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Unit Delivery Research Programme

Supplementary Report prepared for the Skills Funding Agency

October 2013

Working for more and different adult learners

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Executive Summary

1. Purpose

This report has been prepared by NIACE in order to inform the Skills Funding Agency of continuing progress in the development of unit-based provision offered by selected providers during 2012/13. It is also intended to summarise the Agency's priorities in continuing and extending the scope of unit-based delivery in 2013/14.

2. Context

This is a supplementary report to that produced by NIACE for the Agency in April 2013. This initial report included a series of recommendations that have contributed to the Agency's continuing Unit Delivery Research (UDR) programme for 2013/14, which is already under way. For this reason, no further recommendations for action by the Agency are included in this supplementary report.

3. Unit Delivery Research Sites

The April 2013 NIACE report was based on feedback from 12 UDR sites or 'pathfinders' active during 2012/13. As the last of these sites was identified in November 2012 and reports to NIACE were made in February 2013, some sites had very little time to establish a unit-based programme and monitor its delivery. It was therefore agreed that an extended period of UDR activity should continue at these sites from April to July 2013. It is this activity that is the primary source of information for this supplementary report.

4. Methodology

Each UDR pathfinder was asked to monitor and report on its unit-based provision during this April to July period. The NIACE team undertook follow-up interviews with selected sites, either by telephone or face-to-face, as well as e-mail exchanges on issues of detail. The report is based on the key issues arising from this additional period of activity, as well as information (e.g. on credit achievement and learner success) across the whole of the 2012/13 year on unit-based provision.

5. Key issues

The report identifies the following key issues, and suggests ways in which the Agency might continue to monitor and respond to these issues through the UDR programme:

- Success rates and retention rates on unit-based provision are very high
- Some historical SSC constraints on qualification structure may continue to prevent AOs as well as providers from responding to employer demand
- Units can be used as 'market testers' in new areas of provision by both providers and AOs
- Once employers understand unit delivery, demand can shift quickly to new curriculum areas or employment roles
- A unit-based curriculum can stimulate innovative approaches to programme delivery
- There is a significant market for unit-based provision among learners who are out of work but not eligible for the Offer for the Unemployed
- In some areas unit-based provision is being supported through alternative sources of funding
- Could Agency recording and reporting requirements themselves be an impediment to developing a unit-based offer?
- Offering units rather than a whole qualification may enable providers to overcome negative perceptions of the qualification by employers
- Continuity and forward guidance are essential if providers are to maximise opportunities for unit delivery to employers

6. Taking forward the UDR programme in 2013/14

The UDR programme will continue during 2013/14, with nine of the 12 2012/13 pathfinders continuing to offer unit-based programmes, together with six new sites, making a total of 15 UDR pathfinders for 2013/14. These UDR sites will be asked to focus on three priority areas in their work over the coming year:

- Learners who have not yet achieved a full level 2 or level 3 qualification will be able to access units as part of a route to achievement of these qualifications (though learners over the age of 24 will not be funded to achieve level 3 units)
- Employed learners may be co-funded in order to encourage employers to engage in the skills system or to invest in staff training leading to a qualification

- Units may be offered to learners who are self-employed or who wish to co-fund their own learning to re-train or to top up skills within an existing job role

Unit Delivery Research Programme

Supplementary Report prepared for the Skills Funding Agency

Purpose

1. This report has been prepared by NIACE in order to inform the Skills Funding Agency of continuing progress in the development of unit-based provision offered by selected providers during 2012/13. It is also intended to summarise the Agency's priorities in continuing and extending the scope of unit-based delivery in 2013/14.

The structure of the report

2. The main content of the report identifies additional issues identified by Unit Delivery Research (UDR) sites or 'pathfinders' from their continuing work on unit delivery from April to July 2013. This work followed publication of the main report the UDR programme in 2012/13 in April 2013. The Executive Summary and Recommendations of the report are attached as Annex A.

3. Most of the issues identified in this report reflect similar themes from the April 2013 report. Alternative perspectives and nuances are recorded here, but no major new issues are revealed through this additional work. This supplementary report therefore includes no further recommendations for action by the Agency. It assumes that the UDR work already planned and in preparation for 2013/14 will enable any additional issues raised in this supplementary report to be addressed within the work that NIACE and others will undertake on behalf of the Agency in the coming months.

4. This report does include a brief summary relating to the 2013/14 UDR programme. This section of the report identifies priorities for further work with UDR pathfinders and links these priorities both to the recommendations arising from work in 2012/13 and to the wider objectives of both the Agency itself and the Department for Business Innovation and Skill (BIS). This work is already under way.

Background to the work in 2012/13

5. During 2012/13 the Agency commissioned NIACE to support and report on a research programme designed to identify the potential benefits of extending the facility for Agency-funded providers to make an initial offer of QCF units to different groups of learners, in order to facilitate eventual progression to a qualification.

6. The Agency's Funding Rules for 2012/13 permitted all providers to offer individual QCF units to learners both as part of the Offer for the Unemployed and also through OLASS-funded provision for offender learning. During 2012/13 the Agency extended these arrangements to the new QCF English and maths units for adults.

7. In addition, NIACE and the Agency together identified 12 UDR sites or 'pathfinders' that were permitted during 2012/13 to deliver unit-based provision to learners outside these Funding Rules. Each provider was asked to identify priorities for unit delivery during 2012/13 and to record and report on the issues arising from their experience of delivering these units to learners.

8. These 12 providers were permitted to deliver units to additional learners throughout the 2012/13 funding year. However, in order to learn the key lessons from these UDR sites, and to enable consideration of these issues both within the Agency and with partners, NIACE produced a report on this work to the Agency in April 2013.

9. The process of identifying UDR sites was completed in November 2012. Providers were asked to produce reports on their unit delivery arrangements in February 2013. This meant that some providers had barely begun their unit-based provision by the time NIACE produced its April report. Other providers planned to extend the scope of their unit delivery after March 2013.

10. The Agency therefore commissioned from NIACE a supplementary report on UDR that would enable pathfinders to complete their programme of unit-based provision in 2012/13 and identify key outcomes. It was anticipated that some of these outcomes may be more considered than those identified by NIACE in our report to the Agency in April 2013. This report includes a consideration of these additional outcomes from nine of these 12 providers. Annex B identifies those UDR sites that contributed to this additional report.

