble.
- Potential to promote the benefits of vocational / skills training and qualifications - higher profile and status.
- Increased range of opportunities for students in our specialist area (land based).
- More focus and opportunity to specialise.
- Ability to offer specialism more widely (geographically).
- Increased business.
- Continued high profile as a provider in skills training.
- A clearer role for the general FE College, with a clearer picture of agreed priorities.
- Opportunities to develop the existing flexible model of delivery already in place to meet employer / learner needs.
- Promotion of the skills agenda in the workplace with flexible delivery models.
- Expansion of business.
- More focus and opportunity to specialise.
- Changes represent further development of current strategy, not a change of strategy.
- Provides the College with a focus for governance and taking forward the Workforce Reforms Agenda.
- A more outwardly focused organisation.
- The government imperative has forced a step change in the way we work with employers.



- FE becoming more central in meeting employer needs.

Sixth Form Colleges

- Diversification of core business. Opportunities to build upon established partnerships and development of new collaborations.
- Raise the profile of the sixth form college in delivery of Level 2 and Level 3 qualifications.
- Potential benefits of increasing our 19+ provision.
- Supports the strategic decision already decided upon - enables funding and capital to support decision making.

Colleges of Art and Design

- Gives greater emphasis and direction to the position of skills.

Specialist Land-based Colleges

- Allow us to continue to develop our specialist services for land based employers.
- Our own college business plan will sit comfortably with national, regional and local plans.

Work-based Learning Providers

- Increased demand for apprenticeships and a higher profile for vocational learning in pre-16 settings.
- Refocus on the employer.
- Increased levels of 14-16 business.
- Clarity in strategic business planning for the next 3 - 13 years.
- Clearer understanding regarding the government's policy on learning development and up-skilling the workforce.
- Able to achieve business mission and objectives.
- A unified and joined up approach to UK wide apprenticeships and adult training.
- A more open market, which will enable the company to offer a more rounded service to learners and employers.
- As both a commercially-funded and partially LSC-funded provider, demand led employer driven training is advantageous.
- Focus on the country and industry's needs.
- The clear focus on skills relevant to workforce / employers links planning of provision.
- The development of our group training association from an assessment provider to a sector specific FE provider.
- Opportunities to be involved in a wider range of delivery options.
- We are well established in what employers need and have good employer engagement. We already have 50% of our business in commercial area.
- Builds on our experience of 40 years working with employers on developing skills. It focuses the agenda for employers.
- Greater flexibility means delivery can become more employer led. Qualification reform will have significant impact on this.
- Raising the profile of WBL with the co-operation with schools. Feeling of longer term stability.
- The industry in which we operate has not traditionally engaged with vocational training, but are beginning to see that it has positive and cost effective benefits if used wisely.



- Standardisation across all providers.
- WBL training profile to be raised and hence wider opportunities to participate in Apprenticeships, adult Apprenticeships and Train to Gain.
- Focus on WBL sources, specifically growth in apprenticeships and Train to Gain will raise the profile for our members and this delivery method.
- Employer responsiveness. Level 2 for all employed people. Better focus on learning.
- More structured involvement from employers will hopefully lead to more sustainable employment for young people.
- Drive towards high level skill development.
- A greater emphasis on apprenticeships.

Local Authorities

- We have been demand led since we opened in 1998.

Higher Education Institutions

- Greater engagement with employers via clearer mechanisms.

Provision & Curriculum

General FE Colleges

- Wider more relevant portfolio/curriculum and closer links with industry.
- A more coherent and relevant training portfolio for employers to up-skill their staff.
- Higher profile and recognition of Apprenticeships.
- Expansion of Train to Gain, focused on employer responsiveness.
- Growth in NVQ / Train to Gain.
- Vocational and applied academic skills are higher profile now.
- Key benefits are delivering direct training and skills assessment in the work place.
- Vocational delivery - we are very much a vocational college.
- Enhanced relevance of curriculum through strong employers links.

Sixth Form Colleges

- Development of the profile of literacy and numeracy skills.
- Increased enrolment of 16-18 students.
- Expansion of Community Learning and Leisure provision for 19+.
- We may need to broaden our portfolio of offer for when the traditional curriculum isn't appropriate.



Work-based Learning Providers

- Offering a wider curriculum to meet the needs of employers and employees.
- Promotion of NVQ programmes to up-skill workforce.
- Wider provision.
- Focused provision in a priority area/sector.
- Provision of further training courses and qualifications, especially cross sector training including Skills for Life.

Economic Development

General FE Colleges

- Opportunity to increase our contribution to economic development.
- Meeting the needs of the local economy more effectively.
- Contribution towards up-skilling the workforce.
- Better skills for the UK.
- Opportunity to increase our income and contribute to economic development.
- It will ensure we look more closely at our role in the local economic regeneration.
- Impact on local economy and further widen participation.

Sixth Form Colleges

- Shaping skills and prosperity of community.

Human Resources and Staff Development

General FE Colleges

- The opportunity to bring about a change in culture.
- More flexible models of delivery.
- Provides career change and opportunities for some staff.
- We have the right staff who are flexible enough to undertake the tasks required of them in the appropriate manner.

Sixth Form Colleges

- Signing up to Skills Pledge to support staff in administrative roles.

Work-based Learning Providers

- Improving individual performances.
- Increase in requirement for teaching and assessment qualification.



Quality

General FE Colleges

- QCF awarding body status for providers.
- Opportunity to use our excellent quality to grow.

Work-based Learning Providers

- This will enable more progressive information, advice and guidance for young people and their careers.
- Better quality of provision.
- Constant review of delivery plans and programme offer.
- Improving quality of provision.
- To better focus on a first class service.

Impact on Learners

General FE Colleges

- It will provide the impetus we require for our local employers and work experience providers to become more receptive to accommodating both learners and adults with Learning Difficulties and/or Disabilities into their environments.

Sixth Form Colleges

- Increased participation in education and training.
- Contributing to increased progression opportunities for adults through the delivery of more responsive provision.

Work-based Learning Providers

- More opportunities for young people and adults to access training places. Increase in apprenticeships for young people and more real attractive choices to prevent them becoming NEET.



