

UNIT DELIVERY RESEARCH PROGRAMME 2013/14

FINAL REPORT TO THE SKILLS FUNDING AGENCY

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FOREWORD

NIACE has, for several years, been working with the Skills Funding Agency to research the benefits of QCF unit delivery. This [research](#) has consistently found that given the opportunity to construct an offer based on units, providers are able to meet employer and learner needs that cannot be addressed through the standard adult skills funding arrangements based on the delivery of whole qualifications.

This latest report on the Unit Delivery Research Programme 2013/14 again describes numerous benefits of unit delivery, this time in support of:

- achievement of full Level 2 and 3 qualifications;
- greater employer involvement in the skills system; and
- provision to employed learners outside of an employer driven context.

For all of these purposes, providers report that the ability to offer unit-based provision attracted into learning, adults who would otherwise be excluded from learning opportunities based on whole qualifications. Providers also told us that employers like units. Employers like being able to target training on short courses linked to identified business needs. They like being able to test the water through unit-based provision, before committing themselves to funding more substantial full qualifications. They also like the award of credit as a testimony to employee competence in a particular work role. This support from employers and employees is important given the Government's aspiration to encourage greater investment in skills by employers and individuals.

This report is published at a critical time; following Ofqual's decision to withdraw the regulatory arrangements for the QCF. Although Ofqual has said it will withdraw the QCF rules in the near future, it recognises that unit based qualifications are valued by, and deliver good outcomes for students and employers. Therefore Ofqual will continue to accredit unit based qualifications as long as they are valid, reliable and fit for purpose. We hope the findings of this report further raises awareness of the value of unit based qualifications and encourages awarding organisations to continue to develop unit based and credit bearing qualifications for the above purposes and beyond.

This is important because we believe that the uses of unit delivery explored so far only touch the surface of the tremendous depth of value of unit delivery. In particular, we believe unit delivery could allow more learners to be served by the skills system without increased cost and more likelihood that employers will fund the learning. This might be something that could be considered within the review into the long term skills needs and funding issues NIACE has recommended in its manifesto, [Skills for Prosperity: Building Sustainable Recovery for All](#). Unit delivery could also be the format that learners find most accessible when drawing on the personal skills accounts also recommended within our manifesto.

We are therefore recommending that:

- that the facility to offer either individual units or qualifications, or a combination of units and qualifications, should be made available to all providers within the

scope of the Agency's Adult Skills budget, and that the decision to offer a unit-based programme should be based on an assessment of the needs of an individual learner; and

- that the facility to offer units to learners is not based on an approved list, and that providers may offer to a learner any unit that forms part of an accredited and fundable qualification.

To this end, we will continue to work with awarding organisations and Ofqual to promote and support the development of unit based qualifications.

Joyce Black

Assistant Director Development & Research
NIACE

EXECUTIVE SUMMARY AND RECOMMENDATIONS

1. The aim of the 2013/14 Unit Delivery Research (UDR) programme was to examine the costs and benefits of particular QCF unit-based provision scenarios to learn if, and if so in what way, the scope of unit delivery permitted within the current Funding Rules might be extended to better meet Skills Funding Agency priorities within the overall context of BIS policy on Adult Skills.
2. The three scenarios established by the Agency were:
 - 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
 - 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
 - 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
3. In addition to these three scenarios, providers were also invited to monitor and report on the ways in which English and Maths units might be deployed, more flexibly than is normally permitted, to support provision within the UDR programme.
4. A group of 15 providers, as listed in Annex C, were identified by NIACE to participate in the UDR 2013/14. To enable them to test the unit-based delivery scenarios, these providers were permitted to offer unit delivery to learner groups beyond those normally allowed by the standard Funding Rules. Each provider agreed to monitor and report on their UDR delivery to NIACE. NIACE supported providers in the development of their unit-based offer, monitored their progress, analysed the outputs and outcomes from their delivery and reported to the Agency.
5. A combination of delays in agreeing the scope of the UDR programme, misunderstandings from some new providers about the scope and aims of the programme, restrictions on the availability of units and changes in funding priorities relating to 24+ Apprenticeship funding during the year all had an impact on the progress of the UDR 2013/14. The key findings within each of these scenarios are identified below.

Progression to first level 2 or level 3 qualifications

6. More providers and learners utilised unit delivery in support of progression to a first level 2 or 3 qualification than other UDR scenarios possibly because:
 - New providers predominantly chose to 'test the waters' of unit delivery research delivery outside of work based learning.

- Several providers chose to utilise ESF funded unit delivery, rather than unit delivery through the UDR, to support their work based provision.
 - A higher proportion of UDR provision was led by people with responsibility for provider-based provision, rather than employer-based provision
 - Two of the three providers that made substantial unit-based offers within work based learning in 2012/13 had to drop out of the UDR 2013/14 programme because of changes in Agency funding priorities relating to 24+ Apprenticeship funding.
7. Many providers reported that the ability to offer unit-based provision initially is a key benefit in attracting into learning adults who would otherwise be excluded from learning opportunities based on whole qualifications.

Engaging employers in the skills system

8. Several UDR providers used unit delivery to stimulate employers to support employee training. These providers found that employers like units. They like being able to target training on short courses linked to identified business needs. They like being able to test the water through unit-based provision before committing themselves to funding more substantial training programmes based on full qualifications. They like using units as a diagnostic instrument for identifying potential to succeed in more substantial training. They like the award of credit as a recognisable badge of quality. They like the award of credit as a testimony to employee competence in a particular work role.

Provision outside an employer-driven context

9. Fewer providers and learners were involved in unit delivery specifically aimed at learners outside of an employer-driven and employer-funded context. However, self-employed learners often took advantage of unit delivery that was primarily for the other two scenarios so the total number of employed people who were benefitted from unit delivery but not through provision established through their employer, was much larger than the two examples below might suggest. Unit-based programmes were both more accessible and more relevant to local employment opportunities than more generic and more costly whole qualifications.

The use of English and maths units

10. Normally, progression to a Functional Skills or GCSE programme has to be the primary goal of maths and English QCF unit delivery. UDR providers were given permission to use English and maths units more flexibly. Although it took some time for UDR providers to understand this additional flexibility, there were some interesting and useful examples of how English and maths units might be used alongside other units to support individual achievement leading to employment or qualifications in the future. The ability to plug skills gaps in English or maths without identifying progression to a GCSE or Functional Skills qualification enabled

providers to develop more effectively targeted programmes for particular groups of learners who needed support in pursuing their vocational learning goals.

Positive outcomes from the 2013/14 programme

11. Although a number of providers either scaled back their initial UDR plans, or failed to implement them fully, the 2013/14 UDR programme offers sufficient testimony to the innovation and creativity of providers in utilising the additional flexibilities afforded through participation in the programme.
12. In this respect, this report reflects the findings of *Unit Delivery Trials: Assessment of Learner Benefits*, BIS, 2013 and *Evaluation of Unit Delivery Trials*, Ecotec, 2011 and NIACE's previous reports on unit delivery. Given the opportunity to construct an offer based on units, providers respond positively and are able to meet the needs of both employers and learners that cannot be addressed through the standard adult skills funding arrangements.
13. As reported in NIACE's 2012 and 2013 reports, providers themselves needed no convincing about the benefits of unit-based provision. Given the opportunity to offer unit-based programmes, all providers involved in the UDR (and indeed those who wanted but were unable to be involved in the UDR2013/14) were positive about unit-based provision; all reported positive feedback from staff, from employers and from learners about such provision; and all wish to continue offering such provision in the future.