Looking forward to 2013/14

11. Prior to receiving this report, the Agency identified a series of developmental priorities for further work on unit delivery in 2013/14. Some of these priorities arose directly from the recommendations in the April 2013 NIACE UDR report. Others were linked closely to the priorities identified in the *Skills Funding Statement 2012-15* or to the emerging aims of BIS. In developing these priorities the Agency also took account of the views of its Qualification Advisory Group (QAG).

12. This report therefore combines supplementary feedback from 2012/13 UDR sites with an identification of its priorities for further development in this area during 2013/14. As an expression of this balance between continuity and further development, nine of the 12 UDR sites from 2012/13 have agreed to continue as pathfinders for 2013/14. In addition, six new UDR sites are in the process of being identified, giving a total of 15 pathfinder providers in total for 2013/14.

13. The Agency, in consultation with NIACE, has prepared a briefing note for these providers that sets out in some detail the anticipated priorities for UDR activity in 2013/14. These priorities, and the rationale for their development, are considered in more detail in the later sections of this report. The Briefing Note itself is attached as Annex C to this report.

Additional Unit Delivery Activity in 2012/13

14. This report focuses on the issues arising from the work of nine of the 12 UDR Research sites from April to July 2013. Of the remaining three providers, one has ceased to exist, one has not recruited learners to any unit-based provision in 2012/13 and another has not submitted a supplementary report to NIACE. These three providers will not be included in the UDR pathfinder group for 2013/14.

15. For most of the nine active UDR research sites, the period from April to July 2013 provided an opportunity to extend their previous unit-based curriculum offer to new groups of learners and/or to new employers. Some providers used this period to extend the range of units offered to learners within existing curriculum areas. Two providers offered new units in new curriculum areas between April and July.

16. Returns from providers indicated a relatively modest expansion of unit-based delivery in this additional period. Some plans for extending unit-based provision into new areas simply did not come to fruition. In other cases it seems that the relatively small number of learners recruited to such provision prior to April 2013 simply continued up to the end of the academic year. However in the two cases where new curriculum areas were opened up after April 2013, recruitment also increased noticeably. In these cases unit delivery made a significant contribution to overall numbers of learners in 2012/13.

17. Where possible, this report identifies these new areas of provision and the new learners and/or new employers taking up unit-based provision. However, it should also be emphasised that most of the issues recorded and reported by UDR sites from April to July 2013 mirrored closely those already identified in the initial NIACE UDR Report of April 2013. In some instances these issues are worthy of further emphasis, but in most cases this report aims to focus on the additional areas of provision and related issues identified by providers in the last phase of 2012/13.

A note on methodology

18. Of the 12 providers that were initially identified as pathfinders in autumn 2012, one had already decided by April 2013 that there was no viable market for unit-based provision in its area of work, so this provider was not involved in the supplementary UDR activity. In April 2013 another pathfinder was bought by a larger training provider and ceased to be involved in UDR activity.

19. The remaining ten pathfinders were asked to produce reports for NIACE on both their plans for extension of unit delivery during this period, and the outcomes of this work at the end of it. In addition to these reports, members of the NIACE project team interviewed staff from these UDR sites, both face-to-face and by telephone, to pursue particular issues of interest a little further.

20. This supplementary report draws on both written and recorded verbal responses from UDR sites to the questions posed by the NIACE team during this additional period of activity. The key issues arising from this additional activity, where they differ from or add to the outcomes in the April 2013 report, are recorded below. These additional issues arose from provider activity that can be grouped into three main areas of work

    - Unit delivery aimed at subsequent progression to a qualification (primarily through fully-funded provision)

- Unit delivery aimed at responding directly to employer demand (primarily through co-funded provision)
- Delivery of new English and maths units as part of a wider unit-based curriculum

Progression to qualifications

21. In their later work on unit delivery, providers continued to make little practical distinction between individual learner goals in planning and delivering a unit-based curriculum. Some learners accessed unit-based provision as an end in itself; others accessed this same provision as a stepping stone towards a qualification. Several providers offered particular progression-related advice and guidance to learners at the end of their unit-based programme, but it is too soon in most instances to know how this may translate into progression to a qualification in 2013/14.

22. Having noted this, providers produced some impressive data on retention rates on unit-based provision, and were optimistic that learners would re-enrol in September 2013 on provision leading to a full qualification. In some instances, progression would be to a qualification from a unit or units that formed part of that qualification. In other cases units achieved at one level were being used to prepare learners for progression to a qualification at a higher level.

23. It is clear from the reports from providers that every effort is made to ensure that learners on unit-based provision that is fully-funded by the Agency do progress to other programmes offered by the provider. Although some learners appear to progress from one unit-based programme to another (the data is not always clear in this respect) the great majority of learners completing a unit-based programme either progress to, or are invited to progress to, a full qualification.

Work with employers

24. Providers continue to develop flexible and innovative unit-based programmes that respond to employer needs. Four providers report an extension of their work with employers from April to July 2013 based on unit delivery. Here a variety of different patterns of provision continue to develop. Some programmes were based on a small cluster of units taken from a single larger qualification. In other cases specialist units were offered as an addition to a

full qualification. In a minority of cases a unit-based programme was designed to encourage an employer to fund the remaining units required to complete a full qualification.

25. In some cases providers had been unable to extend their existing work with employers. Although a unit-based offer was seen as more attractive to individual employers than a commitment to a whole qualification, providers reported continuing reluctance by employers to invest in any kind of staff development or training in current economic circumstances. Several providers have scaled back their initial plans for making a unit-based offer to employers in the April to July period as local demand for training of any kind continues to decline or at best remain static.

English and maths units

26. One pathfinder began to offer new QCF English and maths units to learners prior to April 2013 and this experience was reflected in the April 2013 NIACE report. Two more providers offered English and/or maths units from April to July, reflecting an increased awareness of the availability of these units, as well as a wider range of AOs offering them.

27. 2013/14 will be the first year in which a wide range of choices of English and maths units will be widely available to providers through a number of different AOs. We may anticipate a significant increase in the take-up of these units in the coming year. Certainly, all three of these UDR providers plan to extend their use of these units in 2013/14.

Key issues

28. In these three areas, i.e. progression to vocational qualifications; responding to employer needs; and delivering English and maths units, several key issues emerged from the supplementary reports from providers from April to July in relation to unit delivery. Most of these key issues simply confirmed the outcomes of previous work described in the NIACE report published in April 2013. Although the most important of these are referred to below, they are not included in detail in this additional report.