Potential Risks Perceived by Providers

Finance and Funding Issues

General FE Colleges

- The local economy requirements are not reflected in the Leitch planning and funding methodology that has been put in place by the LSC.
- Detail within implementation plan not yet fully clear, risk will be increased considerably.
- We have planned to be involved in employer training meeting specialist science skills needs in our region. However the LSC has just threatened to remove all adult funding from us which would remove the infrastructure enabling us to do this.
- Feasibility of continuing to offer adult courses.
- Vagaries in funding and the risk of funding being withdrawn in year.
- Cash flow.
- Instability of funding.
- I feel that having already raised fees to 50% two years ago, I have minimised risk to the college.
- Changes in funding methodology, contestability.
- New funding methodology, financial stability, lack of investment capability.
- That the changes we are making don't have the desired effect - i.e. don't bring in the income necessary to make up the shortfall arising from reduction in adult numbers etc.
- Financial instability and the quality implications - how to sustain 'outstanding' - capacity to respond.
- Inability to respond to large volumes of contestable bids.
- Uncertain financial and funding implications versus investment costs.
- Ability to predict impact on wider programmes (e.g. capital funding). Vulnerability of the whole commissioning process e.g. very large contracts.
- Cash flow, pace of change.
- Reduced funding and activity - lack of relevance.
- Vulnerability of college when dependent on training contracts with local large employers e.g. business clashes and redundancies result in drops in retention, achievement and funding.
- Meeting the challenge without adequate resources.
- Funding rates, Train to Gain criteria e.g. 20 Hours. Underpinning knowledge. Expected fees.
- Employer/adult funding - the college is a medium size organisation, the changes proposed will be extremely challenging in a rural county.
- Financially more risks.
- Demand-led funding proposals, fee costs.
- Reductions on funding.



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Final Report Version 2.0

- No growth in 16-18 funding and change to demand led adult responsiveness funding means we are turning young people and adult learners away. In addition the new funding methodology is total madness and we will need to change systems and planning.
- Train to Gain funding is too bureaucratic.
- Too many un-thought-through changes taking place at once.
- Inability to make the transition to respond to demand led agenda.
- Risk of decrease in income.
- Concern that employers will be unwilling and unable to pay fees.
- Loss of income to other providers operating in niche markets.
- Reduction in funding for core activities especially adult vocational provision for unemployed.
- That funding is diverted away from our existing strong areas into improving routes for learning.
- A high percentage of funding is in high risk competitive markets.
- Inflexibility and uncertainty, financial pressures.
- Failure to collect fee income.
- Financial viability.
- Changes in the funding methodology required careful management of cash flow.
- Lack of core funding.
- Financial health.
- Up front investment against unknown, unquantifiable returns.
- Lower margins, shift from assessing to tendering.
- LSC funding methodology is a risk. Possible UK economic recession - training budgets being cut.
- Loss of adult LSC core funding out pacing replacement by Train to Gain and employer responsiveness.
- Funding implications / changes.
- Financial instability.
- Failing to achieve income targets.
- Uncertainty about funding and financial stability.
- Vulnerability in open/competitive environment.
- Maintaining employer contributions.
- Financial insecurity as a result of lower returns and possible cash flow variances.
- Risk is offering the correct product mix to meet funding income targets.
- Lack of resources to fund expected 16-18 growth.
- Income loss.
- Getting the balance between 16-19 and adult skills/employer engagement right. Funding changes past 2010 - uncertainty over strategic and financial planning.
- Train to Gain is suitable / unsuitable at current levels of funding for increasing competition.
- Funding opportunities may be more difficult to bid for.
- Mismatch between operating costs and income.
- New funding methodology - we have some concerns but little actually known for sure at this stage.



- The low margins in Train to Gain.
- Financial impact and cash flow impact on provision that is currently 'subsidised' by more lucrative provision.
- Funding uncertainties at the planning stage, hence, very high levels of risk in staff and non-staff resource deployment and investment.
- Destabilisation due to changes in procurement.
- Income targets not met resulting in redundancies, poor PR, lack of credibility with employers etc, etc.
- Costs of delivery of National Skills Academy's products.
- Financing skills shift for staff.

Sixth Form Colleges

- Uncertainties surrounding demand led funding.
- Contestability agenda.
- Funding for post-19 activities.
- Financial loss.
- Training company's returns - financial risk.
- Distance of the funding model.

Specialist Land-based Colleges

- Lower funding under new methodology – loss of perceived priority for land based sector.
- Financial turbulence with inadequate 'safety nets'.

Work-based Learning Providers

- We may be overlooked in the funding rounds as it appears the funders prefer large organisations that have been in funding previously.
- Uncertainty of funding. Adequately trained staff. Loss of support/funding for non-vocational learning.
- Change in payment terms could reduce cash flow. Staff to become more reactive to customer needs. Competitors responding earlier and more effectively.
- Funding instability and the college speed of response.
- Future funding sources – given the demise of the LSC.
- Lack of direct funding to support delivery to industry.
- Lack of capital funding for private sector means that we have to foot the bill for developing resources and training centres to meet world class delivery and compete with colleges who have resources funded. We do this with no guarantee beyond the immediate contract year.



- The set-up costs are difficult for a private provider.
- Priority funding and commercial business.
- Lack of funding, unfair hold by FE sector.
- Ongoing LSC contracts becoming more difficult to secure. Financial strength of colleges compared to private sector.
- Spread of change. Funding uncertainties.
- Huge financial risks as we are a private training provider and Train to Gain funding is considerably less.
- Future funding arrangements.
- Losing funding for 19+ apprentices and understanding detail and control of funding.
- Open competitive tendering (OCT), the way funding will be distributed to meet the agenda.
- Complexities of post 16 funding.
- That as a reasonably small WBL provider we will be lost in the funding streams and the emphasis placed on school and college provision.
- Funding / contribution levels to promote growth and quality.
- Changes in finances / contracts.
- Changes to funding, bureaucratic audit requirements, lack of availability of delivery resources.
- Without capital funding (we are a WBL charity) we will not be able to expand our delivery of apprenticeships.
- Changes to demand led funding leave some providers within our network unsure about their future sustainability.
- Colleges and large providers take most of the funding.
- Access to capital expenditure for premises and ICT.
- Cash flow and resources to meet expected demand. More bureaucracy and increased administration time.
- Funding on implementing these changes.
- Risks - open competitive tendering concerns – minimum levels of performance and lack of security in long term planning.

Local Authorities

- Loss of income through reduction in learners.



Commercial Activity

General FE Colleges

- The lack of engagement of SMEs who do not like many of the existing qualifications / NVQs.
- Significant fear of the levels of employer "buy in".
- Inability to respond to need.
- Small college rural area, last year 12 private training providers working in area, this year 80 private providers. Too much competition for us to manage.
- Area is predominantly SMEs with 1 or 2 staff, limited scope for engagement.
- Concerns about whatever employer demand there is out there. Concern about our capacity to deliver in new ways.
- National, large providers moving into the area.
- Competition from those who are able to commit more investment.
- Business development / enterprise not well established.
- Difficulties of working with small organisations.
- High cost of working with small organisations.
- Increased competition from private training providers who will cherry pick easy employer solutions.
- The lack of awareness of Train to Gain which restricts capacity.
- Employer recognition of what we have to offer and perceptions of our capacity to deliver (as a sector).
- An increasingly competitive market place.
- Threat to core business of reliance on customised training provision. Ability to respond in a timely manner.

Sixth Form Colleges

- Not being seen as a delivery partner of choice.
- Securing of significant contracts.

Specialist Land-based Colleges

- Artificial / government hurdles in terms of eligibility and management of competition will restrict our ability to respond to genuine employer demand.