Developing 'scenarios' as the focus of future unit delivery

14. Not only were the three scenarios used in 2013/14 not mutually exclusive, but several providers integrated UDR-supported provision with their Adult Skills mainstream funding. An approach that integrates unit-based provision within the 'standard' offer for adult learners is, NIACE suggests, what the Agency should be encouraging in relation to recorded best practice over several years of the UDR programme.
15. The scenarios may have limited usefulness as a structure for reporting on research outcomes, but they are undoubtedly useful in focusing providers on the needs of particular learners or employers. NIACE's preferred solution to the problem of 'scenario-based' research in unit delivery is simply to abandon it and to embed the facility to offer units to learners within the standard funding arrangements for Adult Skills. We recommended this in both 2012 and 2013 and the UDR programme 2013/14 clearly vindicates these previous recommendations. However, we recognise that no such facility is included in the Funding Rules for 2014/15.
16. As in previous years, the list of units available to UDR providers has been based on those available through the Offer for the Unemployed. As in previous years, this has proved contentious and providers, NIACE staff and Agency staff have all spent some time in considering whether additional units should be allowed within the UDR. As evidence from previous years suggest that the proportion of

units used, constitute a small proportion (perhaps 5% or 10%) of the total available on the list, we believe this approach to identifying units eligible for delivery needs to be reviewed.

17. Evidence emerged from this year's UDR providers that continuity is important in developing a unit-based programme. Those providers with the most advanced unit-based programme in 2013/14 were those that were involved in the programme in 2012/13. However the Agency decides to take forward its work on unit delivery in the future, building on the experience (some of it now considerable) of UDR providers will be important.
18. During the course of 2014 NIACE has been discussing with the Agency the development of a more detailed set of scenarios, arising from the work of UDR providers that might provide a useful template for the future piloting of unit-based provision for adults. These scenarios have been developed, and are described in Annex E, under the following five headings:
 - Using units to support achievement of first Level 2 or 3 qualifications
 - Using units to support enterprise
 - Broadening the use of English and maths units for unemployed people
 - Broadening the unit offer for the unemployed to include adults formally at risk of redundancy
 - Using units to engage businesses in supporting training

Recommendations

1. Based on the evidence in this report and the feedback from UDR providers in 2014/15, as well as the evidence from previous reports by NIACE and others, NIACE makes the following recommendations to the Agency:

That the facility to offer either individual units or qualifications, or a combination of units and qualifications, should be made available to all providers within the scope of the Agency's Adult Skills budget, and that the decision to offer a unit-based programme should be based on an assessment of the needs of an individual learner.

2. Based on the practical experiences of UDR providers in 2013/14, as well as in previous years, we also recommend:

That the facility to offer units to learners is not based on an approved list, and that providers may offer to a learner any unit that forms part of an accredited and fundable qualification.

3. Based on our discussions with Agency staff during 2014, and on an assessment of the current uncertainties surrounding the future development of qualifications and of arrangements for funding Adult Skills, NIACE recognizes that immediate

implementation of the above recommendations are unlikely in 2014/15. We therefore recommend:

That the scenarios developed during the current UDR programme in consultation with the Agency, and set out in Annex D to this report, are taken forward as the basis for future piloting of unit delivery arrangements

That any future work on piloting these scenarios builds as much as possible on the experience of UDR providers involved in the 2013/14 programme.

PURPOSE

1. The purpose of this report is to present to the Skills Funding Agency ('the Agency') the findings of the 2013/14 Unit Delivery Research programme, and to indicate to the Agency some specific issues that may be addressed in the future through a range of scenarios for piloting unit delivery that may be of interest to policy makers.

CONTEXT

2. The current phase of the Unit Delivery Research (UDR) programme constitutes the third year of work undertaken by NIACE on behalf of the Agency in the area of unit-based provision within the Qualifications and Credit Framework (QCF). NIACE has previously reported to the Agency in [2012](#) and [2013](#) on the development of unit-based provision within the QCF.
3. The overall aim of the UDR programme has been modified over a three-year period to take account both of policy changes introduced by the Department for Business, Innovation and Skills (BIS) and of changing funding priorities within the Agency itself. Since 2011 several aspects of unit-based delivery have been examined and have informed the development of Agency funding and monitoring arrangements. So, for example:
 - The Offer for the Unemployed permits all Agency-funded providers to offer unit-based programmes to learners claiming Job Seekers Allowance (JSA) and other related benefits
 - The funding arrangements for OLASS also permit the provision of unit-based programmes to learners in the Secure Estate
 - Agency-funded providers are permitted to offer QCF unit-based programmes in English and Mathematics to any learner without Level 2 in these subjects.
4. The relevant Funding Rules that support unit delivery have been developed over several years within the overall context of BIS policy and Agency funding priorities and continue to change. The intention of the current phase of the UDR programme is that it should continue to contribute to both policy and funding arrangements for adults within the QCF. This report therefore aims to anticipate the future development of unit-based provision and to identify how the 2013/14 UDR programme can contribute to this future development.

THE AIMS OF THE FINAL REPORT

5. Given the continuing changes in BIS policy and SFA funding rules related to Adult Skills, and the anticipated changes to the QCF arising from Ofqual's review of the Framework, this report is not based around a long list of recommendations to the Agency. NIACE has attempted to take the evidence produced by UDR providers during 2013/14 and to shape these into a series of scenarios, developed in discussion with the Agency, that might form the basis for further future work on unit delivery. These scenarios are considered in more detail below.
6. Having said this, there are some interesting examples of unit delivery from UDR providers in 2013/14 that are worthy of recording in this report. These examples

need to be considered alongside the similar positive evidence of the impact of unit delivery in previous NIACE reports. Notwithstanding the current uncertainty about the future development of qualifications and support for unit-based provision, the successes of this latest phase of the UDR programme, sometimes achieved in very difficult local circumstances, need to be recorded and acknowledged. The report aims to do this.

THE AIMS OF THE 2013/14 UDR PROGRAMME

7. The aims of the 2013/14 UDR programme were narrower and more focused than those of 2012/13. The intention of the Agency in establishing this more constrained focus for work in 2013/14 was to examine the potential costs and benefits of unit-based provision in a particular set of scenarios relevant to Agency funding priorities.
8. In setting up these different scenarios the Agency sought to learn from the 2013/14 UDR programme if, and if so in what way, the scope of unit delivery within current Funding Rules (e.g. for the Unemployed, for OLASS, for English and Maths etc.) might be adjusted in future to meet Agency priorities within the overall context of BIS policy on Adult Skills.
9. The three scenarios established by the Agency that frame provision within the UDR programme for 2013/14 were:
 - 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
10. The above scenarios are taken from the Agency's Guidance for UDR Providers for 2013/14, which was issued to all those involved in the programme in October 2013. The full Guidance note is attached as Annex A to this report.
11. In addition to these three scenarios, providers were also invited to monitor and report on the ways in which QCF English and Maths units might be deployed to support provision within the UDR programme. Although the facility to offer QCF English and Maths units is not particular to the UDR programme, UDR providers were permitted to offer QCF English and Maths units more flexibly than other providers in 2013/14. The additional Guidance to UDR providers on QCF English and Maths units for 2013/14 is attached as Annex B to this report.