29. Having noted this, the additional reports from providers, together with selected follow-up discussions with the NIACE team, did reveal some variations and nuances in approaches to unit delivery that were either not evident or not so obvious at the time of the initial report. Where additional or slightly different perspectives emerge from this additional activity, these are recorded below.

30. Ten of these key issues are considered in more detail below:

- Success rates and retention rates on unit-based provision are very high
- Some historical SSC constraints on qualification structure may continue to prevent AOs as well as providers from responding to employer demand
- Units can be used as 'market testers' in new areas of provision by both providers and AOs
- Once employers understand unit delivery, demand can shift quickly to new curriculum areas or employment roles
- A unit-based curriculum can stimulate innovative approaches to programme delivery
- There is a significant market for unit-based provision among learners who are out of work but not eligible for the Offer for the Unemployed
- In some areas unit-based provision is being supported through alternative sources of funding
- Could Agency recording and reporting requirements themselves be an impediment to developing a unit-based offer?
- Offering units rather than a whole qualification may enable providers to overcome negative perceptions of the qualification by employers
- Continuity and forward guidance are essential if providers are to maximise opportunities for unit delivery to employers

Success rates and retention rates on unit-based provision are very high

31. Most providers in the UDR programme report high credit success rates for learners on unit-based provision. (Some providers note that full data on success rates will not be available until October 2013). Indeed some success rates are very high indeed. Several individual programmes record 100% success rates for unit-based provision. Overall credit success rates of 95%, 97%, 99% and 99.74% are reported. Providers were very positive indeed about the positive benefits of recognizing learner achievements quickly and frequently through the award of credits.

32. On the surface this might be seen as a very positive benefit of unit-based provision. However, as one interviewee remarked, such success rates 'can

sound a bit like the percentage of votes claimed by a dictator in a rigged election'. Another provider noted candidly that 'preserving success rates' was a motivating factor in offering a unit-based programme rather than a whole qualification.

33. In this context reporting on unit success rates needs to be treated carefully. While there is no doubt that a unit-based curriculum can improve success rates and lead to higher rates of progression to a qualification, it would be unfortunate if such high rates were seen as a mechanism for providers to 'play' performance assessment systems to over-state their overall success rates. The Agency's proposals to develop a modified 'qualification and credit success rate' should enable this problem to be overcome.

34. One provider reported significantly lower success rates than others on its unit-based provision (though these may later be revised upwards, when final data on credit achievement becomes available in October 2013). The reasons for this are recorded in the April 2013 NIACE report. The main reason for these lower success rates is that the provider uses QCF units as a curriculum design template for community-based learning, as well as a basis for formal assessment within the QCF itself.

35. Thus a single class in (for example) Word Processing may include adult learners funded through Safeguarded Agency funding as well as learners funded through the Adult Skills budget. The first group of learners undergo informal, provider-based assessment that is not recorded through QCF credits. The achievements of the second group are certificated by an AO and do lead to the award of credits. So the provider, in order to create opportunities for learning for hard-to-reach learners in small neighbourhood centres, combines provision funded from separate Agency sources, using QCF units as a shared curriculum design template.

Some historical SSC constraints on qualification structure may continue to prevent AOs as well as providers from responding to employer demand

36. In the April 2013 report we noted that one motivating factor for providers in offering units rather than a qualification through employer-based training was because the qualification itself was perceived by employers to be too large. 'Too large' in this context meant that the qualification included some units that were seen by employers as extraneous to their business needs. By focusing on those units that were seen by employers as important, providers could

construct a viable and cost-effective offer that employers were willing to co-fund.

37. One possible implication of this approach (though it was not stated explicitly in the April 2013 report) was that AO-developed (or in some cases SSC-developed) qualification structures might be constraining the ability of providers to respond directly to employer demands. Although this may be true in other cases, in this instance the size of the qualification in question was determined by the SSC and not by an AO.

38. This particular unit-based offer has proved very successful for two different providers involved in the UDR programme. Indeed both providers report a significant increase in the take up of units from this qualification in the April to July period, coupled with very high success rates. The AOs concerned are aware of this and have been very supportive of the unit-based offer made by these providers. Indeed it may be possible for smaller qualifications to be developed by these AOs in future, in response to this demand.

39. We are therefore presented with a case where pathfinder status enables two providers to respond in very similar ways to employer demand in their area (in both cases quite a wide area) and where the two AOs involved with these providers have been very supportive of this approach, but which has previously failed to influence the view of the SSC (nominally the voice of employers in the sector) about the appropriate size and structure of the qualification that all other (non-pathfinder) providers are required to offer.

40. Having noted this community of interest between providers and AOs in this instance it would be amiss in this supplementary report not to record once again the view expressed by a number of providers that AO charges to providers for unit-based provision remain a significant barrier to wider take-up of unit delivery. Interestingly one provider stated that it was being 'overcharged' by an AO in one curriculum area, i.e. that it was being charged far more per unit than for a whole qualification, based on comparative credit values. The use of the term 'overcharging' hints at a subtle change of perception about 'fair' charging policies linked to credit values. Although some AOs have adopted this approach to charging it seems that others remain less responsive.

Units can be used as 'market testers' in new areas of provision by both providers and AOs

41. In our April 2013 report we noted that offering an individual unit or units rather than a whole qualification is a useful mechanism through which a provider can test out demand and cost-effectiveness of developing provision in a new curriculum area. One pathfinder in particular had used units to do this in response to local employer demand.

42. Not only has this provider now successfully delivered programmes including these new units, but during April to July it developed, in collaboration with the relevant AO, a further new unit in the same area which it is now piloting. Not only is the use of units an effective way for providers to test market demand without undue risk, it is also a way for AOs to assess the viability of additions or amendments to existing qualifications where such demand appears.

Once employers understand unit delivery, demand can shift quickly to new curriculum areas or employment roles

43. Another provider reported during the April to July period an expansion of its unit-based provision with a local employer into a completely new curriculum area, covering employment roles in a very different part of the company, and at a different level of achievement. This was co-funded provision and has enabled the provider to grow its business significantly with this employer.

44. What motivated the employer to invest in this new area was an understanding of the benefits of a unit-based approach and an assessment of the return-on-investment in the initial unit-based programme. It seems that, once the structural benefits of a unit-based programme are understood, an employer is able to perceive the potential benefits of this approach in other parts of its organisation.

45. In our report published in April 2013 we noted examples of employers 'testing out' a unit-based approach with a single unit, and then extending this approach either to other units related to the same employment role or to other groups of employees for whom the same unit was seen as useful. Given a little more time to work with an employer, and a greater understanding by the employer of the pathfinder provider's approach, it seems that the extension of unit-based provision can genuinely proceed in leaps and bounds within a company rather than through transfer to 'neighbouring' units or job roles.

