Review of Adult Vocational Qualifications in England

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1 Foreword

As a former apprentice, I was delighted to be invited by the Skills and Enterprise Minister, Matthew Hancock, to develop a vision and strategy for adult vocational qualifications in England, building on a number of related reviews. To do this, I considered what good might look like and the nature of the future vocational skills system that could deliver it. This review begins with my vision for vocational qualifications, then uses a systems engineering approach to map the current system, analyse its problems, and point to the critical functions of a viable alternative future system which puts employers and employees first. I recommend seven practical steps that will need to be taken to achieve the vision.

In doing so, I have borrowed from related reviews. Doug Richard's Review of Apprenticeships and Alison Wolf's Review of Vocational Education are clear about the importance of robust standards and assessment in vocational education and training. Doug Richard's Review is being implemented through the Richard Review Implementation Plan and Alison Wolf's Review is being taken forward through a number of reforms, including the introduction of Tech Levels, which are particularly relevant to this review. The Commission for Adult Vocational Teaching and Learning (CAVTL) and Further Education Learning Technology Action Group (FELTAG) identify and champion best practice and innovation in delivery. These reviews have helped me – and I thank the authors. Their work provides a firm foundation for looking at adult vocational qualifications.

Taking the time to look at the entirety of the existing English[1] adult vocational landscape has allowed me to identify and address a number of systemic weaknesses and unintended outcomes. This review recommends fundamental changes to re-orientate the skills system, replacing what exists today with a functioning set of processes and redefined or new roles for key players into the future. In short, a system that rests on central government control would be superseded by a system that puts employer demand and business growth at its heart, enabling a better match between supply and demand.

A healthy vocational qualifications market is important. There has to be simple, accessible information about the vocational qualifications available for entry to and development of careers in an occupation; and clear evidence of the impact these vocational qualifications have. My proposals aim to do this, and to de-clutter the system. I am keen to make it easier for employers to step up and work collaboratively with key partners to design, to develop and to deliver vocational qualifications. My recommendations are the start of a journey – with government creating the space for employers and unions to take ownership of vocational qualifications supported by well-regulated awarding organisations and responsive training providers.

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1 Parts of the vocational landscape are relevant to Scotland, Wales and Northern Ireland (for example, NOS across the Devolved Administrations; and QCF to Wales and Northern Ireland). The systems approach makes the overall study relevant to England only, as different skills and education policies affect parts of the analysis for the Devolved Administrations.

2 **Executive summary**

Our approach in this report has been to analyse the current system for vocational qualifications in England, to identify areas that require improvement and to make recommendations for reform, building on and celebrating what works.

For individuals and employers to have the skills to succeed, vocational qualifications should be:

- **Relevant** to individuals and employers, and affordable for all sizes of business (including micro-businesses) and for individuals
- **Rigorous** and based on a robust future-looking occupational standard, designed and assessed by the sector
- **Recognised** as worthy of investment, giving a clear signal of the economically-valuable skills, knowledge and understanding required in an occupation now and into the future

Key to achieving this is for employers and unions to work in partnership with well-regulated awarding organisations and flexible training providers to design, to develop and to deliver the vocational qualifications that drive business growth and productivity. Over time, these partnerships will come together and take end-to-end responsibility for workforce development in their sectors. Short term, the following actions should be taken.

1. Ofqual should require awarding organisations to engage actively with employers in sectors where they provide vocational qualifications; and awarding organisations should require training providers offering their vocational qualifications to engage with employers locally. Awarding organisations should include employers from relevant sectors directly in the design and development of vocational qualifications, and training providers should bring in employers to support curriculum design and delivery. This is challenging and it may be possible to strengthen and apply regulation more rigorously to support it, but it would also require awarding organisations, training providers and employers to work together collectively. This recommendation builds on best practice, and would give employers and individuals the confidence that awarding organisations and training providers have experience of their sectors, and allow new innovative approaches to collaboration to enter the market as industrial partnerships form.