Work-based Learning Providers

- Employers not prepared to fund their own training and development plans.
- No specific threats apart from some aspects of employer contribution, which we feel will be difficult to enforce.
- The Qualifications and Curriculum Framework is likely to fragment training needs and employers will not understand this.
- Insufficient demand from employers - impact of demand-led funding. Lack of capacity to respond in particular curriculum areas. Saturating the market and employers unwilling to contribute to training costs.
- Organisations i.e. FE and WBL providers not responsive to learners needs.



- Employers are too used to funding and low margin industries such as security, not geared up to pay for training.
- Confusion for employers with a lot of different providers asking similar questions of them through OCT.
- Employers entering into direct contact.
- Being able to compete against colleges who are developing all four services to employers and who have greater resources.
- Lack of employer engagement.

Strategic Direction

General FE Colleges

- There are no main benefits for a medium GFE College operating in a rural environment.
- Too early to tell. Demand-led does not have a good track record.
- Too much change too soon could have a destabilising effect on the organisation as a whole.
- The main risk is destabilisation of the only local provider of top quality teaching and learning.
- Meeting government led targets for learner numbers (Skills for Life).
- Providing an effective infrastructure for working with many more employers on a remote basis (i.e. distance learning, 24/7 assessments etc).
- Lack of planning in the sector.
- Change to current strengths and practices.
- Fear of the unknown.
- Train to Gain is a risk as the product needs working on.
- Timescales are short, not enough lead in time from announcement to full implementation.
- A step change is required but should we buy into the agenda - will it last?
- Immediate effect and capacity to transform in a relatively short period of time.
- Piecemeal privatisation that undermines existing provision.
- Planning is extremely difficult for the future.
- Ability to be an extremely flexible, light on feet organisation.
- The pace of change leading to destabilisation of successful provision leading to a negative profile for the college with students we can no longer support.
- General destabilisation in the sector impacting adversely on individual colleges.
- Competition from those who are able to commit more investment.
- Unrealistic targets set without consideration for local/regional factors.
- Policy gap between desire to share costs with inability or lack of interest in client market to do this.
- 14-19 becomes a school dominated market leading to loss of business for colleges.
- Lack of sufficient information from LSC in time to implement changes.
- Ability to respond to changes in demand/agreed changes in sector/staffing needs, qualifications from sector skills courses - movement to specific Awarding Bodies, keeping up to date.

Sixth Form Colleges



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- Managing diversification.
- Competition from training providers offering apprenticeships.
- Change in ethos - move away from education as enrichment.
- That without changing our mission/purpose we would not be able to continue work, but if we did it would be less successful in our niche market.
- Being able to meet demand of employers in an organisation predominantly focusing on full time provision.
- How the sixth form colleges will fit into the overall plan and possible implications or student numbers.
- As a Sixth Form College the impact of Leitch is very limited.
- The LSC statement of priorities reflecting Leitch, taken together with the funding changes is spreading dislocation and capacity reduction through much of the FE sector. We are not much affected by this but can see that when high quality programmes are needed in the future there may not be anybody to deliver them.
- Tangential as a sixth form college.
- New competition setting up.
- Changing mission and nature of college - regional risk.
- The new diploma.
- Inability to create local partnerships.

Colleges of Art and Design

- Change of curriculum and staff focus that is speedy and responsive.

Specialist Land-based Colleges

- The pace of change is so fast that we may not have the management capacity to cope with the new developments whilst maintaining performance in other areas.



Work-based Learning Providers

- Risks are the rural dimension, which prevents a breadth of provision being created, and the preponderance of SMEs, which results in fewer quality training opportunities being created.
- We do not fully understand how this will affect the training school.
- The true openness that will exist.
- Changing government legislation in the sector and developing resources quickly enough to meet the needs of the organisation and its staff.
- Concerns in relation to how this will be brokered between providers: private, not for profit, FE and schools.
- LSC only contracting with 'super size' providers - or FE colleges - as their administration budget reduces. Lack of local authority experience in procurement of training - 'throwing the baby out with the bathwater'.
- Such huge changes – which we can't afford. High risk strategy. Don't want to become dependent on LSC funding.
- Failure to see Leitch implemented in an effective timely way.
- Immaturity of government policy and procedures - leads to time and effort being invested in initial launches which rapidly change requiring speedy review of provider position and strategy.
- Regionalisation of provision, e.g. funding and business support. Risk of being overstretched. Barriers to change and need to slow down rate of change.
- The rapid rate of change.
- No guarantees of all changes to date being safe - contract under threat due to LSC continual changes and misinformation.
- Big providers taking out smaller high quality ones.
- We only deliver to our members who already pay for our services so changing will be difficult.
- We are only a small organisation, yet many government contracts require big business to run them and we fear being overlooked because we are small.
- As a small company, operating in a niche market, with resources tight, we see larger organisations "muscling in" after we have carried out much of the development and raised awareness within our industry.
- As a small provider, it is almost impossible to get LSC recognition.
- Increased competition.
- We are small local company with but with high success. We are worried that more and more contracts will be pushed to colleges and national providers through the OCT system as this will make it easier for LSC to manage. Our largest area of learning is not accustomed to contributing to learning and has numerous funding routes that cause them to expect not to pay. The major worry is that if we impose a charge and other providers do not or have a substantially reduced charge we will be at a commercial disadvantage. This is already happening with Adult Apprenticeships.
- Integrating the required rigorous FE systems into a fully employer focused operation.
- Most of our students are individuals. The change may require a shift in marketing.
- More national companies are delivering what appears to be prime contact stations in what should be localised provision - despite "adopting" the new skills on paper this is not being delivered in practice.
- Whether micro-businesses such as ours will have a part to play in training delivery.



- We are concerned about the lack of knowledge / understanding / implementation of this very important skills agenda.
- To ensure our core work is still maintained against changes. Excessive paperwork and demands (targets/achievements) on my training company. Fears that focus for quality training for appropriate individuals would be superseded by government requirements.

Local Authorities

- Bureaucratic demands will overtake the responsive nature of our work, while retaining quality and value for money.
- Competition with other providers.

Human Resources and Staff Development

General FE Colleges

- Danger of increasingly casualised work force.
- Recruiting qualified staff and competing with colleges on salaries.
- Greatest concerns are the need to develop a flexible workforce whilst driving up delivery and standards.
- We recognise the need to restructure and retrain but we always need more resources to help us build capacity to meet the future agenda.
- Skills shortages.
- Cultural shift.
- Customer Service skills become paramount.
- 14-19 partnership work takes time for college staff and no additional resource.
- A lack of trainers/assessors means delivering in the workplace is difficult.
- Concern that staff may be slow to respond to new agenda. Concern that working practices required may lead to redundancies and low morale.
- Risks of instability in staffing.
- Teaching qualifications required - cost of up-skilling staff (time and money).
- Changing rotas and requirements of staff.
- Industrial unrest.
- Changes in delivery spell changes to current structures, how far do we change and what are the risks if we do/don't.
- Significant cultural change.
- Staff losses and destabilisation.
- Culture change and change management.
- Ability to change culture in required time scales.
- Turnaround of data on WBL and Train to Gain reduced from 3 weeks to 4 days.
- Staff skills.
- Staff responsiveness, speed and quality of reaction.
- Staff redundancies in some areas, shortages in others.
- Financing the skills shift for staff.