UDR PROVIDERS

12. The intention of the 2013/14 UDR programme was that a selected group of providers should be identified to test out the above scenarios within a set of funding arrangements that gave them the flexibility to offer unit-based provision beyond that permitted by the standard Agency Funding Rules. So providers were encouraged to develop provision linked to one or more of the above scenarios, based on units from QCF qualifications approved for public funding. An exchange of correspondence between the Agency and each provider established the context within which this more flexible provision could be offered within the Adult Skills budget.
13. As a condition of their permission to make this unit-based offer, each provider agreed to monitor and report on their UDR work during 2013/14, and to share the outcomes of this work with representatives of NIACE. The 15 UDR providers for 2013/14 were identified by early November 2013 and are listed in Annex C to this report. For its part, NIACE undertook to record, analyse and report to the Agency on examples of practice from UDR providers. It is this recording and analysis that forms the primary source of information for this Report.

SOURCES OF INFORMATION

14. As in previous years a small team from NIACE supported providers in the development of their unit-based offer, monitoring progress and making occasional visits to providers to interview those involved in designing and delivering the UDR programme for 2013/14. The outcomes of these contacts with providers informs much of the content of this report.
15. In addition, all UDR providers were asked to submit periodic reports to NIACE that record details of progress in implementing their plans for unit delivery throughout the year. Provider reports from December 2013, March 2014 and June 2014 have been received and again these inform the content of this interim report to the Agency. The June 2014 report is informed by some initial data on units offered, enrolments and achievements on unit-based provision.
16. In addition to these reports from and visits to UDR providers, NIACE organised a meeting of all UDR providers in March 2014 at which examples of unit-based provision were shared and some of the successes of the programme, as well as some of the obstacles to progress were shared. Representatives of the Agency and BIS, as well as other stakeholders (e.g. Ofqual, UK Commission for Employment and Skills, Federation of Awarding Bodies, Joint Council for Qualifications) were represented at this meeting, together with 11 of the 12 active UDR sites. Again some of the outcomes of this event inform aspects of this report.

THE AGENCY'S SCENARIOS FOR UNIT DELIVERY

17. Although the Agency identified three different scenarios for unit delivery in 2013/14, and providers have produced reports to NIACE within each of these scenarios, discussions with providers reveal that the differences between these

scenarios, and between UDR provision and other provision supported by the Adult Skills budget, is less obvious in practice, and less easy to separate for any given cohort of learners. This has potentially important implications for the future location of unit delivery within the broader context of Adult Skills funding and so is considered in more detail below.

18. Most of the plans for UDR providers and most of the reports from providers to date identify unit-based provision under the first two of the Agency scenarios, i.e. progression to a first Level 2/Level 3 qualification or engagement with employers, as the most significant areas of provision. However the distinction between these two scenarios is often blurred. For example, if a provider offers a unit-based programme to an employer and some of the learners on this programme then progress to a full qualification, some learners may be counted under the first priority, others under the second. Some of the examples of provision that follow illustrate this point further.
19. Provision through the UDR programme may be similar in nature to the Unit Offer for the Unemployed. One UDR provider offers an example of provision available to both unemployed and self-employed adults. Some members of the cohort are funded through the Offer for the Unemployed, others are funded through scenario three (provision outside an employer-driven context) of the UDR programme. Thus the UDR enables a provider to extend the scope of unit delivery to new learner groups where accessibility is the key to successful engagement. Different learners are offered the opportunity to achieve similar outcomes to those developed through the Offer for the Unemployed.
20. Another provider integrates aspects of the UDR programme with its safeguarded community-based learning provision. All learners are offered a similar programme, based on units drawn from the approved list, but some learners choose not to opt for formal assessment leading to credits. These learners are supported through safeguarded funding. Those learners that do opt in to assessment by an AO leading to credits within the QCF are supported by the UDR programme. The curriculum offer for both groups is the same. The differences in funding arrangements arise from learner choices in opting for assessment based on QCF units. Evidence from previous research into credit systems confirms that learners are more likely to progress to further learning if their achievements are recognised early and frequently
21. Although in some instances unit-based provision is offered to a group of learners explicitly identified through the UDR programme, in other cases unit-based provision is integrated with qualification based provision. All learners are offered a similar unit-based curriculum. Those that exit the programme with credits and do not progress (directly) to a qualification are funded through the UDR programme. Those that do progress to a qualification are funded through the standard Adult Skills budget. Cost-effectiveness in delivery is important to providers in determining the relationship of the UDR programme to other aspects of their Adult Skills provision.
22. In some instances the distinction between a unit-based programme and a qualification-based programme is simply one of pacing and valuing success. Some learners are supported through the UDR because they lack the

confidence to commit to a whole qualification in the first instance. However, successful completion of one or two units, and the award of credits for these units, motivates them to progress to the full qualification, on which they subsequently enrol. Their destination is identical to that of a 'standard' Adult Skills-funded learner, but unit-based provision enables a more carefully structured and paced programme to be developed in individual cases.

23. In this context the supposition that the identification of three specific scenarios will enable the Agency to 'refine' arrangements for unit delivery to conform to the parameters of these scenarios is difficult to perceive in practice. This should be seen as a positive outcome of the UDR programme, as it confirms that the development of Agency support for unit delivery can best be taken forward as an integral part of the Adult Skills budget, rather than as a separate initiative for particular groups of learners.
24. Notwithstanding these difficulties in identifying provision and/or learner cohorts specifically within one of the three Agency scenarios that structure the 2013/14 programme, the following sections of this report offer some concrete examples of provider activity in planning and implementing unit-based provision through the UDR programme. These are organised under the three different scenarios outlined above.

FUTURE SCENARIOS

25. During the course of 2014 NIACE has been discussing with the Agency the development of a more detailed set of scenarios, arising from the work of UDR providers that might provide a useful template for the future piloting of unit-based provision for adults. These scenarios have been developed under the following five headings:
 - Using units to support achievement of first Level 2 or 3 qualifications
 - Using units to support enterprise
 - Broadening the use of English and maths units for unemployed people
 - Broadening the unit offer for the unemployed to include adults formally at risk of redundancy
 - Using units to engage businesses in supporting training
26. These scenarios are explained in more detail in Annex D to this report. In order to draw more explicit connections between the scenarios used for the UDR programme in 2013/14 and those that may be used in future, the examples that follow each include a reference to a specific future scenario, as set out in Annex D.

PROGRESSION TO FIRST LEVEL 2 OR LEVEL 3 QUALIFICATIONS

27. An examination of the reports from UDR providers indicates that most providers offered unit-based provision within this scenario, and that learner numbers in this scenario constitute a majority of the learners involved in the UDR programme during 2013/14.
28. It is worth noting the factors that may influence this apparent focus on progression to a first Level 2 or 3 qualification and lower volume of work based unit delivery within the three given Agency scenarios:
 - Two of the three providers that dropped out of the UDR programme made substantial unit-based offers through employers in 2012/13 that have not been able to continue because of changes in Agency funding priorities relating to 24+ Apprenticeship funding
 - Several providers have used ESF funding to support employer-based provision initially developed within the UDR programme
 - The focus of UDR work in some instances results from the responsibilities of people leading the work in colleges or other providers. In 2013/14 a higher proportion of UDR provision was led by people with responsibility for provider-based provision, rather than employer-based provision
 - New providers predominantly chose to 'test the waters' of unit delivery research delivery outside of work based learning.
29. We should also note here a consistent theme of provider feedback on unit-based provision in this area which is not explicitly referred to in the Agency's scenario about progression to first Level 2 or Level 3 qualifications. Many providers report that the ability to offer unit-based provision is a key benefit in attracting into learning adults who would otherwise be excluded from learning opportunities based on whole qualifications.