2. The UK Commission for Employment and Skills should work with employers to agree the future model for occupational standards; and employer-led collaborations (industrial partnerships) should ensure that future occupational standards articulate their ambition and aspiration for their workforce clearly and effectively. Employer-led collaborations or industrial partnerships of employers will set occupational standards where industry needs them and they do not exist already. Industry will be free to define these standards without the current levels of prescription, and, in England, the occupational standard will be the same for adult vocational qualifications, Apprenticeships and Tech Levels. Using this approach, occupational standards will be ambitious, aspirational and accessible to a wider range of businesses (including owner-managers), more adaptable to change, and will accommodate innovative approaches to assessment and delivery.

3. Ofqual should introduce our proposed new design principles for vocational qualifications giving vocational qualifications a clear identity and should make the prescribed unit format and sharing of units optional. Our new design principles (Section 8) will give vocational qualifications a clear identity and will apply to vocational qualifications supporting initial or continuing vocational education and training.

These principles will not require the Qualifications and Credit Framework (QCF) unit template to be used or units to be shared between awarding organisations. Useful aspects of the QCF that support labour mobility across the UK and into mainland Europe such as the use of agreed credit values and level descriptions should continue. These changes will allow for more flexibility in curriculum design and discourage a 'tick-box' approach to assessment.

4. Awarding organisations and training providers should report on the impact of their vocational qualifications to their customers. The Department for Business, Innovation and Skills (BIS), awarding organisations and training providers will develop, agree and make success measures visible publicly, building on existing work. This will help employers and individuals to choose which awarding organisations and training providers to use on the basis of the impact that vocational qualifications have on progression for individuals and, where possible, business performance for employers.

5. Ofqual with the Skills Funding Agency (SFA) and UK Commission should create a single point of access to the different qualifications databases. Employers and individuals will be able to interrogate databases of regulated vocational qualifications by occupation, without having to be experts in the technical language of qualifications, and will see quickly the range available for both initial and continuing vocational education and training. Access to this information will make it easier for employers and individuals to use and invest in regulated vocational qualifications.

6. Ofqual, Ofsted and SFA should ensure that arrangements for regulation, inspection and funding provide appropriate incentives and do not inhibit training providers and awarding organisations from using technology in the delivery and assessment of vocational qualifications. Technology offers individuals and employers the opportunity to learn anywhere, anytime, but the design and delivery of vocational qualifications has not kept pace with these changes. Our recommended new design principles for vocational qualifications will address part of the problem, but the delivery system (training providers and awarding organisations) needs more encouragement to adopt new technologies.

For the longer term, government could enhance the process by stepping back and giving employers the space to work with partners to make sure that vocational qualifications are aligned with the workforce skills valued by employers and individuals in the sector.

Therefore, our final longer term recommendation is to:

7. Encourage more leading employers to work in partnership to develop recognised, rigorous and relevant vocational qualifications. There is strong evidence that employers are willing to work collaboratively with other employers, unions, training providers, professional bodies and awarding organisations to deliver vocational qualifications that give individuals the skills they need to succeed, and businesses the workforce to compete and grow. They need the encouragement and space to do this through having a less centrally-prescribed vocational qualifications system. Building on the success of the Employer Ownership Pilots, we propose that government continues to incentivise emerging and new industrial partnerships through co-investment to design, to develop and to deliver strong vocational qualifications, Tech Levels and Apprenticeships as an integral part of their strategies for growth in their sectors.

3 Introduction

This review presents a vision and strategy for adult vocational qualifications, building on other related reviews. Our focus has been on adults, although we recognise that vocational qualifications are not age-related. The main differences in vocational qualifications are between those designed for initial entry to an occupation and requiring significant new knowledge and skills, and those designed to support continuing professional development for individuals already in work.

Our principles for adult vocational qualifications supporting initial entry to an occupation have the same characteristics as Tech Levels, designed primarily for 16 – 19 year olds, Apprenticeships (post Richard Review), and have informed the SFA's new rules for approving qualifications for funding. Most of these principles are the same for vocational qualifications to support continuing professional development. The exceptions are size requirements and grading, where there needs to be more flexibility to accommodate qualifications up-skilling across a wide range of different occupations.