Sixth Form Colleges

- Securing new staff with appropriate expertise onto appropriate contracts.

Work-based Learning Providers

- Qualified staff is always an issue.
- Staff resource, expertise, staff contracts, incentives and the impact financially.
- Increased internal administration. Staffing costs.
- Bigger demand for skilled instructors/assessors.
- Experienced staff being poached by other organisations.
- Staff being flexible and having business and marketing skills.
- Capacity of administrative resources.

Local Authorities

- Lack of appropriate skills within existing staff group.

Quality

General FE Colleges

- I don't believe anyone can explain "world class skill".
- Financial instability and the quality implications - how to sustain 'outstanding' - capacity to respond.
- Greatest concerns are the need to develop a flexible workforce whilst driving up delivery and standards.
- Demands of conflicting priorities impacting on quality.
- Contracts being given to private providers in order to broaden market regardless of quality.
- Quality Assurance systems not keeping pace with reality of demand led engagement.

Work-based Learning Providers

- Too much change in terms of standards, too quickly. More bureaucracy that will stifle the benefits.
- There are new frameworks from Jan 08. These are going to change again within 2 years, all systems, material, teaching all have to change and there needs to be staff training.
- Pressures of numbers compromising quality.
- Quality implications - external inspection and financial audits.



Impact on Learners

General FE Colleges

- Failing to meet needs of individuals.
- Equality of opportunity/access for learners.
- As we focus on Level 2 and Level 3 vocational qualifications some very low skilled adults are left behind.
- Concern that emphasis is on current competence rather than extending knowledge and developing new skills. Challenge for those needing to retrain for new jobs.
- Big risks in ability to continue to offer to unemployed people.
- Loss of long term world class skills objective i.e. skills needed to compete tomorrow through short term training objectives for today's market.
- The general poor perceptions within many employers that the abilities of the LLDD population could not, and would not, meet their needs. When we know, that with the right training and matching the jobs to the individual, they are able to make a real difference! The Review document does not really address the issues to enable the "the hard to reach" groups in accessing real, paid and meaningful work.
- The impact on some sections of the community of the shift in funding.

Sixth Form Colleges

- Stability for learners.
- Impact on adult learning in general, particularly those distanced from the labour market.
- Loss of 19+ provision.

Work-based Learning Providers

- Finding enough employers to take on Apprentices.
- That the high profile on apprenticeships does not marginalise Level 2 needs and compound NEET pressures.
- That progression pathways are not understood and supported by the pre 16 partners.
- The support to adults needing basic skills development prior to employment becomes difficult to access as funding is shifted to employers.
- Schools not responding to learners' needs.
- The lack of support from Leitch for community based work that gets learners engaged.
- Where NVQs are offered we may encounter problems with work placements.



Main Changes Implemented So Far.

Finance and Funding Issues

General FE Colleges

- Fee increases resulting in more fee volumes.
- Greater emphasis on non-LSC funded income streams e.g. police force, commercial activities.
- Made significant financial investment to date.
- Realigned resources (finance and staffing) to employer engagement.
- Planning for 50% increase in Employer Engagement activity and income over next two years. Set targets for employer activity in curricular areas.
- Employer fee provision significant.
- Introduced additional brand for selling lower level, low priced (or free) provision.
- Considerable investment in the Business School in terms of resources and processes/procedures.

Sixth Form Colleges

- Switching to full cost recovery on courses which are no longer funded.

Work-based Learning Providers

- Resources and facilities have been constantly invested in - now contract under threat!

Commercial Activity

General FE Colleges

- Re-branding our external focus team and operating a business model for links with employers.
- Well developed Train to Gain programme and BTS (cost recovery work). Completed Phase 1 for learner responsive agenda.
- A business development team quadrupled.
- Partnership developments.
- Restructuring of the business development unit.
- We already work with 800 employers, have Customer First, Employer Standard for Construction and Engineering, have high fees, and deliver full cost provision. Train to Gain however is slow.
- Exploring private partner partnership. Introduced a "College for Business" Focus on employers, learners and full cost opportunities.
- More full Level 2 and 3 and more employer engagement.
- Introduction and rapid expansion of Train to Gain.
- Business centre established. Embryonic sales/business development team in place.
- Establish a Business Development Unit and Train to Gain team. Slow Progress.
- Enhanced marketing and promotions.



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- Introduced Train to Gain.
- Focus on workforce development.
- Enhanced employer engagement activities.
- Investing in employer responsiveness in particular for business development.
- Strengthened staffing in a Business Services Unit.
- Set up a small Business Development Unit. Little progress to date.
- Establishment and further development of partnership working to deliver Train to Gain.
- New business centre.
- Development of the College Training for Business department.
- Major expansion of Train to Gain.
- Big expansion of BDU function
- Increase in WBL/Train to Gain activity.
- Better customer journey, increasing focus on employer engagement.
- Restructured our Business Development Unit to ensure it is able to respond more rapidly to employer requests.
- Review business engagement - particularly management and working of Train to Gain work.
- Moved employer engagement out of curriculum leaders' responsibility and created a Business Unit.
- More work with training providers in partnerships.
- Undertaken the development of significant employer partnerships in construction, care and rail.
- Increased staffing in Employer Engagement unit

Specialist Art and Design Colleges

- Review of offer - focus on Train to Gain and Apprenticeships.

Specialist Land-based Colleges

- Recognised business training.
- New and bespoke 'services to business' unit established. "Sustainable partnerships" planning unit established and operational.
- Train to Gain is well under way and ahead of target in a 'niche' area of work with some national delivery.



Work-based Learning Providers

- Implemented new Customer Relationship Management system.
- Enhanced partnership working and charging employers.
- We partner with industry by utilising skilled personnel already working out in industry.
- Aiming to be even more employer responsive.
- Focus on employer needs.
- Developed effective working relationships with private training partners.
- Improved marketing and sales activity.
- Set up an account management system.
- Train to Gain development - good employer relations.
- Public/private sector model for Train to Gain delivery established.
- Extended use of commercial training to support the business.
- We are doing good training as per employer learner demands
- Communicate with employers more. More marketing.
- We are currently working more closely with employers to embed work and encourage "employer led" activities.

Strategic Direction

General FE Colleges

- Changed the management structure from linear to cross functional.
- Entered into an LSC sponsored Strategic Options Appraisal with 5 other local colleges to investigate formal ways of working together e.g. the formation of a joint venture company.
- Reorganised the College into 5 new faculties - one of which is outward "employer facing".
- New business plan being developed for 2008/09 around the service we are to offer employers.
- Review of structures/looked at future planning implications including staffing/workforce development.
- Restructured to become more demand-led (now underway).
- Revised vision and mission. Implementing a formal Change Programme.
- Aligning Estate Strategy with Curriculum Strategy.
- Attempting to reshape business.
- Appointment of Director of Employer Engagement and started a restructure to bring curriculum areas into employer engagement team.
- Restructured college. Stand alone corporate college with own infrastructure.
- Reviewing (adult and employer) 19+ curriculum provision to review programmes of study, relating funding changes.
- Collaboration around employer engagement, organisational structure, planning requirements.
- Development of clear strategies for employers, young people and adults as well as developing employer engagement teams on new terms and conditions.
- Introduced a new Directorate for Employer Responsiveness Staff Conference.
- New executive post, curriculum planning - closer links with external organisations.