A unit-based curriculum can stimulate innovative approaches to programme delivery

46. One provider reported on a unit-based approach as important to the development of its distance-learning provision. (This was not referred to in its earlier feedback for the April 2013 report). A second provider reported on its plans to use unit delivery in the future to develop the range of its e-learning offer. In another instance the ability to structure a curriculum around units rather than whole qualifications has led to a 'much more flexible' approach to individual learners from the provider concerned.

47. This is perhaps an under-investigated part of the potential impact of unit-based provision. The continuation of the UDR programme in 2013/14 gives the Agency the opportunity to pursue other examples of curriculum innovation based on unit provision more systematically. NIACE will work with pathfinders during 2013/14 to ensure such innovations are duly recorded and reported on.

There is a significant market for unit-based provision among learners who are out of work but not eligible for the Offer for the Unemployed

48. Although a clear distinction is made between the Offer for the Unemployed (which any provider may access) and UDR providers, feedback from the period to July from several pathfinders emphasised an issue raised in the April 2013 report. In some curriculum areas unit delivery is used to construct an offer that is relevant both to learners supported through the Offer for the Unemployed and learners supported by UDR site status.

49. It seems that, despite the wider-than-initial eligibility criteria for the Offer for the Unemployed, significant numbers of people are accessing unit-based programmes who are not in work but who are not eligible for funding through the Offer for the Unemployed. Several UDR sites identified different groups of learners who are accessing unit-based programmes in this way but who are not formally identified as 'actively seeking work' One provider reported that 56 out of 157 enrolments in 2012-13 on an IT programme, run across multiple sites and at different times, did not meet the Offer for the Unemployed eligibility criteria.

50. In these instances, providers are not offering a separate programme for these groups - they are integrating them into existing programmes designed initially in response to the Offer for the Unemployed. Indeed, it seems that the viability

of this provision for the unemployed is dependent in some curriculum areas and some localities on the ability to widen access to these programmes through pathfinder status.

51. One provider cited the 'Every Person Matters' agenda as an important guide to local practice in making opportunities for learning as accessible as possible to adults. Being able to offer units to individual learners beyond what the provider perceived as the 'restricted' criteria of the Offer for the Unemployed was an important part of its unit-based provision and of its ability to meet local strategic obligations. Some of these learners (e.g. those in part-time work or self-employment) fall within Agency priorities for UDR pathfinders in 2013/14. Others do not. It will be interesting to monitor potential changes in this type of provision among pathfinder sites in 2013/14, in response to these updated Agency priorities.

In some areas unit-based provision is being supported through alternative sources of funding

52. Two providers reported a fairly substantial unit-based programme covering a range of curriculum areas. Most of this programme was targeted at local employers and different aspects of each provider's activity were supported by different funding arrangements. Overall the financial management of these programmes was complex and time-consuming for the staff involved.

53. Although some aspects of these programmes were supported through Agency co-funding arrangements, other aspects were funded from different sources. However, both providers were keen to present their programmes as a consistent coherent offer, and the unit-based structure of provision was seen as important in this respect.

54. In one instance a provider had been able to access funding directly from the relevant SSC, that had explicitly identified a cluster of units as important for upskilling and retraining in its area. In 2012-13 SSC funding had supported employers in covering all the costs of such provision. Clearly the SSC's explicit support for the QCF units was itself important in supporting the coherence of the programme.

55. Interestingly, it seems that SSC support for the programme will continue in 2013-14 but at a reduced rate. For some of the units the provider may well need to access Agency co-funding to sustain its provision. However, as some of the SSC-endorsed units are at Level 3 no Agency funding will be

forthcoming for these units. The provider anticipates a complex process of combining Agency and SSC funding in 2013-14 to maintain the viability of this provision.

56. Another provider in a different curriculum area reported that it plans to transfer part of its unit-based provision to the ESF Skills Support for the Workforce (SSW) programme in 2013-14. Again the provision to be transferred to SSW is at Level 3 and Level 4 and so 24+ learners (the majority of this cohort) would not be eligible for Agency funding in the future.

57. The interesting feature to note in both these cases is that the providers are sufficiently committed to the unit-based structure of their provision (albeit in one case with the active support of an SSC) to wish to maintain this approach in the future, even though eligibility for funding through these alternative sources does not require recognition within the QCF or a unit-based approach.

Could Agency recording and reporting requirements themselves be an impediment to developing a unit-based offer?

58. Our March 2013 report identifies some of the frustrations experienced by providers through the bureaucratic arrangements of some AOs that have yet to adjust their business processes to the demand for unit-based approaches. This is not the place to repeat these concerns in any detail. However one provider has raised similar concerns through its supplementary report about the bureaucratic procedures of the Agency itself in relation to unit-based provision.

59. How far these concerns are shared with other pathfinder sites has not been able to be determined in the time available. However other providers have referred to the bureaucracy of record-keeping obliquely when asked about the potential benefits of a unit-based approach. In general there would seem to be a quid-pro-quo among providers that the benefits to learners of a unit-based approach outweigh the additional bureaucratic costs of recording enrolments, tracking progression and identifying achievements on such provision.

60. Having said this it would seem that, if the Agency itself is keen to promote unit delivery, it would be useful to ask UDR sites in the future about how they think the Agency's own business processes, particularly those related to entering

data in the ILR, might be modified to support unit-based delivery more efficiently. It is suggested that this is a useful pointer for NIACE in its continuing UDR work in 2013-14. Indeed it might be useful to consider this explicitly alongside the issue of very high credit success rates as a 'balancing' concern for both providers and the Agency itself.

Offering units rather than a whole qualification may enable providers to overcome negative perceptions of the qualification

61. One issue reported by a provider through its supplementary report, and which was not raised in March 2013, points to the value of a standard unit structure across the whole QCF, and the absence of 'unit types' within the QCF regulations.

62. This provider reports on the negative views among employers in its sector of the 'NVQ' qualification that the SSC had previously identified as the endorsed qualification at that level for the sector. It would seem that it is the perception of the term 'NVQ' rather than the content of the qualification itself that is of primary concern to employers. In other words the issue is reputational rather than substantive.

63. By taking a cluster of units from this qualification and offering them to employers in the sector, the provider can effectively distance its provision from the perceived damaging reputation of the 'NVQ host' qualification. Individual units make no reference to the term NVQ and are therefore able to be presented without prejudice to employers. Take up of units is growing where previously there had been no interest in the whole qualification.