Example One

One provider offers a programme in Information and Communications Technology (ICT). The programme is structured around the units in both a Level One and Level Two ICT Users Certificate, which are two of the most popular qualifications to be offered within the QCF. The provider's Adult Skills budget supports delivery of the qualifications to several cohorts of learners, and the curriculum that delivers the qualifications is based on the six individual units within each qualification. The facility to access funding through the UDR programme allows the provider to enrol learners on individual units rather than for a whole qualification.

The unit-based programme (which is now in its second year within the UDR initiative) allows the provider to attract learners to the programme who have not previously been interested in either of the whole qualifications. Popular units within the qualification – particularly those based on using e-mail and the internet – are offered as an initial step into the programme for adults from hard-to-reach communities in the city. The provider reports that it is much easier to recruit adult learners into a course advertised as a 'first step' in ICT than into a whole qualification. Progression rates to whole qualifications from these first steps has also improved.

From an initial starting point of one or two Level 1 units, learners make choices about their individual progression routes within ICT. Some will elect to continue towards achievement of a Level 1 qualification. Others will opt to progress to Level 2 units in the same areas where success at Level 1 has been achieved. Others will exit the programme with credits for their selected units, though the provider reports that several learners that 'dropped out' of the programme last year have returned in 2013/14 and are continuing to enrol for individual units that may lead to a whole qualification.

The facility to offer either a whole qualification or individual units allows the provider to make individual offers to a wider range of learners that meet their personal learning needs. Although some learners leave the programme with credits for their initial units, a majority do stay on and progress (sometimes after a break) further. However, the provider notes that the opportunity to offer a further unit or units – perhaps at a higher level – rather than a whole qualification remains important for some learners as they progress.

So we can see the development of a programme that is progressing people towards their first Level 2 qualification who would otherwise not have been engaged through a qualification-based offer. However a number of progression routes are in evidence, from a Level 1 unit to a Level 2 unit, from a Level 1 unit to a Level 1 qualification, from a Level 1 unit to a Level 2 qualification etc. Over time the provider is demonstrating that new and different learners can be supported towards achievement of a full Level 2 qualification. But in order to maximise success for the widest possible range of learners, the widest possible range of progression routes also need to be supported. The UDR programme allows this to happen alongside provision supported by the providers Adult Skills budget.

Informs future scenarios 1a and 1b

Example Two

One difference in this example though is that the Level 2 Child Care qualification (unlike the ICT Users Certificate) includes a significant number of optional units. By offering several of these optional units on a stand-alone basis the provider is able to make an offer to adults that directly addresses their immediate training or development needs. Once engaged through one of these units, learners are then encouraged to enrol on other units from the qualification. Indeed a popular learner choice is to combine an optional unit related specifically to their employment goals with the unit in Child Development that forms a core of the Level 2 qualification.

However, not all the learners undertaking individual units through the UDR programme are using them as a stepping stone towards a first full Level 2 qualification. Some learners are already registered on and progressing towards a full Level 2 qualification, but wish to add further optional units to their programme in order to extend their range of subsequent employment opportunities. Other learners have already achieved a full Level 2 qualification in Child Care and return to learning to add a further specialist unit to their portfolio of achievements.

Clearly these two other groups of learners fall outside the objectives of this first aim of the 2013/14 UDR programme. However the provider is able to support these other groups either through the second aim (where an individual employer – often the local authority itself – co-funds provision) or through the third aim in cases where a child care worker is self-employed. The employer is prepared to co-fund the additional unit because it is seen as being of direct benefit to the employee.

Thus in Example One the variety of individual progression routes (especially over time) makes it difficult to draw a clear distinction between what is funded through the UDR programme and what is fundable through the normal Adult Skills budget. In Example Two not only is provision supported from both the Adult Skills budget and the UDR programme, but the distinctions between the three different aims of the UDR programme are also difficult to separate: a single optional unit within the Level 2 Child Care qualification may be accessed by learners from all three areas of the UDR programme, as well as by learners registered for the full qualification. Once again the general point is emphasized that unit-based provision is best organized and delivered as an integral part of a wider programme supported through the Adult Skills budget.

Informs future scenarios 1b, 2a and 5

Example Three

Example Two is based on the offer of a range of optional units to create individualised pathways to achievement for learners with different needs. Another UDR provider uses a more straightforward structure to address learner needs within the first aim of the 2013/14 programme, though this model is implemented across several different curriculum areas. Again this structure builds on previous work undertaken by this provider within the UDR programme in 2012/13.

In this model the provider identifies a unit that is shared between a number of different qualifications, or which is included within a number of different pathways within a qualification cluster. Previously an introductory unit in Health and Social Care has formed the basis for a unit-based curriculum offer. In 2013/14 this approach has been extended to Beauty Therapy. All learners expressing an interest in Beauty Therapy are offered an initial unit in Basic Make-up Skills. Once this unit is completed learners are then informed and advised about a range of progression opportunities in Beauty Therapy and are encouraged to enrol for further learning leading to a full qualification in the area.

The important feature of the programme to note here is that this curriculum structure is offered to all learners in Beauty Therapy (ie not just those supported through the UDR programme). Having completed this initial unit and undertaken a guidance session with the provider, most learners progress to registration for a Level 2 qualification in Beauty Therapy (carrying forward into that qualification the credits already awarded for the initial Basic Make-up Skills unit) funded through the Adult Skills budget. The opportunity to review their experience of this initial unit helps many learners to make choices about the different pathways available to them, and the provider reports that the resources devoted to individual guidance at this stage of the programme are more than re-couped in improved retention and success rates on the qualification.

A minority of learners continue to further units, supported through the UDR programme, rather than directly to a whole qualification. Here, as in Example Two, unit-based provision is also offered to learners through the second and in this instance particularly the third aim of the 2013/14 UDR programme. Many people working in this area of employment are either self-employed or are increasingly employed on zero-hours or similar contracts. For these workers the ability to complete individual units that relate directly to their immediate employment needs rather than to a full qualification is important in enabling them to balance further learning with ongoing employment opportunities.

Informs future scenarios 2a, 2b and 5

ENGAGING EMPLOYERS IN THE SKILLS SYSTEM

30. Several providers have developed innovative examples of unit-based provision through the UDR programme within this second scenario. Such provision uses a variety of different ways to engage employers in the skills system and stimulates them to support employee training in areas where previously no such support has been offered.
31. One consistent message emerges from this area of work, which reflects a similar message from previous reports to the Agency on work with employers within the QCF. Basically, employers like units. They like being able to target training on short courses linked to identified business needs. They like being able to test the water through unit-based provision before committing themselves to funding more substantial training programmes based on full qualifications. They like using units as a diagnostic instrument for identifying potential to succeed in more substantial training. They like the award of credit as a recognisable badge of quality. They like the award of credit as a testimony to employee competence in a particular work role.
32. The following examples support the above contentions. None of them are surprising and many of them reflect similar findings from previous reports. The issue that needs to be considered here is not whether or not employers like unit-based provision (they clearly do) but what is the appropriate for the Agency to fund to support employers' engagement with the skills system through unit-based provision, whether or not it leads to a whole qualification.