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- Two new Directorates: 14-19 and HE and Skills. New Business Development Unit. New Assessment Services Unit.
- Developing plans for a range of partnerships.
- Specialisation through a full new build programme, new pay framework, performance management system, new collaborative structures and achieving new employer engagement standard.
- New strategic plan. Financial planning and risk management all in hand. New partnerships being developed.
- Re-structured whole college. Created a new Commercial Director post. Raised awareness cross-college of new business/commercial orientation, embedding employer engagement across curriculum areas including Train to Gain.
- Restructured employer facing aspect of college.
- Significant progress for organisational re-structuring, including staffing, staff contracts etc.
- Change management introduced.
- A new strategic plan realigned with Leitch.
- Establishment of a joint venture limited company in partnership with other providers.
- Invested in a dedicated employer engagement programme as part of the College Strategic plan.
- Undertaking Pathfinder project to develop action plan for ensuring the institution is a market responsive organisation and associated curriculum changes.
- New building, new structure, new leadership, new plan.
- Established an employer responsiveness working group.
- Established College Company.
- The 'Action for Business' model has enabled an effective re-structuring of the College and the introduction of many more commercial systems and procedures.
- The establishment of a business school which will provide a one-stop-shop for employers with a range of programmes from Level 1 to Foundation Degrees and acting as a central resource for Train to Gain type activity.
- Planning processes, re-organisation, possible merger.
- Structural changes to adopt and adapt to needs of increased attention to changing 14 - 19 agenda and employability agenda.
- Area wide partnerships developing greater emphasis on WBL.



Sixth Form Colleges

- Review of existing business support programme. Targeting of project bids to build upon existing expertise.
- Review of Employer Engagement Team/activities underway.
- Commercial unit developed - new opportunity from new campus and new vocational provision.
- Changed the focus for our 14-19 work to commercial courses.
- ESF Objective I bid for Train to Gain enhancement. Part of consortia for possible implementation of specialised Diplomas.
- Developing collaborative network with schools and colleges for 16-18.

Work-based Learning Providers

- Investing in our employer engagement strategy and interface (known as "Careers Direct") and supporting WBL partners and Local Authority to deliver "Mission Leitch".
- Restructuring announced for two curriculum areas.
- Developing managerial and operational capacity.
- Building consortium arrangements.
- Partnership working with group of local WBL training providers procedural changes for employer engagement, contracts, financial systems and organisational structure.
- Supported changes and plans for industry based training. The company is to start to implement changes through new teaching strategies.
- Strategic development of resources and acquisition of property to develop future business to meet all challenges including Diploma delivery through developing a vocational college option.
- Putting a strong management team into place, aligning ourselves to customer wishes.
- Some organisational restructuring.
- We are very much at the planning stage and have started delivery to a few learners.
- Continual review of business plan and strategy.
- Organisational development exercise implemented.
- Considering reviewing/changing the business direction.
- Review of our commercial provision, pursuit of partnership working.
- Complete review of marketing and business development.
- Partnership development and staff training/contracts are currently key.
- Complete re-organisation of the company structures to align our operations with the broader skills agenda, this will help employers to access our services quicker and easier.
- We have begun to seek strategic alliances with colleges who wish to engage with our industry to allow us to take the training to anywhere in England, and hopefully Wales, Northern Ireland and Scotland.
- Looking at strategies and employer engagement, conducting more research with employers.
- Plan for growth developed and commenced. New sector research.
- More networking with larger providers.
- Transfer of core business away from LSC, move towards on-line assessment/delivery and focus on RDA development.
- Major changes to the business plan - particularly in regard of marketing.



- Investment in infrastructure including communications and technology.
- Partnership with trade organisations.
- Becoming more commercial, offering private education.
- Costing of new accommodation which would allow expansion.

Higher Education Institution

- Detailed consultation with LSC leading to:
 - exit from some courses; and
 - planned development of new areas.

Local Authority

- New posts (new job and person specification, planned overhaul of curriculum and development of new areas, planned extension to accreditation arrangements).
- Service transformation (name, vision, mission, branding, letter heading).
- New employer engagement strategy in place. Strong links with employers.

Provision and Curriculum

General FE Colleges

- Review of curriculum.
- Restructured provision and management targets set and monitored.
- Curriculum champions to meet LSC priorities.
- Reduced community learning and increased employer engagement.
- Reductions in other 19+ programmes.
- Skills for Life restructured and more flexible contracts.
- Re-structure of employer engagement services to include them more firmly within the curriculum sections.
- Curriculum development for 2008-09 to move adults into Train to Gain - reduce adult social curriculum.
- Greater focus on adult learning provision.
- Being creative on Diplomas and partnerships with schools.
- Increase in 16-18 year old students. Design curriculum to increase participation.
- Modelling and re-developing curriculum/qualifications.
- Complete curriculum refocused.
- Curriculum modelling taking place.

Sixth Form Colleges

- Curriculum Audit.
- Analysis of curriculum portfolio in train and opportunities for expansion being investigated.
- Preparation for the new Diploma.
- Delivery of Skills for Life, pilot functional skills.
- Developing and expanding Community Learning and Leisure 19+ provision and working in partnership.



Work-based Learning Providers

- Working with LSC to develop enhanced arrangement to develop Apprenticeship opportunities and communicate them to young people.
- We have been working on Diplomas locally and found it extremely frustrating as a private provider is not welcome around a table despite the objectives!
- Restructured E2E to service engagement and progression.
- Methods of teaching and learning - using e-portfolios and blended learning.
- Delivery at local level in a range of non-traditional settings.
- Commitment to Matrix/integration of Skills for Life.
- Working with schools and colleges in consortium arrangements to look at delivery of new programmes.
- Major changes to the LLDD provision plan including developing employment opportunities through enterprise.

Human Resources and Staff Development

General FE Colleges

- Up-skilling the team to new teacher qualifications PTLs.
- Staff Training - some via QIA Peer Reviews Partnership working.
- New staff contracts for delivery to business - move away from lecturers to assessor contracts and performance related pay. New CPD put in place to effect culture change to deliver the new agenda.
- Review of staffing requirements.
- Assessors who are paid by performance. Setting up assessor training centre to train flexible multi-skilled staff across the sub-region. Reviewing contracts and reviewing how we deliver teaching and use ICT.
- Staff contracts, case load work, increase staff base.
- Structures and procedures.
- WBL review: Rotas plus responsibilities/incentives/pay/CPD senior management.
- Changed our assessor contracts.
- Restructured curriculum teams.
- Incentivised staff to grow our full cost courses.
- Limited culture change exercise.
- New personnel and structure for employer engagement activity.
- New terms and conditions for assessor staff.
- Employment of trainers/assessors.
- Beginning to introduce assessors.
- New staff appointments directly related to WBL/TTG.
- Changed the use and balance of staff i.e. fewer lecturers and more NVQ assessors.
- Employer focus when recruiting.
- Embedding employer engagement criteria for selection process.
- Developed new contracts and employed specialist staff to carry out Train to Gain and employer framework.
- Increasing use of assessors.