64. This is a single instance and it would be wrong to read too much into it. There are numerous reasons, many documented in this and in other similar reports over several years, why employers might prefer a unit-based programme to one based on a whole qualification. It is also true that the continuing use of the term 'NVQ' in QCF qualification titles is viewed more positively in some sectors than in others. Nevertheless it seems that a unit-based approach can help providers avoid some of the potentially negative views that some employers might hold about the qualifications offered (or perhaps previously offered) in their sector.

Continuity and forward guidance are essential if providers are to maximise opportunities for unit delivery to employers

65. The final issue addressed in this section is certainly not new, but it was raised by so many providers in their supplementary reports and meetings with NIACE that it would be remiss not to record it here. It is an issue that was raised not only in the March 2012/13 report but indeed from the previous work in 2011/12 on unit delivery.

66. In order to make effective use of unit-based approaches, and to be able to commit the necessary resources to planning, managing resourcing and delivering a unit-based curriculum, providers need not only sufficient time to prepare but also they need confidence in the sustainability and longevity of such an approach. As long as unit delivery is perceived as a 'trial' programme or as a 'research' activity it will never be able to exert significant impact on the flexibility and responsiveness of provision and it will remain restricted to particular curriculum areas or groups of learners.

67. It should be emphasized that this is an issue that needs to be considered more generally by the Agency. It is not simply an issue that relates to the pathfinder sites. In other words the ability of the Agency to draw general lessons about the costs and benefits of unit-based delivery will continue to be constrained as long as a small minority of providers is involved in the UDR programme. Although some elements of unit delivery (e.g. through the Offer for the Unemployed) are available to all providers, the UDR pathfinder sites themselves are unable to plan for the continuation of their unit-based provision beyond 2013/14.

68. For the nine pathfinder sites continuing to operate from 2012/13 to 2013/14 there is now some ability to transfer experience and processes across funding year boundaries. Of course the great majority of providers are unaffected by this, but it is noticeable how many of the 2012/13 pathfinder sites declared at an early stage their desire to continue with unit-based provision in the future as an integral part of their overall curriculum offer. Forward guidance by the Agency on long-term plans for unit delivery would create a very different context within which the costs and benefits of such an approach could be assessed.

Taking forward unit delivery in 2013/14

69. The Agency's plans for the further development of unit delivery in 2013/14 are based explicitly on an assumption that funding priorities will be based on the achievement of qualifications. The 2013/14 UDR programme is therefore

based on an assumption that unit delivery can be an important part of provider provision for some learners in some circumstances. The achievement of a qualification continues to be seen as a desirable goal for all learners. However, some of them may best begin this journey towards a qualification via a unit-based programme.

70. As part of this assumption, all providers in 2013/14 will continue to be able to offer unit-based programmes through OLASS funding; through the Offer for the Unemployed; through Apprenticeships for micro-SMEs; or through the Employer Ownership of Skills initiative. They will also be able to offer individual QCF English and maths units.

71. In addition to these target groups, the 15 UDR sites or pathfinders for 2013/14 will also be able to offer units to learners in the following circumstances:

    a. Learners who have not yet achieved a full level 2 or level 3 qualification will be able to access units as part of a route to achievement of these qualifications (though learners over the age of 24 will not be funded to achieve level 3 units)
    b. Employed learners may be co-funded in order to encourage employers to engage in the skills system or to invest in staff training leading to a qualification
    c. Units may be offered to learners who are self-employed or who wish to co-fund their own learning to re-train or to top up skills within an existing job role

72. This is a more focused set of target groups than those identified in 2012/13, and will be funded within a more constrained set of Agency funding rules. In particular Agency funding will not be available to support unit delivery at Level 3 for any learner aged 24 or older, as determined by the Skills Funding Statement. These learners will be able to access FE loans for full qualifications, but will not have access to these loans for any unit-based programme.

73. We may therefore characterise the Agency's current strategy for unit delivery as identifying through UDR research sites potential contexts or groups of learners who may benefit from a unit-based programme. Future funding arrangements may therefore be adapted to support these learners more widely by extending the scope of unit delivery to all providers through the Agency's future funding system. This is the implied purpose behind identifying these three groups of learners for further UDR activity during 2013/14.

English and maths units within the 2013/14 UDR programme

74. As noted above, all providers have access to individual QCF English and maths units for eligible learners as a standard feature of the 2013/14 funding arrangements for adult skills. The first of these units were made available in November 2012, and during the first part of 2013 a number of AOs added English and maths qualifications to their QCF portfolios. From the outset, the Agency has supported unit delivery of these qualifications.

75. The 2013/14 year is therefore the first full year in which all providers will have access to a wide range of English and maths units, supported through Agency funding, for adult learners. The Agency has therefore asked NIACE to work with a selected number of UDR pathfinders during 2013/14 to ascertain the potential impact of English and maths units on their offer to learners. Six of the 15 UDR sites will be asked to include delivery of English and maths units within their development plans for the year.

76. In monitoring and reporting on the use of English and maths units in 2013/14 NIACE will focus on three aspects of unit delivery:

    a. Providers offering English and/or maths units as an addition to a vocational qualification within an integrated programme
    b. Providers combining English and maths units with units that fall within one of the three priorities identified above
    c. Providers working with AOs to offer units leading to the award of credits rather than single-unit Awards within the QCF

77. All UDR pathfinders in 2013/14 will therefore receive an identical brief from the Agency, but some of these pathfinders will include an additional focus on these English and maths units.

Identifying and supporting UDR pathfinders

78. As noted above, nine of the 12 pathfinders from 2012/13 are continuing their work in 2013/14. All nine of these providers responded quickly and enthusiastically to the invitation to continue their work into 2013/14. Indeed, several providers had already formulated plans for unit delivery for the current year in anticipation of receiving an invitation from the Agency to continue their work. Three providers note explicitly in their supplementary reports that unit-

based provision now constitutes an extremely important part of their offer to both employers and to learners.

79. This continuity in pathfinder sites into 2013/14 should enable these sites to develop more substantial and more innovative programmes (albeit in a more constrained funding context) than was possible in 2012/13. In addition, the identification of additional pathfinders, which is already under way, should be completed before the end of September. In 2012/13 confirmation of pathfinders was not completed until November 2012. Again this should enable a more considered approach to delivery this year.