Example Four

As noted above, the distinctions between the first and second scenarios are not always clear cut. This example from a provider working with two different employers in its region serves to emphasise this point, though the provider itself clearly identifies this example under the second scenario. In both cases the provider is offering an employer a programme targeted at its cleaning and maintenance staff. The different approaches with the two employers is what makes this case interesting.

In both cases the primary aim of the providers offer is to deliver to employees a Level 2 qualification in Cleaning and Maintenance. The first employer is a large university with a significant directly employed workforce and is committed to providing education and training to its cleaning and maintenance staff. The delivery of the programme was put out to tender and several colleges in the region bid for the contract. The critical factor in the UDR provider securing the contract to deliver the programme was the ability to offer additional units to the main qualification through the UDR programme.

So for this employer all learners (100 people will complete the programme this year) are registered on a Level 2 qualification, co-funded through the Adult Skills budget. In addition they are offered an additional unit in a specialist area relevant to their employment responsibilities. The facility to offer this additional unit enables individual programmes to be customised and makes the provider more responsive to the needs of the employer. The overall programme of 'qualification plus unit' is seen by the employer as better value-for-money than a 'qualification only' structure and is more successful in engaging employees in the programme. All learners are registered for the full qualification and success rates to date are high.

The provider offers a similar programme, this time to a local authority in the region. Here a unit from the Level 2 qualification is used as an initial diagnostic programme to determine whether or not employees are capable of completing, and motivated to progress to, the whole qualification. Rather than an additional unit, for this employer the unit offer is a clear pre-cursor to the full Level 2 qualification. The initial cohort of employees was evenly divided between those that did want to progress to the whole qualification and those that either did not want to, or did not feel capable of succeeding, on the full qualification. Of course a number of this second group failed to achieve credits on the initial unit. This is one area where the availability of individual English and/or maths units could provide a valuable support structure for progression for those not able to achieve credits in vocational units.

From an employer's point of view this approach permits an effective targeting of resources. Training is supported for those employees most likely to succeed. The UDR programme enables these employees to progress to a co-funded programme within the Adult Skills budget. The facility to offer an individual unit as a starting point for further training has enabled the provider to engage an employer that had previously resisted offers to provide training for this group of employees. Although only around 50% of the potential workforce will progress to the full qualification, this is a significant improvement on the 0% previously engaged. The provider is already talking with the employer about extending this approach to other groups of employees.

Both of these examples illustrate how a unit-based approach can lead to improved engagement with employers and a wider take-up of co-funded learning in partnership with an employer. In one case the unit was an important additional offer that allowed a more cost-effective and tailored approach to addressing both employer and employee needs. In the second case the unit formed a 'screening pre-cursor' to the full qualification that enabled the employer to be confident it was able to fund training provision for low-skilled employees that were capable of benefiting from it.

Informs future scenarios 1a, 1b and 5

Example Five

One of the providers new to the UDR programme in 2013/14 is working in a sector where the ability to offer a unit-based programme is seen as essential in meeting the needs of employers. The land-based sector is characterised by a huge proportion of enterprises that are small employers. Indeed most employers in the sector can be characterised as 'micro-businesses', perhaps employing one or two people. Of course the sector is also characterised by significant seasonal shifts in employment and work practices, as well as a low-skilled and under-qualified workforce.

The experience of the UDR provider is that only a programme of training based on short courses that meet immediate employment needs will be supported by employers. Although it may be possible to release people from work at some times of the year, at other times it is simply not possible. Long programmes that require regular attendance away from the workplace are simply unsustainable in this context.

Basing a programme on individual units and allowing employers to nominate employees to complete these units through a combination of off-site and workplace-based activities is the key to the success of the UDR programme. Not only has the provider been able to engage a wider range of employers in the programme, but individual employers have been able to release more members of staff to attend this short-course programme, as units are offered as and when demand for them is highest. This makes the overall programme cost-effective for the provider, and enables them to support some of the more expensive elements of the programme, for example the one-to-one work-based assessment that is required for most units. Over time, the range of units able to be offered to employers through the programme has widened, and some employees have progressed to whole qualifications through a range of different units, perhaps completed at different times as the demands of the annual cycle of work change through the year.

For this group of employers a unit-based programme is the only feasible way of offering training opportunities to employees. The additional costs incurred by the provider in maintaining a flexible programme of short-courses, based on individual units offered in response to demand, are offset by the increased volume of people able to access the programme. The UDR programme has effectively enabled this provider to develop a different and more appropriate approach to delivering training that meets employer needs.

Although the particular combination of factors that have given rise to this approach are most acute in the land-based sector, there are many other sectors in which one or more of these employment characteristics (a high proportion of micro-employers, seasonal workflows, low-skilled and under-qualified workforce etc) are prevalent. Rather than see this example as unique to the land-based sector it should be seen as potentially relevant to many other sectors within the UK economy.

Informs future scenario 5

Example Six

One provider is using the UDR programme to target a particular niche market where there is a demand for recognition of a specific and newly identified skill. The provider already has well-established links with a number of football clubs, including professional clubs, in its region and has established a short programme based on a single unit in collaboration with a number of these football clubs.

The unit in question is a Level 2 unit in Talent Identification and is being offered to football scouts identified by clubs in the region. As most of these scouts work on a sub-contracted or self-employed basis – perhaps working for several different clubs – they have a very specific need and a whole qualification in Sports Leadership (from which the relevant unit is drawn) is inappropriate for their needs. Their motivation for undertaking the unit is an immediate increase in work-based productivity and recognisable evidence (through the award of credit by a reputable AO) of a skill of great relevance to local employers.

In 2012/13 the provider developed a similar programme based on a unit in Performance Measurement – another skill new to this area of employment and one for which local demand from football clubs was identified. In both instances the attraction of a unit-based programme was that it met an immediate demand for recognition of a new and specific skill in an area where available qualifications were seen as either too generic or too out-of-date for the needs of employers. A unit-based offer permits the provider to respond quickly to such demands and is cost-effective for the employers and individuals concerned to achieve.

Informs future scenario 5

PROVISION OUTSIDE AN EMPLOYER-DRIVEN CONTEXT

33. As we note above this has been the least-well evidenced of the scenarios to date. Arguably this is because some of the provision that might have been classified by providers under this heading has instead been reported under the first scenario. Notwithstanding this problem it is possible to report on some examples of work in this area through this report.

Example Seven

As already noted in Example Three one provider is offering units in Beauty Therapy to self-employed learners through the UDR programme. Although a local college also offers extensive programmes in Beauty Therapy, in recent years these have become more focused on the needs of younger, full-time learners, particularly those on Apprenticeships. The UDR provider is therefore responding to a demand in the market from adults already working in the sector to upgrade their skills or to learn new therapy techniques. A unit-based programme is able to address many of these needs.

Although some of the adults on the programme are self-employed others are not currently working. Some of these already have a relevant qualification and are seeking re-entry to employment in Beauty Therapy but lack up-to-date skills. Others are seeking initial entry to employment and wish to demonstrate to a prospective employer that they have current relevant skills in a range of therapies. Given the nature of employment contracts in the area in this industry, self-employment is the most attractive option for many of the women with family commitments that attend the unit-based programme.

