|  |  |  |  |
| --- | --- | --- | --- |
|  | Support for Excellence programme  October 2009  **A report of a Focus Group discussion on the impact of the economic downturn on providers’ quality processes and performance measures** |  |  |
|  |  |  |  |

The focus group was hosted by LSIS on 6 October 2009 with the following providers from the further education system:

West Suffolk College

Havering College of Further and Higher Education

Castle College Nottingham

Keeping it Simple Training Ltd

Pre-school Learning Alliance

North Warwickshire and Hinckley College

Carillion Training Services

Bournemouth and Poole College

South Cheshire College

**Introduction**

The purpose of the focus group was to explore provider’s responses to managing the risks created by the economic downturn and in particular the effects on the quality of provision, quality processes and performance measures. As all those present were members of Peer Review and Development groups it was anticipated that discussions on strategies to manage the impact through PRD activity would start a dialogue that could be of benefit to the PRD community and other stakeholders on the value of peer collaboration in responding to the economic downturn.

The group’s discussions were focused around four questions which are used as section headings below.

**What new quality issues has the recession posed for your organisation?**

The following points appeared to be common to the majority of organisations represented:

All providers reported that they are facing challenges resulting from both the economic downturn and policy/funding developments which affect the whole of their business including their quality systems and processes. Redundancies (voluntary and compulsory) and increasing workloads were recognised as having a negative effect on morale.

The current economic and funding climate is also leading to changes in focus as organisations are becoming increasingly strategic in their planning and shifting the emphasis and priorities of some of their business operations. Those aspects of their business perceived as being less of a priority often include work on improving the quality of provision and staff development. In essence business survival takes priority over improvements in quality. This was particularly true for private training providers and voluntary sector groups but it also applied to colleges albeit with less intensity so far. Providers reported that quality goals and milestones are being reassessed to match the reality of the current climate, eg *improving* success rates in some areas has been replaced with *maintaining* success rates owing to business pressures, changing cohorts of learners and staffing pressures.

Increased scrutiny of the staff development budget was also reported and in many organisations the CPD budget has been cut. However, this has not always had a negative outcome. A reduction in budget had meant a more focused approach; prioritising those staff most in need of support and concentrating on important service-led staff development requirements, which will have the greatest positive impacts on the quality of the learner experience and learner outcomes.

The volume of providers' work within the wider community has been reduced despite local and national government priorities. Without adequate resourcing to match community related work providers are being forced to disengage. In a similar way quality improvement partnerships with other providers are decreasing as organisations do not have the resources to dedicate to them. This is likely to have an impact on internal quality processes as providers have reduced opportunities to both learn from and support each other.

In areas of work less affected by budget cuts (eg 16-19) ‘take up’ for courses has increased. Whilst this is seen as a positive it can create funding tensions which funding bodies do not always respond to e.g. inability to gain LSC approval to transfer funding from adult provision to 16-19 provision. Providers also worry that growth in 16-19 numbers reflects an element of learners making ‘second choices’ which, for a variety of reasons, may result in falls in retention, achievement and success rates.

In times of economic and funding uncertainties providers are focusing on their core business and key strengths in order to maintain quality and survive the economic downturn. With resources under scrutiny providers are prioritising delivery over other non-essential time-consuming activities.

WBL providers are looking for new/different sources of funding to try to prevent the service they offer from becoming funding-led and funding-dependent rather than learner-needs led. At the moment learners are being turned away as levels of funding and work based placements are cancelled and/or reduced. Reduced capacity in construction has caused construction providers to turn down apprentice applications. Childcare providers are seeing cuts in government funding which will impact on the level of service they are able to provide. Generally WBL provision is experiencing a challenge to success rates as employers pull out of programmes and the capacity for learners to complete their programmes declines.

Some providers present have also seen a drop in the quality of provision from franchised partners e.g. within Train to Gain consortia. The result is that providers are becoming more strategic when planning delivery and are paying greater attention to carrying out risk assessments across the providers they work with.

Overall the group felt that whilst business survival was the key priority, medium and long term survival was not possible without quality. Quality cycles and business cycles needed to operate symbiotically. Nevertheless there was a feeling that some elements of quality improvement may temporarily take a ‘back seat’ especially where resources, particularly staff time, were stretched.

**What has been the impact of the economic downturn on your Self Assessment Report and Quality Improvement Planning?**

One impact has been the adaption of the way the SAR is written as providers need to provide more context to support their judgments in order to explain some of the less positive performance outcomes that are occurring within the current economic climate. There is an increased need to be realistic with all staff within the organisation about performance, in order to determine what people can do and where support needs to be focused. Organisations wanting to support staff and improve quality are finding that they do not have the resource to realise this, for example in some areas of the construction sector a reduction in available funding has meant that staff have not been able to receive the support required in order for them to meet the literacy and numeracy qualification levels required for delivering the new diplomas.