80. As before, a variety of different pathfinders will be identified, including FE colleges, independent training providers, local authorities and a residential college. These providers will be selected to give a good geographical spread, as well as a balance of different sizes serving both urban and rural communities. Given the additional aim of monitoring and reporting on the use of English and maths units we may anticipate a slightly reduced proportion of independent training providers across the 15 UDR sites in comparison to 2012/13.

81. As before, pathfinder sites will be expected to record and report on the key issues arising from unit delivery in 2013/14. In particular they will be asked to:

    a. Identify and report on data management issues involved in supporting a unit-based curriculum offer (this will provide an opportunity for pathfinders to identify any particular bureaucratic burdens imposed by Agency business processes)
    b. Identify and report on issues arising from their relationship with AOs, including registration, assessment and the award of credits to learners on unit-based programmes
    c. Use the Personal Learning Record (PLR) and identify and report on any issues arising from the use of the PLR both to record learner achievement and as an information, advice and guidance tool

82. In 2013/14 providers will also be using for the first time the Agency's new Funding Matrix for adult skills. The matrix itself has been modified during 2012/13 based (in part) on feedback from UDR sites on the potential issues that may arise through its implementation. Pathfinders will be asked explicitly as part of their involvement in the 2013/14 UDR programme to assess the current and potential impact of the new funding matrix on their approach to unit-based provision. As before, NIACE will include this feedback in its reports to the Agency.

Conclusion

83. This supplementary report sets the context for the Agency's continuing work on unit delivery in 2013/14 and aims to show how this work has evolved from the activities of UDR sites in 2012/13. It aims to place the ongoing work of UDR pathfinders within the wider context of funding priorities identified both by the Agency and by BIS for 2013/14.

84. NIACE looks forward to a continuing relationship with both the Agency and with UDR pathfinders during 2013/14. NIACE remains convinced of the benefits of unit-based provision for many different kinds of learner within the adult skills system. We look forward to working with UDR sites during 2013/14 to extend further the range and scope of Agency-funded provision based on unit delivery.

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Annex A

Executive Summary and Recommendations from the NIACE Report of April 2013

Executive Summary

1. The purpose of this report is to present to the Skills Funding Agency (the Agency) and its partners the outcomes of the Unit Delivery Research Project 2012-13

2. The report is the latest in a sequence of similar reports since 2010 that have monitored and reported on the gradual extension of unit delivery within the Agency's funding arrangements for the QCF. The Agency now supports unit delivery through the Offer for the Unemployed, through OLASS funding and, more recently, through the new QCF English and Maths qualifications for adults. The report also anticipates the introduction of the new Streamlined Funding System for Adult Skills in 2013-14.

3. The report needs to be read in the wider context of continuing reforms across the Further Education Sector. The Richard Review will lead to significant changes in both the structure and funding of Apprenticeships from 2014-15. The recently announced Whitehead Review of Adult Vocational Qualifications, together with the recent *Rigour and Responsiveness* paper from BIS will all have an impact on the future development of unit delivery within the QCF. Notwithstanding these wider changes, the BIS *Skills Funding Statement 2012-15* reiterates the government's continuing commitment to the development of the QCF.

4. In this context, the Agency agreed to the establishing of a number of Unit Delivery Research (UDR) sites, or 'pathfinders' in 2012-13. The primary purpose of establishing Pathfinder providers in 2012-13 was to enable this small group of providers to use more flexible arrangements for unit delivery than those available to other providers. The intention was to anticipate the proposed shift to Streamlined Funding for Adult Skills in 2013-14 and to use the Pathfinders to test out key elements of the new funding system and to identify potential benefits and disadvantages of a unit-based approach to delivery in meeting learner and employer needs.

5. A total of 12 such UDR sites were identified, to include a variety of different types of provider in different English Regions. Each research site was given the freedom to offer units to learners outside the constraints of the Offer for the Unemployed or OLASS funding. The primary focus of the work of the UDR sites was provision for

local employers, and the project aimed to identify successful local strategies for engaging employers in supporting training through a unit-based offer.

6. Given the small number of providers involved, and the relatively modest unit-based provision that was able to be promoted, designed and delivered during the scope of the project, the research report is based primarily on evidence from successful (and not so successful) work by the 12 UDR providers. No statistical significance should be attached to the outcomes of the research, and no data on leaner enrolments or achievements is included in this report. Indeed, much of the provision that informs this report is continuing through the remainder of 2012-13.

7. The NIACE project team visited all pathfinder providers and interviewed key staff in each site about their plans for unit delivery within the scope of the UDR project. Further interviews were conducted later in the project, either with staff involved in unit delivery or with learners. An event for pathfinders was held in London on February and sites were asked to produce final updates for the NIACE team prior to the publication of this report. Work on these unit-based programmes continues until the end of the academic year.

8. Three basic models of unit delivery were identified through the project, and the benefits of each one to learners and employers were noted. These three models were

- An offer of stand-alone units leading to the award of credit
- Units offered as explicit progression towards a qualification
- Units offered as an addition to a qualification

9. The main body of the report includes examples from each of these models. It should be noted that, even within these three models there was considerable variety of approaches between different providers. However, some benefits of each model were able to be identified:

- A stand-alone offer of units was easy to plan and organise and providers could implement these plans quickly. Most AOs were able to support such a model and it offers the widest possible range of progression opportunities to learners

- An offer of explicit progression towards a qualification means that learners have the opportunity to demonstrate success before committing to a whole qualification. Employers also have the opportunity to witness learner success and providers can offer a clear next-step to learners, linking explicitly to improved qualification success rates

- Adding a unit or units to a qualification means that up-to-date employer needs can be addressed and the currency of learners' achievement is maintained.