As this example demonstrates, in some areas of provision the distinction between 'unemployed' and 'self-employed' or 'prospective self-employed' is blurring as sub-contracted work and zero-hours contracts become established as the norm within local employment opportunities. The programme is supported in part through the Offer for the Unemployed, in part through co-funding via the UDR programme, and in part by the learners themselves. However the source of funding for an individual is irrelevant to the offer made by the provider – for all learners a unit-based programme is both more accessible and more relevant to local employment opportunities than a more generic and more costly whole qualification.

Informs future scenarios 2a, 2b and 2c

Example Eight

A UDR provider is offering a stand-alone unit in Basic Book-Keeping skills to a group of local child-minders. Again the provision is based on an identified and changing local need. In response to severe cut-backs in local authority budgets for child care, local authorities themselves are increasingly contracting-out child care provision to private organisations and to self-employed workers. Many child-care workers in the provider's local area are becoming (or are forced to consider becoming) self-employed in order to maintain their employment. Indeed many child-care workers are contracted to work for two or more employers in the local area.

In these circumstances basic support in business start-up skills and in managing contracted-out relationships with local employers becomes important for child care workers. The provision of a programme based on a unit in Book-Keeping drawn from a Level 2 Accountancy qualification meets a very particular need for this group. Clearly as they have no desire to become qualified as an accountant, and as nearly all of them already have full Level 2 or Level 3 qualifications in Child Care, the offer of a whole qualification is particularly unattractive and irrelevant to this group. However, a unit-based programme meets their needs directly.

Interestingly, the offer of a Basic Book-Keeping unit to this group has challenged some of them, who have struggled with some of the mathematical aspects of the course (which are clearly critical to success). The provider now plans to set up additional support for those who need it, based on individual QCF units in Mathematics. This is one example of how the offer of an English or Maths unit might be combined with a vocational unit to meet a particular set of enterprise needs. Other examples are included in the next section of this report.

Informs future scenarios 1c and 3

THE USE OF ENGLISH AND MATHS UNITS

It has taken some time for UDR providers to understand the additional flexibilities that exist for them in using QCF English and Maths units alongside other units within the UDR programme. Despite these difficulties this report includes some interesting and useful examples of how English and Maths units might be used alongside other units to support individual achievement leading to employment or qualifications in the future.

Example Nine

One provider is offering a unit-based programme in Minute-Taking to local people. The unit is drawn from a Level 2 Business Administration qualification. Some of the learners are local authority employees, others work for local voluntary organisations or are members of local committees. All of them have minute-taking responsibilities, but very few of them have full-time employment in the area of Business Administration. Once again the unit meets a particular local need, and the provider is able to respond to this need through the UDR programme.

The Minute-taking Course has revealed that a number of learners need improvement in their writing skills. As Minutes are public documents, and accuracy in recording committee decisions is important to all members of the committee, Minute-takers are acutely aware of the importance of correct spelling, accurate grammar, clear communication etc. for their own self-esteem as well as for the effective functioning of the groups whose actions they record.

In this context a clear demand from some learners has arisen for additional help with elements of their English skills. Spelling, punctuation and grammar are all seen as important skills that need further improvement. Many of the learners have excellent listening and speaking skills) but the opportunity to 'brush-up' elements of writing skills through individual Level 1 or Level 2 QCF English units is seen as an important supportive element to the Minute-taking Unit.

It should be emphasised that progression to a GCSE or Functional Skills qualification was not identified by this group of learners as a desired outcome of their programme. The development of particular skills that improve their ability to act professionally as minute-takers (whether in a paid or a voluntary capacity) is the motivating factor behind taking additional English units for this group. Again the flexibility of the UDR programme allowed the provider to respond to this need in the offer of these units.

Informs future scenarios 1c and 3

Example Ten

One UDR provider takes a more systematic approach to the offer of English and/or maths units. Here individual learning programmes are based around units following an initial advice and guidance process. As part of this process an assessment of English and maths proficiency is carried out and individual programmes may include QCF English and maths units to address weaknesses revealed through this process.

Once again learners on part-time and/or zero-hours contracts are able to undertake a unit-based programme that includes English and/or maths units that would otherwise not be accessible to them. Their needs in terms of work preparation and skills development are very similar to those targeted through the Offer for the Unemployed, but the ability to plug skills gaps in English or maths without identifying progression to a GCSE or FS qualification enables the provider to develop a more effectively targeted programme.

Informs future scenarios 1c and 3

POSITIVE OUTCOMES FROM THE 2013/14

34. The above examples illustrate the range of unit-based provision offered within the 2013/14 UDR programme. Although a number of providers either scaled back their initial plans, or failed to implement them fully, the above examples offer sufficient testimony to the innovation and creativity of providers in utilising the additional flexibilities afforded through participation in the UDR programme..
35. In this respect this report reflects the substance of the other reports produced by NIACE for the Agency over the past three years. Indeed it also reflects the findings of other reports such as *Unit Delivery Trials: Assessment of Learner Benefits*, BIS, 2013 and *Evaluation of Unit Delivery Trials*, Ecotec, 2011. Given the opportunity to construct an offer based on units, providers respond positively and are able to meet the needs of both employers and learners that have not been able to be addressed through the standard Adult Skills funding arrangements.
36. As noted above, progress on this year's UDR programme has been more difficult for all providers than in previous years. Those new to the programme have found it more difficult than anticipated to move from initial plans to implementation. Those continuing unit delivery activity from 2012/13 have also reported on more difficult financial circumstances for Adult Skills in general, as well as more constraints both on the availability of units and the eligibility of learners to access unit-based provision.

THE UDR PROGRAMME AS ACTION-BASED RESEARCH

37. It is clear from both provider reports and from interviews with providers that the UDR programme is perceived as an initiative through which providers can meet the needs of learners and employers that they would otherwise be unable to reach through qualification-based provision. In other words it is unit delivery and not unit delivery research that engages providers in the programme. From a provider perspective they are enhancing their capacity to deliver to their clients and communities. The 'research' element of the UDR programme rests with the monitoring, evaluation and reporting responsibilities of NIACE. Providers themselves are not actually researching anything – they are making an offer to learners that cannot be offered within the standard Adult Skills budget.
38. It is also clear, as NIACE's 2012 and 2013 reports on this issue make clear, that providers themselves need no convincing about the benefits of unit-based provision. Given the opportunity to offer unit-based programmes, all providers involved in the UDR (and indeed those unable to be involved in 2013/14) are positive about unit-based provision; all report positive feedback from staff, from employers and from learners about such provision; and all wish to continue offering such provision in the future.

DEVELOPING 'SCENARIOS' AS THE FOCUS OF FUTURE UNIT DELIVERY

39. As we note above, the development of unit-based provision within the 2013/14 UDR programme does take account of the eligibility criteria for learner funding included in Agency Guidance for UDR providers. However the three scenarios developed by the Agency for 2013/14 to frame continuing questions about the development of unit delivery have been less significant in determining how providers structure their unit-based offer. As many of the above examples illustrate, not only were the three scenarios used in 2013/14 not mutually exclusive, but several providers integrated UDR-supported provision with their Adult Skills mainstream funding.
40. It should be emphasised that NIACE does not perceive this as a problem in relation to the practicalities of unit delivery. Indeed an approach that integrates unit-based provision within the 'standard' offer for adult learners is, NIACE suggests, what the Agency should be encouraging in relation to recorded best practice over several years of the UDR programme.
41. It should also be noted that providers new to the UDR programme have welcomed enthusiastically the ability to learn from other providers about how they have utilised the flexibilities afforded through the UDR programme. The March 2014 event was particularly useful for new providers in this respect, though other methods of networking examples of practice between UDR providers have also been used, both in 2013/14 and in previous years. The scenarios may have limited usefulness as a structure for reporting on research outcomes, but they are undoubtedly useful in focusing providers on the needs of particular learners or employers.