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- New staff structure.
- Realignment of key roles to meet the new challenges and opportunities.
- Created new staff roles to meet Train to Gain provision, delivery, administration and recruitment.
- "Recruited" a number of self employed assessors and verifiers who will be paid on outcomes.
- Training and CPD for staff.
- Implemented new contracts for staff.
- More robust Workforce Development School with a new structure of assessors.
- New contractual arrangements for assessors.
- Different staffing and structures for adult/employer training.
- Extensive briefing of all managers, strengthening of employer services function and appointments to employer facing posts in several curriculum areas.
- Staffing levels changed - restructure in all schools.
- New support staff contracts and rates for assessors.
- New service level agreements for self employed assessors - payments on starts and completions.

Sixth Form Colleges

- Appointment of a Business Development Manager.

Specialist Land-based Colleges

- Reformed management structure with senior staff, employer responsiveness changes to structure, job description and a reformed employer responsiveness team.



Work-based Learning Providers

- We have appointed an Employer Engagement Manager.
- Review of staff structure and staff qualifications.
- Introduced some IT training for staff.
- Recruited additional staff.
- Expansion of MIS including additional staff.
- Getting staff qualified to assessor awards.
- Reviewing staff training/qualifications and CPD requirements.
- Staff development, working towards demand led funding.
- Introduction of additional and modern skills for all staff. Actively develop succession planning. Strengthening of internal management systems.
- Increase in training offered.
- All staff have performance indicators and have been through IIP.
- Reorganisation of teaching and learning teams. Revamped qualification structure for the teaching and learning staff. Expansion of Skills for Life team.
- Increase in staff and up-skilling existing staff. Obtained own training room.
- Staff awareness and the understanding of what will be required.
- Staff training in new measures, training strategy for new teaching qualifications.
- Looking at skills gaps and qualifications we can offer from our existing staff and bringing on board new staff to fill skills gaps, e.g. security.
- Contracts - staff and employer strategy for employer engagement/communication.

Quality

General FE Colleges

- Developed robust contracting and audit trails to meet new requirements for Train to Gain. Budgeting for the future.
- Application of the new Training Quality Standard across college.
- Development planning to achieve accreditation for the Training Quality Standard for employer engagement.
- Introducing the new Training Quality Standard.
- Use of QIA framework for the Training Quality Standard.
- Quality standards for employer engagement (A4BC) and employer responsiveness (Training Quality Standard).
- Preparation for Training Quality Standard.
- Working towards the Training Quality Standard.
- Achieved Training Quality Standard.



Work-based Learning Providers

- Assessment and training systems and procedures.
- Achievement of the new Training Quality Standard.
- OFSTED quality, training staff to deliver SFL, IAG and vocational training and professional knowledge.
- Complete review of our systems.
- Employer/strategy - marketing improvements to expand Matrix award October 2008.
- Working with QIA and whole organisation approach to employer engagement.
- Achieved New Standard, successfully completed Pre-Qualification Questionnaires, new qualifications and systems in train and being planned.
- Teaching and learning change/programme, Framework for Excellence and Training Quality Standard.

Impact on Learners

General FE Colleges

- Greater focus on employability.
- Reduction in the number of adults enrolled but those enrolled following more substantial programmes leading to full Level 2 and Level 3.
- (Specialist College) Within the College we have merged our Work Experience curriculum team together with the Transition Out team. This has enabled a much smoother transition for our learners from their 3 year programmes to their next situations, either back at home with their families, or in supported living accommodation. We are linking together local provision for our learner leavers, so that opportunities for work, work experience, community engagement and FE are real outcomes.

Work-based Learning Providers

- Enhanced efforts to promote Learning Agreements. Efforts to increase the percentage of young people remaining in education or training.
- Focusing on the learners' journey from initial contact through to successful achievement.

Aspects the QIA Development Programme Should Prioritise

Finance and Funding Issues

General FE Colleges

- Funding models to maximise income.
- Funded training and support.
- Funding to support culture change within colleges.
- Finance management and planning.
- Financial planning in the context of open competitive tendering.
- Financial planning and resources management.
- Financial aspects of staff roles and contacts.
- Support in inviting bids to open and competitive tendering (OCT).
- Giving colleges support in financial terms to implement these changes.
- Managing the funding transition re Machinery of Government changes.
- I believe FE colleges really need some transitional 'start up' funding. An innovation fund perhaps administered in a similar manner to the previous Standards Fund.

Sixth Form Colleges

- Support for programmes which have been left without funding for the Leitch changes.

Work-based Learning Providers

- IT analysis of contract time/costs.
- Funding (we receive no local or central government funding; similarly our students do not receive funding).
- Capital development funding.

Higher Education Institutions

- Research and Development - the sector needs a cohesive approach to product development with Sector Skills Councils.



Commercial Activity

General FE Colleges

- Models of employer engagement.
- Bid writing/handling/management.
- Best practice in employer engagement and in developing a flexible offer and workforce to be truly employer responsive.
- Prioritising your markets.
- Effective workplace delivery.
- Niche markets and their impact on employer responsiveness.
- Business development and process development.
- Use of LMI reports and marketing plans.
- Delivery methods - effective, tidy and lean.
- Customer Relationship Management.
- Effective delivery of employer responsive provision.
- Selling to employers increasing fluidity of movement in FE and wider job markets.
- Slick professional assessment services.
- Selling, engaging with employers.
- How to effectively engage reluctant firms.
- Delivery support - how do you deliver in the workplace?
- Sales techniques.
- Business enterprise customer service - what this really means 14-19 Commercial opportunities.

Sixth Form Colleges

- Engaging employers in curriculum design and development. Embedding Skills for Life within vocational training. Real strategies for engaging the 'hard to reach'.
- Business/Commercial focus - contacts - engaging employers.
- If we are going to work more with employers, gaining greater expertise regarding this would be helpful.

Specialist Land-based Colleges

- One-to-one support is the only way to reflect the bespoke nature of a college's development and planning arrangements with lead employers.

Work-based Learning Providers

- Partnership working.
- Employer engagement and building partnerships.
- Employer involvement.
- Connections and partnerships with providers and employers. Help to establish and forge links.
- Working with SMEs and developing framework with what they want. Support staff to engage with low level small employers and using knowledge and skills in the field.