Particular specialist skills and knowledge can be delivered while providing useful messages to AOs about the need to update qualifications

10. The report identifies a range of issues related to unit delivery that are drawn from all the different examples used by UDR sites. These are summarised here:

- Distinctions between offering stand-alone units or offering units as progression to a qualification are largely meaningless in practice, as learner intent is often modified through the process of learning and achieving credit(s).
- Where learners are engaged through a unit they may well choose to progress to a qualification following the award of credit(s)
- The offer of a unit or units, rather than a whole qualification, enables providers to reach new and different kinds of learners, as well as new and different kinds of employer
- As unit-based provision can be tailored to employer needs they are more likely to contribute to the funding of such provision
- Once employees demonstrate commitment and motivation through the award of credits on individual units, employers are more willing to contribute to the funding of further training
- Co-funding can be developed through public funding of an initial unit or units, followed by employer funding of further units, rather than jointly funding each individual unit
- Employers appear to be willing to contribute to the costs of 'topping up' existing qualifications with new specialist units
- In some instances the UDR arrangements have been used to widen access to an existing unit-based programme developed through the Offer for the Unemployed
- The availability of QCF English and Maths units to adult learners is an important impetus to developing unit-based programmes

11. The report also identifies a wider range of issues that have been identified by providers as potential barriers to the wider development of a unit-based offer. Many of these issues have been raised in previous reports in this series, but there is clearly a continuing need to address them if concerns about rigour and responsibility are to be addressed as the QCF develops. These issues are summarised here:

- AO systems and procedures are not always responsive to provider needs. Some AO practices have changed in recent years, but there are still disincentives to developing a unit-based offer in the arrangements of some AOs for registration and certification
- A closely related issue is the costs and charges that continue to be made by some AOs that do not take account of unit-based provision.

- The use of the Personal Learning Record remains patchy, though it should be noted that significant improvements in the take-up of the PLR by AOs are under way and this should have a positive future effect on responsiveness within the QCF
- The impact of regulation on unit delivery was noted by some providers. In particular, there is continuing concern about the quality of some units offered by some AOs within the QCF
- The impact of streamlined funding was considered by pathfinders, though the recent announcement by the Agency of funding for small Awards through credit values came too late to be considered at interviews. Some providers are wary of the potential impact of the new Funding Rates Matrix on unit-based provision (though again the recent changes may allay some of these fears)
- The pathfinders had some interesting contributions to make about issues of co-funding, employer engagement and 'deadweight'. Again, there are a number of positive examples from pathfinders about using unit delivery to engage employers in further training
- The introduction of 24+ loans was seen as an issue of concern by a number of providers. In particular, the viability of a unit-based offer at Level 3 was seen as threatened by the introduction of such loans

12. Finally the report identifies some longer-term issues that it suggests the Agency needs to consider if it is to continue to support and extend the scope of unit-based provision in the future. These longer-term issues include:

- The long-term funding of unit-based provision, and whether it is cost-effective to continue to expand the scope of eligibility for unit-based provision, or whether providers should be permitted to choose an appropriate curriculum offer for learners, based on local needs, that may include units and/or qualifications
- The development of performance measures to support unit delivery that create a genuine incentive for providers to develop unit-based provision alongside their qualification-based offer
- The re-defining of learner entitlement within these new funding arrangements and performance measures to take account of the fact that an individual learner may be offered either units or qualifications or a combination of both.

Recommendations

Recommendation One
We recommend that monitoring of the work of current research sites should continue from April to July 2013 and that an updated report to the Agency in July 2013 should be produced, based on further feedback from these sites.

Recommendation Two

We recommend that a further small group of pathfinder providers should be identified for 2013-14, based on the current research sites plus up to six other providers. The remit of these pathfinder sites should be based on the current Unit Delivery Research sites, with a particular focus on employer-based provision. All pathfinders should be identified in time to begin delivery of unit-based programmes in September 2013.

Recommendation Three
We recommend that a group of six pathfinder providers should be identified for 2013-14 with a remit to offer QCF units in English and Maths alongside units drawn from other qualifications, based on a similar remit to other pathfinders. The Agency should commission a report on this provision.

Recommendation Four
We recommend that the Unit Offer for the Unemployed should be formally extended in 2013-14 to include employees declared to be at risk of redundancy and identified to providers through JCP.

Recommendation Five
We therefore recommend that the Agency should monitor the potential impact of the Funding Rates Matrix on unit-based provision during 2013-14 and should report to the Agency in 2014 on the outcomes of this monitoring.

Recommendation Six
We recommend that the Agency should continue to support unit delivery at Level 3 for all learners through the pathfinder sites and should monitor the potential impact of 24+ loans on this provision.

Recommendation Seven
We recommend that a shadow credit success rate measure should be introduced in 2013-14 to run alongside the qualification success rate. This rate should be monitored and reported on by all providers engaged in unit-based provision, as well as by pathfinder providers.

Recommendation Eight
We recommend that the Agency should initiate a project together with Construction Skills during 2013/14 that explicitly aims to extend the model illustrated in the current research project more widely throughout the construction industry.

Recommendation Nine
We recommend that a new definition of learner entitlement is established for 2014-15 within the context of the new Funding Rates Matrix, based on the overall credit value of a learner's planned achievements at a particular level, rather than on a qualification. The implications of such a definition of entitlement should be monitored through the pathfinder sites during 2013-14 to ensure it supports unit-based provision.

Recommendation Ten
We therefore recommend that, from 2014-15 onwards, the availability of unit-based provision within the QCF should be extended to all eligible learners, and that mature providers should be free to determine an offer of units and/or qualifications to eligible learners, based on an assessment of their needs.

Recommendation Eleven
We recommend that in 2014-15 only providers identified as ‘good’ or ‘outstanding’ by Ofsted should be free to utilise this approach to unit funding. The impact of this approach should be monitored during 2014-15 and should then be extended to all providers from 2015-16, based on an assumed positive set of outcomes from this monitoring.

Recommendation Twelve
We recommend that Ofqual should commission in 2013-14 a comparison of AO systems and procedures, including fees and charging arrangements in three curriculum areas where qualifications are shared or similar across a number of AOs. The Agency should support Ofqual in this work and should invite comments on its outcomes from providers.

Annex B

Providers contributing to this additional report

Accrington and Rossendale College*

Axia Training Solutions Ltd*

Craven College, Skipton*

Derby City Council Adult Learning Service*

Newcastle College*

New College, Swindon

Ruskin College*

Virtual College Ltd*

Wakefield Adult and Community Education Service*

*** These providers will continue to be Unit Delivery Research sites in 2013/14**

Annex C

Briefing Note for UDR Sites in 2013/14

Qualifications and Credit Framework

Unit Delivery Research 2013/14

Guidance

Version 1.0

Background and purpose of research

1. In 2012/13, twelve colleges and training organisations were asked to trial unit delivery of QCF provision outside of the existing OLASS and Offer for the Unemployed programmes, with the intention of understanding what scenarios this could be delivered in, and what the benefits to learners might be.

2. In parallel, we asked NIACE to draw together the results of these trials. These results were published in a report which is available **here**. Through this work, a number of interesting strands of activity have been identified, some of which we wish to explore further in 2013/14.