42. NIACE's preferred solution to the problem of 'scenario-based' research in unit delivery is simply to abandon it and to embed the facility to offer units to learners within the standard funding arrangements for Adult Skills. We recommended this in both 2012 and 2013 and the progress of the UDR programme to date in 2013/14 clearly vindicates these previous recommendations. However, we recognise that no such facility is included in the Funding Rules for 2014/15.

THE LIST OF UNITS ELIGIBLE FOR THE UDR PROGRAMME

43. As in previous years, the list of units available to UDR providers has been based on those available through the Offer for the Unemployed. As in previous years this has proved contentious and providers, NIACE staff and Agency staff have all spent some time in considering proposals from providers about the inclusion of some units on the list of those available through the UDR programme.
44. NIACE has no information to hand for the current year about the proportion of the total number of units available on the approved list that are actually offered by providers through all areas of unit provision (i.e. including the Offer for the Unemployed and OLASS provision as well as the UDR programme). However evidence from previous years suggest that this will constitute a small proportion (perhaps 5% or 10%) of the total. This approach to identifying units eligible for delivery needs to be reviewed.

THE IMPORTANCE OF CONTINUITY

45. As we note in several parts of the report above, there appears to be clear evidence emerging from this year's UDR providers that continuity is important in developing a unit-based programme. Those providers with the most advanced unit-based programme in 2013/14 are also those that were involved in the programme in 2012/13. However the Agency decides to take forward its work on unit delivery in the future, building on the experience (some of it now considerable) of UDR providers will be important.

RECOMMENDATIONS

1. Based on the evidence in this report and the feedback from UDR providers in 2014/15, as well as the evidence from previous reports by NIACE and others, NIACE makes the following recommendations to the Agency:

That the facility to offer either individual units or qualifications, or a combination of units and qualifications, should be made available to all providers within the scope of the Agency's Adult Skills budget, and that the decision to offer a unit-based programme should be based on an assessment of the needs of an individual learner.

2. Based on the practical experiences of UDR providers in 2013/14, as well as in previous years, we also recommend:

That the facility to offer units to learners is not based on an approved list, and that providers may offer to a learner any unit that forms part of an accredited and fundable qualification.

3. Based on our discussions with Agency staff during 2014, and on an assessment of the current uncertainties surrounding the future development of both qualifications and of arrangements for funding Adult Skills, NIACE recognizes that immediate implementation of the above recommendations are unlikely in 2014/15. We therefore recommend:

That the scenarios developed during the current UDR programme in consultation with the Agency, and set out in Annex D to this report, are taken forward as the basis for future piloting of unit delivery arrangements

That any future work on piloting these scenarios builds as much as possible on the experience of UDR providers involved in the 2013/14 programme.

ANNEX A: BRIEFING NOTE FOR UDR SITES IN 2013/14

Qualifications and Credit Framework

Unit Delivery Research 2013/4

Guidance

Version 1.0

Background and purpose of research

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.

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.

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.

Expectations of research participants

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

11. 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
12. 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)
13. 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?
14. 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.

15. 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.

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

17. 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.

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

19. 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.

20. 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

21. *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.

ANNEX B: GUIDANCE ON THE USE OF QCF ENGLISH AND MATHS UNITS BY UNIT DEVELOPMENT RESEARCH PATHFINDER SITES 2013/14

Within the Unit Delivery Research (UDR) programme for 2013/14, pathfinder sites have the facility to offer QCF English and maths units alongside units within the three priority areas for UDR work. Guidance on the use of English and maths units is included in Paragraph 16 of the UDR Guidance Note issued by the Agency. Although the Agency is primarily interested in how a combination of English and maths units with other units might encourage progression to Functional Skills and GCSE programmes, UDR sites may also wish to use English and maths units to support one or more of the priority areas for the UDR programme set out in Paragraph 8 of the Guidance Note. In such instances, progression to a Functional Skills or GCSE programme may not be the primary goal of the learner's unit-based programme. Where English and maths units are used by UDR sites to support a programme that does not lead directly to a Functional Skills or GCSE qualification, these units must be combined with other units that meet one of the three priority areas for the UDR programme identified in Paragraph 8 of the Agency Guidance Note.

ANNEX C: UDR PROVIDERS 2013/14

The following providers were active in the UDR programme throughout 2013/14:

- Accrington and Rossendale College
- Askham Bryan College
- Barnsley Metropolitan Borough Council
- Craven College
- Derby Adult Learning Service
- Kent Adult Education Service
- Newcastle College
- North Warwickshire and Hinckley College
- Ruskin College
- South Leicestershire College
- Wakefield Adult and Community Education Service
- Wiltshire County Council

The following providers were initially involved in 2013/14 but subsequently had to withdraw from the UDR programme (please see paragraph 36 for the challenges faced by providers):

- Axia Training Services
- Burnley College
- Virtual College

ANNEX D: STATISTICAL RETURNS FROM UDR PROVIDERS 2013/14

Unit delivery to engage learners towards achievement of their first full level 2 or 3 qualification	Subject area
Derby Adult Learning	ICT and Bookkeeping
Wakefield ACL	Hairdressing, Beauty therapy and Business administration
Wiltshire ACL	Child development and Safeguarding
Barnsley Metropolitan Borough Council	Childcare
Accrington and Rossendale College	Sports coaching
Newcastle College	Digital skills
South Leicestershire College	Business administration
Ruskin College	Employability skills

Unit delivery to engage learners towards achievement of their first full level 2 or 3 qualification	
Total number of learners participating in vocational skills unit delivery	526
Total number of learners that progressed from a unit into a Level 2 or 3 qualification	190 ¹
Total number of learners that undertook an additional unit alongside a qualification to extend their skills	74
Total number of learners participating in English and maths unit delivery in support of these purposes	78 Maths and 161 English
Total number of learners completing all their learning aims	380 (so far)
Total number of learners who withdrew before completing all their learning aims	3 (so far)

¹ an additional 191 learners progressed from a level 1 unit into a level 1 qualification.

Unit delivery to engage employers and increase their investment in skills training	Subject area
Wakefield ACL	Business administration
Askham Bryan College	Floristry, Arboriculture, Horticulture and Animal care
Wiltshire ACL	Child development and Safeguarding
Barnsley MBC	ICT
Accrington and Rosendale College	Cleaning

Unit delivery to engage employers and increase their investment in skills training	
Total number of learners participating in vocational skills unit delivery	282
Total number of learners participating in English and maths unit delivery in support of these purposes	0
Total number of learners for whom initial vocational skills unit delivery provided all the learning they required	212
Total number of learners that progressed to further fully funded, co-funded or employer/learner funded units or qualifications	70
Total number of learners completing all their learning aims:	277
Total number of learners who withdrew before completing all their learning aims	0

Unit delivery outside of an employer driven context	Subject area
Barnsley Metropolitan Borough Council	ICT and Childcare
Wiltshire ACL	Child development and Safeguarding
Craven College	Care work and ICT
Ruskin College	Employability and Personal Development
North Warwickshire and Hinckley College	Construction and Hairdressing

Unit delivery outside of an employer driven context	
Total number of learners participating in vocational skills unit delivery	162
Total number of learners participating in English and maths unit delivery in support of these purposes	33
Total number of learners that progressed to further fully funded, co-funded or employer/learner funded units or qualifications	76
Total number of learners completing all their learning aims	139
Total number of learners who withdrew before completing all their learning aims	16

ANNEX E: UNIT DELIVERY SCENARIOS FOR FUTURE PILOTING

The following five scenarios have been developed through discussion with the Agency in the later stages of the 2013/14 UDR Project, based on a refinement of the reports from providers. These scenarios are suggested as the basis for future piloting of unit-based delivery arrangements.