Strategic Direction

General FE Colleges

- Developing an effective business/delivery plan.
- Management Skills models of delivering partnership development.
- Examples of college organisational structures for colleges who have made the transition.
- Management of risk.
- Business planning and organisational modelling.
- Collect best practice in strategic planning and organisational structure.
- Roles and responsibilities to ensure ownership from top - down action.
- Support for culture change work.
- Further development of the concept "colleges of the future" to cover planning, curriculum design workforce development etc.
- Sharing of good practice from colleges who are delivering successfully.
- Managing change, restructuring the workforce, understanding the implications and practicalities of the funding changes.
- Examples of working collaboratively in order to secure new work.
- Business planning/modelling.

Sixth Form Colleges

- Support for colleges directly involved in the skills agenda.
- Assisting colleges without a track record of Train to Gain and employer-led provision in setting this in place in their own institutions. Advising on Business Development model including financial and legal implications. Bid writing.
- Partnership development, staff roles and skills range, delivery methods/teaching and learning, financial planning and resource management.

Specialist Land-based Colleges

- Models of good practice in business planning, unit costing, financial projections and forecasting.

Work-based Learning Providers

- Better understanding of the vision - although difficult as a moving feast.
- How to operate on a regional level on the one hand and integrate ourselves into local borough activity on the other.
- Reducing bureaucracy. Recognising providers that do things properly and closing down on those who do not.
- Supporting a whole college approach to employer engagement - awareness, responsiveness and addressing contractual issues.
- Ensuring providers are not solely driven by government incentives without understanding the real market characteristics for sustainable business.
- Shareholder parenting programmes, i.e. FE college providers, employer groups.
- Consultancy in relation to management of strategic change and financial implications of planning.



- Setting very clear objectives that are well thought out.
- Understanding all changes being implemented by LSC and their technical and commercial impact on providers.
- Partnership development/legal structures and research and development.
- Awareness raising and updates for managers on developments.
- Business skills - focus on strategy for employer engagement. Peer review and development - supporting providers who are new to this and developing skills to enable self regulation to be an easier process.
- Dealing with changes in priority sectors.
- Level playing fields between colleges and private providers. Staff training for organisations on subjects highlighted by this survey. Lifting the burden of bureaucracy and red tape.
- Supporting smaller providers like myself for whom such reviews are a minefield, confusing and scary to say the least!
- Long term strategy.
- Engagement in mapping/understanding differences between adult learner and employer responsive models, including good practice in and between both.

Provision & Curriculum

General FE Colleges

- Curriculum re-engineering and its subsequent delivery.
- Use of blended/distance learning.
- E-Learning, e-assessment, e-portfolios.
- Cost-effective delivery methods.
- Opportunities to look at different delivery methods including on-line, effective learner tracking.
- Curriculum development support - helping areas think through the changes.
- Curriculum and quality improvements for WBL and general training methods, delivery techniques to the business community.
- Designing and delivering curriculum in work place settings.
- Curriculum services to employers particularly those employing less than 5.

Work-based Learning Providers

- Ensuring there is adequacy of provision in rural areas and promoting the use of Apprenticeships and other vocational work based training in SMEs.
- Effective skills delivery - adaptation of teaching methods.



Human Resources and Staff Development

General FE Colleges

- Development programmes for staff moving from traditional faculty roles to functional ones e.g. Employer Engagement. Target setting criteria.
- Retraining staff to meet and deliver the new agenda both on the curriculum content and modes of delivery front.
- Staff roles review and restructuring.
- Effective skills auditing.
- Examples of staffing models and staff contracts.
- New teaching and learning methods.
- Support for assessors on innovative ways of working, particularly NVQs.
- Implications for staff contracts.
- Recruitment of key staff.
- Staff development for cultural change (especially managerial change).
- Teaching qualifications/CPD requirements - funding and support. Teaching practice observations - training to do this effectively.
- Staff training and re-skilling to meet curriculum change agenda.
- Sales Assessor training, course design, staff skills in e-learning.
- Assistance with shaping the internal organisation. We need flexible and nimble responsive organisations.
- Workforce up-skilling re employer engagement, sales, development, delivery, and assessment.
- Employer engagement/teaching and learning in the work place.
- Assessor development to support Train to Gain type authority.
- Staff development at all levels to ensure that the change of culture required to implement employer responsive provision is achieved with minimal effort.
- Staff development in employer facing skills.
- Staff contracts and incentives particularly in Train to Gain in rural locations.

Specialist Land-based Colleges

- Staff training and development.
- Sharing of good practice in terms of staff job description, training and induction and incentives. Developing CPD opportunities focusing on employer facing work.

Work-based Learning Providers

- Trainer training.
- Most development has been focused at Management/Supervisor up to now. More support at lower levels informing 'change' requirements for future.
- We would appreciate as much support as possible as we have a very small staff. We had requested assistance under the QIA consultation scheme but were told this was unavailable.
- Support for professional industry based teacher trainers to develop others to teach/train within industry, not only college FE teacher trainers who often have little understanding of industry and the Third Sector.



- How to incentivise staff? What works? What is affordable?
- Qualifications for providers (SEEDI, A1, A2 etc). Qualification/standards for provider business ISO 9002/14001/IIP/Customer First/Matrix etc.
- Training programme for small training providers.
- New qualifications for staff, i.e. assessors award, IT, STLLs, CTLLs etc. IT skills and keeping pace with progress and development. Networking with all types of providers as appropriate.
- Management training/support - particularly middle management. Courses/support to help key staff consider moving into management.
- CPD programmes for practitioners.
- Up-skilling the sector with the skills that will help providers draw out employer needs, greater awareness of the benefits of partnership working, breaking down the 'old culture'. Leadership within the sector across all levels of the organisation.
- Staff training and motivation.
- Staff competence.

Quality

General FE Colleges

- Development preparation and application processes for the Training Quality Standard.
- Audit checking for the Training Quality Standard
- Development of Training Quality Standard cultural changes.
- Ensuring quality is maintained under the constraints of employment.
- Quality of delivery of Train to Gain.
- Quality assurance around skills training.
- Quality control of delegated provision.
- Share good procedures.
- Raising success rates.
- Developing e-Individual Learning Plans and electronic assessment and tracking systems.
- Ensure quality assurance audit expectations keep pace with reality of a demand/ employer led skills agenda. Consistent interpretation by external verifiers. Best practice established for assessment only routes and experienced learner routes.
- Quality monitoring of non-traditional work.

Work-based Learning Providers

- Flexible delivery that builds on quality provision. Training Quality Standard preparation.
- Development of effective evaluation (strategies and techniques). Self assessments/quality improvement (peer referencing). Addressing changes in relation to Ofsted Inspection as opposed to all inspections.
- Funding for Quality Management Systems going to training providers that are not colleges would be a great help.
- Review of company procedures and systems.
- Training for the Framework for Excellence.
- Quality assurance best practice.
- Quality systems including self-assessment reports, financial controls/ audits - LSC/ESF etc.



- Continuous improvement Inspection planning changes to inspection regime under Ofsted compared to all.

