

Pearson response to the UKCES Consultation

Whitehead Review

June 2013

Introduction

Pearson welcomes the opportunity to contribute to this important review paper of adult vocational qualifications (AVQs) and the factors that govern how effectively vocational qualifications meet the needs of employers and the individuals that take them. Adult learning can provide businesses with the skills they need to grow; and individuals with opportunities to develop their skills and invest in their future progression, and learn new skills in order to enter the work place. They can also provide 'second chance' learning opportunities for those who for one reason or another could not take advantage of educational opportunities available at 16-18.

Clearly the opportunities offered to individuals and employers need to be effective in what they aim to achieve. This has always been the case, but may and probably should, be under increased scrutiny in the current economic climate, and in light of the introduction from 2013/14 of 24+ advanced learning loans. If employers and individuals are to invest in skills they need to be reassured of a return on their investment. In addition to this the learning and skills achieved by taking qualifications needs to be clear to both individuals and employers; a clear understanding of a qualification by those taking it, and the end user, is fundamental to its value in the wider market.

About Pearson

Pearson is the world's leading education company. From primary to secondary school, early learning to further education, higher education, and professional certification, our curriculum materials, multimedia learning tools and testing programmes help to educate more than 100 million people worldwide, through names including Edexcel, BTEC, Longman and Heinemann.

Pearson provide a wide range of qualifications, resources and technology solutions for adult learners both in work-based learning via Apprenticeship and non-Apprenticeship routes, and classroom learning. Our qualifications are highly valued by employers and individuals alike; in 2012/13 Pearson offered a total of 675,000 qualifications to 19+ learners. Of these, 288,000 were qualifications taken as part of an Apprenticeship framework, and 217,000 were qualifications taken as stand-alone qualifications outside Apprenticeship frameworks. Of these, 65,000 were BTEC qualifications (rather than competency qualifications) taken by 19-23 year-olds, and 134,000 were BTEC qualifications taken by 24+ year-olds. We are particularly keen to ensure that the review recognises the value of vocational qualifications often taken outside of the workplace; they can provide 'second chance' learning opportunities for those who perhaps failed at a younger age and recognise the value

of investing in developing skills at a later age, but not necessarily in a work-based context.

218,000 qualifications were taken by young adults aged 19-23 and 457,000 were taken by adults aged 24+. Roughly 80,000 of these were at level 3 and above, and taken by adults aged 24+ and so may fall into scope for loans (or co-funded by employers, and loans, in the case of Apprenticeships) from 2013/14.

Employer involvement in design and development

AOs work closely with employer groups in the development of vocational qualifications but there is always room for improvement. There is an historic challenge with engaging employers in the design of vocational qualifications. All AVQs are designed with significant employer input, but engagement tends to be reliant on large employers with a business and/or social interest, SMEs that have the capacity, time, and resource to engage, or representative bodies that are able to articulate needs of employers on behalf of sectors (or sub-sectors) such as Sector Skills Councils (SSCS) or other representative bodies. Pearson forge direct relationships with employers and professional bodies, and all AOs should be encouraged to do this in order to take more direct ownership of the issues.

A crucial factor in securing greater employer engagement in qualification design and development lies in convincing businesses that their involvement will deliver direct benefits.

We need to articulate what the existing barriers to engagement are, and then work to overcome them, potentially through professional bodies where they exist, and further research showing the returns of vocational qualifications to employers (as well as to learners), encouraging SSCs to focus on engaging employers, and making it easier for SMEs to engage with the qualification system, and engagement process, would all help in the long term. There is also an opportunity to look, in the future, to engage Local Enterprise Partnerships (LEPs), where they have a specific skills strategy and productive relationships with local deliverers of education and training.

Responding to the needs of employers and individuals

Pearson designs and develops vocational qualifications in response to employer need, HE requirements (for those taking longer, full-time qualifications which also serve as entry to HE), professional bodies, and deliverers. We have specific external stakeholder sector panels that we consult with during the development of qualifications. Ofqual will only recognise these qualifications if they have the explicit input of individual employers or their representative bodies.

In the redevelopments of the main Pearson suites of qualifications (level 2 BTEC Firsts, and level 3 BTEC Nationals) we are also looking at ways to embed learner interests and needs more systematically.

Flexibility and adaptation to sector/local needs

There is limited scope for adapting many current AVQs appropriately to sector/local needs. However this flexibility is something that can be achieved within the current frameworks. The core content, which is taken by all learners, could be augmented with option units that could be far more flexible and that is where local and sector needs can be effectively met.