Providers are becoming increasingly internally focused with regards to targets, assessing strengths and formulating realistic future plans. This is often at the expense of tackling externally generated initiatives. One example given was of a shortage of resource to address quality issues such as safeguarding, a complex issue for WBL providers where the line of responsibility for safeguarding between ‘educator’ and ‘employer’ is blurred.

In discussions the impact of the economic downturn was mentioned alongside the impact created by policy and funding changes. The shift (particularly for WBL providers) away from ‘number of learners’ towards ‘quality of provision’ and the use of achievement rates as the triggers for funding has led providers to focus more on recruitment and selection in order to ensure they get the right (best?) learners for their course/programme. There was concern that in the current climate learners requiring significant support may loose out.

Against a backdrop of economic and funding uncertainty the group emphasised the continuing need for clear communications with staff, learners and the wider community in order to retain trust and positive relationships. Having and maintaining a clear vision is important in order to keep staff motivated and capable of delivering a high quality service:

“Hold onto the vision and achievement will follow”

“Look after the staff and the staff will look after the customers”

Collaborative working within and across organisations is important in engaging staff in the quality process and for embedding improvement initiatives from the bottom up which saves management time and money when compared with the greater costs of implementing top down solutions.

**How has your PRD activity been affected by the economic downturn? What will you do differently in your PRD group following today’s discussion?**

Providers are finding it more difficult to find and justify the time and money to meet as often as they would wish. Some dispersed groups have reorganised in favour of working with more local groups to avoid excessive travel time and costs. Meeting locations have also been changed to save on time and resource. In some cases, reviews have been carried out with fewer reviewers or delayed in the face of competing priorities. Some groups have certainly been a temporary loss of momentum as staff time has been focused on the challenges created by an unusually difficult late summer/early autumn recruitment period.

Some of the delegates stated that as a result of the focus group’s discussions, they were planning to run a similar session with their PRD group to inform and plan future activity. Whilst some providers had experienced increased motivation to embed PRD more deeply within their organisations in order to breed a culture of quality which will withstand economic change/downturn in the future others had not yet moved to address the issues of maintaining quality in challenging times.

When debating why the economic downturn had not been used as the focus for any reviews to date, the majority of delegates responded that this went beyond the bounds of the ‘safe’ aspects of provision they would normally examine within their PRD groups. Providers are often willing to talk about quality issues, but a boundary is reached when finances and business survival become involved and when competition for learners and funding increases.

The time commitment required to conduct extensive reviews continues to be an issue and providers are therefore looking for smarter ways to conduct reviews that are less time and resource intensive. They are also focusing more on the development aspects of PRD which were regarded as the more demonstrable value-for-money aspect of PRD activity. Some PRD groups are considering increasing the extent to which they collaborate on quality issues to include a ‘shared services’ approach; where members will focus on different things (eg safeguarding and E&D) the outputs of which will feed into a shared improvement plan which will be implemented by the group. This will save time and resources for all members.

Small WBL and Voluntary sector organisations have started ‘sharing’ learners between their PRD group organisations. If one provider is not able to meet all a learners’ needs, they use another provider within the same group to supplement the learning programme. They work collaboratively to help retain learners and thereby maintain success rates. PRD groups are also running more shared activities to cut costs, e.g. shared staff development, shared management development, shared bidding for resources and shared purchasing in order to reduce costs to help sustain quality and the business.

**How can we best capture the experiences of the wider PRD community for dissemination across the sector?**

The group felt that the questions discussed had been useful, relevant and important in providing the opportunity to reflect on the impact of the current climate and in making them think about how PRD activity could help them in working through the economic downturn and in responding to the challenges created by policy changes to funding. Members of the group planned to use the questions used in this focus group to organise a similar session with their own PRD group.

Delegates felt that the key message the Support for Excellence programme needs to deliver is that although (for some) funding of PRD groups may have stopped, PRD has not. PRD is even better value for money in the economic downturn as it can be used to collaboratively tackle the key issues and challenges that all organisations are, to a lesser or greater degree, facing.

Another important message from the focus group was that providers should not ‘waste a crisis’. They should use the economic downturn as an opportunity to review, re-focus and re-position themselves to take advantage of the changed environment. They should continue to be creative and to bear in mind that working collaboratively through PRD is an effective, efficient and sustainable way to continue to survive and still improve in order to take advantage of more stable and favourable economic conditions in the future.

The [slides from the focus group](http://www.excellencegateway.org.uk/page.aspx?o=267993) are available for you to refer to.

October 2009