Higher Education Institutions

- Support to ensure the Framework for Excellence can be achieved.
- Training Quality Standard (application) support.

Other

General FE Colleges

- Too many publicly funded consultants giving us Marketing 101 again and again. We must keep Ashbridge.
- Helping organisations cut through the Train to Gain bureaucracy.
- Best practice models for delivery of Train to Gain.
- Examples of effective regional collaboration for delivery of employer responsiveness.
- Compiling examples of best practice and facilitating sharing opportunities.
- Access to models of best practice in other fee colleges.
- Legal advice, staff training/awareness raising, financial structuring advice, advice and support re setting up limited companies etc.
- Delivery methods in rural location to micro businesses.
- Involving employers in the planning/assessment/monitoring processes. Case studies, strategies, good practice guidelines etc.
- Each curriculum area and sector has completely different needs and approach to employers - what works in construction may not work in retail - more support on understanding employer needs, how to measure impact.
- Maybe, for LLDD providers, QIA could look at regional focus groups. I appreciate that this only affects a relatively small number of people, and even fewer providers, but it is an important issue.

Work-based Learning Providers

- QIA's work with the FE and WBL sectors will identify priorities in these settings. However, we do not see much consideration of support needed for IAG, referring organisations and sub Level 2 provision (progression pathways). The bigger picture needs to be serviced whilst ensuring that post-16 provision delivers "Mission Leitch".
- Support available on end of telephone line support on request, not foisted upon us.
- Experience. There are too many new ideas that have no 'weight' behind them. Ask the people that know and understand and have implemented, this is a good start!
- NOT consultants telling us what to do: we know... we need help implementing change and free training for staff in IAG, with progression qualifications.
- We in particular, find great resistance to vocational training as opposed to professional examination and the term 'Apprenticeship' does not sit well in an industry which claims to be 'professional'. We need to get across the idea that 'Apprenticeships' are not just for 'tradesmen'.



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- Our experience of LSC providers is low IT skills of personnel therefore e-assessment/ delivery is held back. We have just delivered an IT assessment project involving 6-8 training providers - their IT skills were shocking.
- Dissemination of information.
- Employer liaison and roll out of practices - more national advertising campaigns are required to highlight programmes to employers.
- The question of collaborative working, raising employer awareness that they will have to pay for a quality learning system. More information to be given to parents and carers on EMA, and other tax benefits available. To raise parity of esteem Apprenticeship learners should have student cards with the benefits that they bring to college students.
- Inclusion of micro-businesses and on-site providers in the scheme.



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Appendix 3: Visit Summary Document

This visit summary was completed at the end of the research visits to providers. The document was completed with the assistance of the researchers and was informed by evidence of need gathered during the visit, but the judgements were those of the providers themselves.



Appendix 4: Technical Annex

Governing Research Principles

All RCU's research and consultancy work is governed by a rigorous quality assurance system that is accredited under the market research industry kitemark ISO 20252, the policies and guidelines of the Market Research Society and relevant Data Protection Legislation. For more details of ISO 20252 and the Market Research Society codes of conduct see www.mrs.org.uk.

Overview of Methodology

The research involved a quantitative phase (based on provider self-completion of a postal or online survey) and a qualitative phase (involving visits and telephone interviews).

Quantitative Research Elements

The quantitative phase of the research involved a questionnaire sent out to 928 LSC-funded learning providers. The sample was selected by RCU from lists supplied by LSC. The sample included all general further education, specialist and sixth form colleges, all local authority providers and a randomly-generated sample of 457 non-college work-based learning providers.

The survey was despatched in paper format to the Principal/Chief Executive of each provider. Providers could either complete the survey in hard copy and return it in a freepost envelope or follow a link to carry out online completion. The key features of the survey are listed below.

- Description: the survey took place in January and February 2008 and used an A3 format folded to A4. No translation was required. A copy of the questionnaire is provided as Appendix 1.
- Target Population: e.g. the research was intended to produce an accurate reflection of the views of senior managers in post-16 providers. The questionnaires were sent to Principals and Chief Executives but responses by nominees were accepted.
- Sampling: the sample of work-based learning providers was based on a random number generator.
- Sampling Results: the table in Section 5.2 of the report compares response rates for different groups of providers. No weights have been applied to the figures used in the report but where the response patterns for different provider types varied significantly separate reporting has been provided.
- Sampling Effectiveness: Section 5 provides explanations of possible causes of differential response rates. Samples for under-represented groups (e.g. sixth form colleges) have not been boosted as the perceived relevance of the survey is likely to be mirrored in their response to Development Programme events and materials.



- Data Entry and Verification: the data collected was processed using a combination of electronic scanning (closed questions) and manual data entry (comments and open questions). Responses to open questions were reported in full unless otherwise stated and analysis resulting from the pre-coding of batches of open responses is identified as such. Manual data entry was verified using a 5% re-entry process. Electronically scanned data entry was subject to a 100% verification of responses that would not be picked up within the scanning thresholds.
- Weighting of Survey Results: all figures in the report are based on unweighted results. Where potential distortion could arise from differential response rates by key sub-samples, the results are reported within the sub-samples rather than being aggregated.
- Estimates: all quoted figures are actual survey responses and no use of estimated or imputed data has been made.
- Bases and Data Sources: Where base figures are less than the full sample this is separately identified within the report text. In keeping with public sector data protocols, cell values have been suppressed if they occur at a level of 5 or below.
- Storage of Raw Data: As part of our quality assurance arrangements we will keep evidence of individual survey responses for at least 18 months after the closure of the project.

Qualitative Research Elements

Qualitative research was carried out in the form of visits, staff focus groups and telephone interviews.

Qualitative research is not intended to produce results that are statistically representative of a wider population. However, selection arrangements were planned to ensure that evidence was gathered from a mix of respondents that was appropriate to the project's information needs. The arrangements to ensure the robustness of qualitative data are set out below.

- Description: qualitative data were gathered in a series of confidential face-to-face interviews, supplemented where necessary by telephone interviews. Visit records were completed electronically by interviewers and validated by nominated provider leads both on the day and by reflection after the event.
- Target Participants: the intention was to interview senior managers, middle managers and front-line staff, with an emphasis on staff responsible for Finance, Commercial Activity and Human Resources/Quality.
- Recruitment and Selection: participants in interviews and meetings were selected by the providers based on guidance supplied by **RCU**.
- Broad Topic Areas: Appendix 3 contains an example of the interview document.
- Analysis: respondent views have been analysed by an experienced researcher who has reported the views of respondents in a way that supports the intended project outcomes but does not risk identification of individual respondents.
- Verification: Records of individual interviews were provided to provider representatives for the purposes of verification. Unless specifically stated otherwise in advance of an interview, respondents will have been given a guarantee of confidentiality, which would



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prevent access to raw responses directly. However, as part of our quality assurance arrangements we will keep interview/discussion records, and (where appropriate) evidence of verification for at least 18 months after the closure of the project. These will be made available for examination by an agreed third party in the event of a need for further verification.



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