Awareness and clarity

Pearson has spoken to employer bodies which are of the view that the great variety of types of qualifications is confusing, but that the needs of all learners should be met so the numbers of qualifications need not necessarily be reduced. Clarity is needed in how these qualifications are explained – the qualifications framework should be clearly presented with consistent terminology and should be easily navigable by employers. It should be the responsibility of awarding bodies to ensure their qualifications are respected and understood by employers – the experience of BTEC and City and Guilds, two brands that are highly respected and well understood by employers, shows that this is possible.

The design of AVQs could also be made clearer and more understandable for employers. We agree with the approach whereby high level outcomes are articulated based on the requirements of the occupation rather than providing a detailed list of tasks to be completed. This would also allow for more flexible delivery flexibility and avoid any “tick box” approaches to assessment.

The ‘two frameworks’ issues also causes confusion for employers both in their understanding of qualifications, their place within a framework, and for funding purposes (see more on this below). Currently there are two frameworks, the National Qualifications Framework (NQF) and the Qualifications and Credit Framework (QCF). Most qualifications relevant to adults are on the QCF, particularly those that are taken on a part time basis, or in work. In addition, the recent move by the Skills Funding Agency to open up unit delivery for adults who need help to move into work, progress in work or remove a barrier to getting into work is a good example of one of the ways the QCF is working well for adults learning. However, there are some qualifications on the NQF that many adults would also benefit from accessing so there could be a mixed QCF/NQF model when it comes to adult qualifications.

The feedback that we have received from employers is that there should be one qualifications framework that is clearly presented with consistent terminology and which may be easily navigable by employers. It is unlikely that we will move to this scenario in the immediate future and so, until we do, we need to make the frameworks clear for employers by presenting them in a way that is easily understandable for comparison purposes.

Equity of access to funding

The key focus for public funding is, rightly we believe, focussed on supporting young adults, and the low skilled and the unemployed to acquire the skills needed for employment and progression.

However, the funding system or more often, co-funding system, is complex, and can put employers off engaging with the regulated qualification market. Employers need to be able to engage without seeing the wiring, or the wiring needs to be made simpler.

One real example of this is the complexity in the adult vocational qualifications system caused by the fact that in the main, funding for certain vocational qualifications for adults is not available based solely on the framework the onto which they have been developed. In the majority of cases funding is available for post-19 students only in respect of QCF vocational qualifications. Often eligible adults would like to access these qualifications but are prevented from doing so. For example, adults may wish to infill into a full time course provided primarily for 16-19 students.

Pearson have worked to develop the highly recognised and valued BTEC level 2 Firsts onto the NQF framework, and are now looking to develop the BTEC level 3 Nationals onto the NQF framework in the future. In 2012/13 4,400 BTEC level 2 First qualifications were taken by 19-23 year-old adults, and 3,500 were taken by 24+ year-old adults outside of an Apprenticeship framework. In the same year over 12,000 BTEC level 3 National qualifications were taken by 19-23 year-old adults, and almost 4,000 were taken by 24+ year-old adults outside of an Apprenticeship framework. Many of these adult learners are 'second chance' learners; those who for one reason or another could not take advantage of the educational opportunities available at 16-18, and who now want to invest in their skills in a non work based setting. We are keen to ensure adults can continue to invest in their skills by taking these qualifications and not be held back because of the framework on which they sit.

We have worked closely with the Skills Funding Agency to ensure the BTEC Firsts can be funded regardless of the framework (with the caveat that they must be recognised on headline measures for the Key Stage 4 tables). We fully support the suggestion in the DfE consultation on Government proposals to reform vocational qualifications for 16-19 year olds that the Skills Funding Agency approve the funding of vocational qualifications (whether they are applied general or occupational) irrespective of whether they are on the QCF if a learner is over the age of 18 and under 25 and entitled to funding under the terms of the Adult Entitlement to Learning. We strongly believe that it is in the interest of individuals, potential employers, and the government that funding should be made available for adults to take a qualification that is on either the NQF or the QCF if the qualification meets the individual needs of the adult.

The same issue exists for Apprenticeship qualifications; only QCF BTEC vocational qualifications can be included in Apprenticeship frameworks. We believe that the Apprenticeship frameworks should be opened up to include NQF qualifications. This is particularly important in light of the recognition that adults taking qualifications outside of, and as part of an Apprenticeship should be working towards the same accepted, objective standards; if the same qualifications are developed to meet both Apprenticeship and non-Apprenticeship needs (which is often the case) then the standards required of both should be the same.