1. Using units to support achievement of first Level 2 or 3 qualifications

Not all learners are able to commit to a whole first full level 2 or 3 qualification. Unit delivery can make first full level 2 or 3 qualifications much more accessible to these learners, and thereby raise achievement. Three different applications of unit delivery to support progression to a full Level 2 or 3 qualification are described in more detail below:

a) **Providing a unit at a lower level as a stepping stone to enrolment on a full qualification at level 2**

Improving learner confidence and demonstrating their capability to achieve in an area relevant to their intended vocational qualification is sometimes necessary before they feel able to commit to a full qualification at Level 2 or 3. Individual units, enable learners to do this quickly and effectively and offer a cost-effective alternative to the provision of a full Level 1 qualification as a stepping stone for progression. The lower level units can be from the same or different vocational areas or be more generic, e.g. employability skills, work preparation, time management and customer service skills units at Level 1 prior to progression to a vocational qualification at Level 2. These units may come from several different qualifications. Credits awarded for Level 1 units are an important motivator for learner progression, as well as offering staff useful diagnostic information about continuing support needs when the learner does proceed to the full Level 2 qualification.

b) **Providing a unit from the core content of a level 2 or 3 qualification to support initial assessment and/or choice of progression route prior to enrolment on a full qualification; or**

The opportunity to undertake a unit prior to enrolment on the full qualification, reduces the risk of drop out and failure, where learners are either unsure of a particular achievement target within a qualification with a number of optional pathways, or where a learner has insufficient recent achievements to make an informed judgment about an appropriate level and /or pathway to qualification achievement. Learners wishing to taste units could undertake their unit in a separate group or could be part of a group of learners who have already enrolled on the full qualification. 'Core' units shared between a number of qualifications might be offered prior to enrolment on a chosen qualification. This initial diagnostic approach enhances achievement rates for the subsequent full qualification.

c) Addressing English or maths needs that underpin achievement in first full level 2 or 3 qualifications.

Funding rules currently require a learner undertaking individual QCF English or Maths units to identify progression to either a Functional Skills (FS) qualification or a GCSE in English or Maths. Greater flexibility granted to UDR providers enabled them to offer English and/or Maths units to support progression to a first vocational qualification at Level 2 or Level 3. This can help to improve progression to a vocational qualification (perhaps in addition to, rather than instead of, a GCSE) and can be an important motivator for progression for learners with particular weaknesses in English or maths.

2. Using units to support enterprise

Limited financial capacity resulting in a tight cash flow and an absence of financial reserves make the cost of co-funded full qualifications unaffordable for self-employed people, micro-businesses and people wishing to become self-employed. However, small amounts of co-funded or fully funded training through unit delivery can be both affordable and accessible and may lead to greater business resilience, effectiveness and versatility.

The applications of units to support self-employed people, people wishing to become self-employed and micro-businesses are described in detail below:

a) Full or co-funded business/enterprise skills units for self employed people

Self-employed people rarely have the time and/or resources to undertake full vocational qualifications. However, unit-based programmes are both affordable and accessible for them. The flexibility of unit delivery also enables self-employed people to improve skills rapidly in response to new business opportunities. A unit-based offer is particularly appropriate for the large numbers of people who have become newly self-employed since the beginning of the economic downturn as these people are most in need of rapid skills improvement in response to local demand.

b) Full or co-funded enterprise or vocational skills units for people wishing to become self-employed

People often need to begin to prepare for self-employment long before they actually begin to trade. An important element of preparation is the acquisition of business /enterprise skills and the acquisition of vocational skills relevant to the product or service they wish to supply. In addition, the success of business finance applications can depend on the inclusion of evidence of accredited skills. When on the journey towards becoming self-employed people are often still working for others and are busy in making arrangements to start up their business. This means they rarely have the time or financial resources to undertake a full qualification and

unit delivery becomes an accessible and affordable option for them. The acquisition of enterprise/ business skills can enable people to avoid common pitfalls in business start-ups and to establish their new business on a secure footing which leads to long term success.

c) Full or co-funded enterprise and vocational skills units for employees within micro-businesses

As well as having higher training needs due to their staff often having multiple roles, micro-businesses also have limited financial resources which mean they often cannot afford the costs of training towards full qualifications. Unit-based programmes are therefore particularly appropriate for this group of learners. The flexibility of unit delivery is also helpful in supporting employees affected by changes in seasonal work patterns, for example in the Agricultural sector.

In recognition that micro-business employees often have multiple roles due to staffing capacity limitations, certain specified units are additionally funded within Apprenticeship frameworks for apprentices employed within micro-businesses. However there is a need to extend this offer to such employers beyond the scope of Apprenticeships. Achieving credits in business/enterprise units would lead to these micro-businesses being better managed and being better able to enter new markets and develop innovative services and products.

3) Broadening the use of English and maths units for unemployed people

The opportunity to provide English and maths units for unemployed adults without a need, requirement or expectation of them moving towards GCSE would enable providers to construct unit-based programmes that more directly meet the needs of individuals. The facility to offer English and/or maths units alongside other units to unemployed learners is likely to improve success rates and progression into employment or further learning. It may also build the motivation of unemployed learners to continue to progress towards their English and/or maths GCSE. Providers would not be required to identify progression to FS or GCSE English/Maths qualifications as an outcome of offering English and Maths units, but would be entitled to widen the scope of their offer to unemployed learners.

4) Broadening the unit offer for the unemployed to include adults that are formally at risk of redundancy

People who are formally at risk of redundancy are not eligible for Adult Skills Budget funding for unit delivery. Unit delivery through the ESF Skills Support for Redundancy programme has been found to provide an accessible and flexible learning format for people facing redundancy. The acquisition of new skills through this ESF funded unit delivery enables people to return to employment sooner. It would be helpful to pilot through the Adult Skills budget the feasibility and benefits of extending eligibility for unit delivery beyond ESF contracts to anyone facing redundancy. It would also

enable providers to test the benefits of greater flexibility in a unit-based offer to this group as ESF contracts often restrict the number and credit value of units that can be offered.

5) Using units to engage businesses in supporting training

By offering a fully-funded or co-funded unit (or units) to a newly-engaged employer, and demonstrating the ability of employees to achieve credits through these units, a provider may be able to enhance the future contributions of that employer to the costs of training leading to a qualification. An initial unit might be offered without charge to the employer. Evidence suggests that once learners are awarded credit for this unit they would not only be motivated to progress to a qualification, but the employer would be more motivated to contribute to their training costs. Any findings from this piloting of the feasibility and benefits of using units to engage employers for the delivery of subsequent fully funded or co-funded full qualifications will also be relevant to the use of units to engage employers for the supply of qualifications delivered on a full cost recovery basis.