3. It is important to note that we will continue to prioritise funding on the achievement of qualifications. However, the results of the 12/13 pathfinder research suggests that units can play an important role in the achievement of qualifications for learners who have not yet achieved their first full qualification at level 2 or 3.

4. In addition, there were interesting findings around the use of units to engage employers in skills training, particularly where employers were not previously engaging in skills training, and where in response to the public funding of some units, employers went on to fund the remaining components of a qualification.

5. A third area of interest to the Agency is where units were accessed outside of an employer-driven context, for instance in part-time/evening classes for adult learners looking to re-train or to up-skill for their current job – including self-employed learners.

6. Therefore, in 2013/14 we have invited a group of colleges and training organisations to offer units in line with the three scenarios above so that we can gather the evidence base required to inform decisions around further availability

of units within the Adult Skills Budget from 2014/15 onwards. This group of providers are referred to as 'pathfinders' within this document, reflecting their role in establishing potential roles for units outside of the existing unit offer.

7. In addition, colleges and training organisations participating in this work have the opportunity to deliver new QCF English and maths units as part of wider programmes of units.

Scope of delivery

8. Colleges and training organisations asked to participate in unit research work in 2013/14 as pathfinders will need to offer units to achieve one or more of the following three purposes.

   a. Offering fully-funded units to learners who have not yet achieved their first full level 2 or 3 qualification, as part of a route towards achievement of their first full level 2 or 3 qualification

   b. Offering co-funded units to employed learners as part of encouraging employers to engage in the skills system and/or encouraging employers to invest in staff training through funding additional units which may lead to a complete qualification

   c. Offering co-funded units to learners outside of an employer-driven context, for the learner to either re-train for a different job, or to up-skill within an existing job role. This would include self-employed learners

9. These pathfinder providers will be able to deliver any units which have been approved for funding in 2013/14 as part of the Offer for the Unemployed. These units can be delivered to any eligible learners – although it should be emphasised that this Unit Delivery Research is focused on delivery outside of the Offer for the Unemployed.

10. This unit research work is a distinct piece of work and should not be confused with other unit delivery that may be taking place across:
    - Offender Learning and Skills Service
    - The offer for individuals who are unemployed and need help to enter work,
    - Employer Ownership of Skills
    - Units available for Apprenticeships in micro SMEs.

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Expectations on research participants

11. For the three scenarios above, we have slightly different needs around the evidence that will be gathered during this research work

12. Where pathfinders use units to engage learners towards achievement of their first full level 2 or 3 qualification we need to understand;
    - What proportions eventually achieve a full qualification, and what was the added value of enrolling on units first. We would also want to understand the added value where learners have completed units which are not part of the qualification they do eventually go on to complete (for example, using units to progress learners who are not at first ready to commence a level 2 qualification).
    - What proportions do not go on to achieve a full qualification, and for this group what were the reasons for this. We would also want to understand the value of the unit learning

13. Where pathfinders use units to engage employers in the skills system and to increase their investment in skills training we need to understand;
    - What is the relationship between publicly funded units and the units/ qualifications that employers go on to fund
    - How this kind of approach could be integrated into the publicly funded skills system
    - What are the destinations for learners (e.g. Apprenticeships, first full level 2/3 qualifications)

14. Where pathfinders use units outside of an employer-driven context, we need to understand;
    - Who is accessing these units, what units do they enrol on, and what are the benefits?
    - Are they going to complete qualifications or do the unit(s) provide all of the learning they required?
    - Does this unit delivery replace delivery of small qualifications (e.g. Awards), and is this better value for money?

15. Providers participating in this unit delivery research work as pathfinders will be expected to:
    - work closely with their awarding organisation(s) (AO) towards the AO(s) having all necessary procedures in place to support unit delivery and the award of credit
    - be able to offer a unit-based curriculum to any eligible learner for whom such an offer is deemed appropriate (this should be distinct from a unit-based curriculum offered by the provider as part of the Offer for the Unemployed, and should focus in particular at level 2 and/or 3).

- put in place arrangements to ensure that all learners offered a unit-based curriculum are adequately informed and guided in their choice of units
- ensure that each learner on a unit-based curriculum is offered a coherent, meaningful and challenging programme of learning, leading where appropriate to future qualification achievement
- identify and report on data management and recording issues involved in supporting a unit-based curriculum offer
- identify and report on issues relating to the registration, assessment and certification of learners offered a unit-based curriculum
- identify and report on issues relating to the application of the 2013/14 funding matrix in developing a unit-based curriculum
- use the Personal Learning Record (PLR) both in terms of recording achievement and also as an information, advice and guidance tool.

16. In addition, where providers are delivering new QCF English or maths units alongside units within this pathfinder work we would expect providers to;
    - identify and report on progression of learners from QCF English and maths units to complete QCF English and maths qualifications, to Functional Skills qualifications, and to GCSE English and maths qualifications
    - Identify and report on the use of new QCF English and maths units to provide a 'stretch' for learners, for example helping them to progress from Entry to Level 1
    - Provide feedback on any challenges or issues in using initial assessment of learners' English and maths needs.

17. NIACE will confirm working arrangements with each provider directly.

18. The funding for units delivered as part of this work is in line with the Funding Rules 2013/14 document and the learner eligibility rules within that document. Providers participating in the research work should note that all units delivered at:
    - Level 1 or below should be fully-funded if the learners is aged 19-23 **and** the learner has not attained level 2 and needs the additional step up from basic skills in order to progress to a full level 2. If these two conditions are not met, then the unit should be co-funded.
    - Level 1 or below should be co-funded if the learner is 24 or older.
    - Level 2 or above should be co-funded, unless the learner is aged 19-23 and the unit is delivered as part of a learners entitlement to a first full qualification at level 2 or 3 in which case the unit should be fully funded.
    - Level 3 or above cannot be funded where the learner is aged 24 or older.

19. Unit delivery does not affect learner entitlement or eligibility. These remain as identified in the Agency's Funding Rules.

20. Funding for unit delivery forms part of a providers existing Adult Skills Budget, and as such is subject to the same audit requirements as other provision.

21. This unit delivery research work will be restricted to the current funding year, with no enrolments after 31 July 2014.

Role of the Agency and NIACE

22. We will provide funding rules, advice and guidance to participating providers.

23. NIACE will:

- work with providers to understand the challenges and issues in relation to the flexible delivery of units and qualifications
- facilitate dialogue and the identification of issues with awarding organisations where appropriate and necessary
- ensure outcomes from the research can inform the continued reform of the adult further education and skills sector.

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