The reasons for developing a qualification onto the NQF rather than the QCF will depend on the nature of the qualification. The QCF works for certain types of adult qualifications, but not for all, and some qualifications are best developed on the NQF. The NQF allows much better for qualifications that include:

- Synoptic assessment – encourages the learner to bring together the different elements of their learning into over-arching arguments and themes
- Synthesis and analysis – which draws out the learner’s ability to demonstrate learning skills looked for by employers and universities for example, synthesis, analysis, extended writing, self-motivated learning, and confidence.
- External assessment – to help enable progression, and to reassure end users that the qualification is rigorous. It also enables an element of comparability across the learner cohort.
- Embedded maths and English – which gives learners the opportunity to develop and apply maths and English in naturally occurring, relevant, work-related contexts.
- Grading – which allows for challenge, and for differentiation between learners.

The funding system needs to be framework agnostic and recognise that the qualification most suited to any adult learner could be developed on the NQF or the QCF, and allow for funding, or co-funding, or access to loans, for qualifications approved onto either framework.

Employer and individual awareness

The awareness of individuals often reflects their own experience in learning, and if they have been out of the education system for a long time then they often still use and understand only ‘old’ language (such as O levels) or need to know ‘equivalencies’ in order to understand what vocational qualifications are, or might mean for the individual that holds them.

This issue is exacerbated by constant structural changes, often introduced by the government. The removal of well known brand names, such as the BTEC qualifications, necessitated by the QCF is one such example; a ‘Diploma’ now generally refers to much smaller qualifications than previously.

Value and return on investment

Whilst research has been undertaken into the returns to vocational qualifications as a whole, new (there is UKCES research from 2009, and BIS research from 2011), and further research is needed in this area, into returns from adult vocational qualifications in particular, and into specific qualifications within specific sectors. Two current pieces of research into the returns from vocational qualifications as a whole include:

- 2013 BIS research into the returns to vocational qualifications as a whole which found that people who gain vocational qualifications attract significant returns, particularly the highly respected brands that are well known and understood by employers¹:

"... within our category of Full Level 2 we have a variety of qualifications, ranging from NVQ2 to City & Guilds, BTEC and RSA. The latter categories of qualification have been found to secure significant returns of a much higher magnitude than NVQ2."

"...we have individuals who are aiming for BTEC, RSA, City and Guilds qualifications that are equivalent to 5 GCSEs at grades A* to C. Existing studies estimate the earnings premium to these sorts of qualification as being between 13 and 20 per cent, when compared to those with no qualifications (Dearden et al., 2004; Jenkins et al., 2007; McIntosh, 2007). In contrast, the returns to some level 2 NVQ qualifications have been estimated as zero or negative, when compared to those with no qualifications (ibid.) and these are also likely to be within our Full Level 2 category."

- 2013 London Economics research which also painted a positive picture for those taking vocational qualifications.² Graduates are more likely to be employed and as likely to succeed in HE if they studied a vocational course at 6th Form or college (80% compared to A-Level only graduates with an rate of 74%), and figures showed that graduates who had studied BTECs were on a par with their A-Level-only peers in terms of the jobs they subsequently secured. On some measures they did better - more BTEC-only graduates were found to be working as Managers, Senior Officials, or in Associate Professional roles, compared to A-Level only graduates. (48.9% compared to 45.1 %).

What is needed is further research into the returns to the various qualification types taken by adults. A good example of this work is the IMI project within the UKCES Employer Investment Fund (EIF). The IMI bid for and won part funding from the UKCES EIF to invest in a project to create a portfolio of specific Return on Investment (RoI) studies to make and win the argument for sustained investment in skills by employers in the Automotive Retail sector. This sector-specific research is needed across the board so employers and learners can be more informed about their investment in skills, particularly as adults aged 24+ taking level 3 qualifications and above, will be accessing loans rather than being publicly funded, or co-funded, to take vocational qualifications and Apprenticeships.

¹ BIS (2013) *Estimating the labour market returns to qualifications gained in English Further Education using the Individualised Learner Record (ILR)*. <https://www.gov.uk/government/publications/estimating-the-labour-market-returns-from-qualifications-gained-in-english-further-education-using-the-individualised-learner-record-ilr>

² London Economics (2013) *The Outcomes Associated with the BTEC Route of Degree Level Acquisition* <http://www.londecon.co.uk/publication/the-outcomes-associated-with-the-btec-route-of-degree-level-acquisition>