We have mapped the current vocational qualifications system to assess its capacity to deliver this vision, and we have built on the Commission for Adult Vocational Teaching and Learning (CAVTL) and the Further Education Learning Technology Action Group (FELTAG) reviews looking at innovation and best practice in delivery. There is much that is positive to draw on. Critical to the success of the vocational qualifications system is putting employers and employees first as key beneficiaries, and building a system that delivers business growth for employers and career progression for individuals.

It is from this perspective that our report presents our vision in detail, reviews the current system, analyses the barriers to achieving the vision, and presents its seven key recommendations.

4 The vision

Our vision is that adult vocational qualifications are valued as worthwhile investments, enabling individuals to progress in their careers and employers to grow their businesses and improve their competitiveness. To achieve this, vocational qualifications should be relevant, rigorous and recognised.

Relevant

Vocational qualifications have to be relevant to the needs of individuals and employers, **matching the skills, knowledge and understanding** individuals require for entry into an occupation or progression in a career. They should be based on occupations, and give clear signals to individuals about which skills are valued. Currently, there are many qualifications described as 'vocational' but not linked to occupations. Often these are designed to build an individual's confidence in preparation for work or to help someone move closer to the labour market. These qualifications (usually at Entry Level or Level 1) can be very useful to individuals, but they are not 'vocational' and should not be described as such.

Adult vocational qualifications, Tech Levels and Apprenticeships will be alternative routes to the same end – **achieving an occupational standard, including sound knowledge and understanding of the sector.** This occupational standard will be defined by industry, and assessed consistently across these routes. The difference between the routes is that those taking Apprenticeships will be employed and mainly taught in work, with periods of off-site learning, and those taking adult vocational qualifications and Tech Levels will be taught away from work (through training providers and technology) with substantial periods of work placement. Using this approach, adult vocational qualifications and Tech Levels will provide industry with a talent pipeline to grow businesses and competitiveness, and give individuals worthwhile vocational education and training relevant to their chosen occupations and future careers.

Also, adult vocational qualifications will provide **continuing professional development** for those in work. They will confirm that individuals have: developed further competency; specialised in particular aspects of an occupation; understood the technicalities of a product from a company; or re-affirmed their suitability to practise. These vocational qualifications are about progression in work, and they will tend to be shorter with a range of delivery and assessment approaches, not necessarily including grading or linked to 'time served' in a particular occupation or sector.

Qualifications must work for businesses of all sizes, including those run by owner-managers and smaller businesses. They have to be affordable both in terms of time spent away from the job and actual costs of registering, delivery and certification. Relevance and savings can be improved by reducing the time taken for design and development, and removing unnecessary delays to market. New technologies can support this, but awarding organisations and training providers need to recognise that hardware costs and up-skilling their staff are investments for the future and that the vocational qualifications system is stable. They also require confidence that other parts of the system (regulation, funding and inspection) do not present unnecessary barriers.

Rigorous

Rigour in vocational qualifications is about reliable, robust delivery and assessment of competence (including knowledge) in an occupation, and an understanding of how the occupation fits into the wider sector. This calls for a clear, ambitious **occupational standard**, which can be assessed and graded and will encourage individuals to strive for excellence. This ambitious standard, assessed and graded to the same requirements, will be available for Apprenticeships, Tech Levels and adult vocational qualifications. This supports career mobility for individuals, saves unnecessary training costs for employers, and ultimately links training and qualifications to vocational skills in a way that leads to sustainable growth and competitiveness for businesses and career progression for individuals.

Currently, there is a range of standards in existence, including those created by industry to address statutory requirements, standards developed by professional bodies and National Occupational Standards (NOS) designed by standard-setting bodies. Where these are genuinely employer-led, they will be occupational standards regardless of who develops or funds them. Industry will be free to design the standards it needs - and move over time to a less prescriptive outcome-based standard rather than continue with a tightly prescribed centralised approach, which can make NOS less relevant to small businesses or to those operating different processes.

To convert NOS into vocational qualifications, they are re-written into a unit format and made available in the Qualifications and Credit Framework.[2] This adds a layer of detail, loosening the links with the initial occupational standard. Awarding organisations are reluctant to share their intellectual property with competitors, and put important information into their own guidance instead of the unit. The sharing of units in the QCF eases market entry for awarding organisations without sector expertise or employer involvement, and encourages training providers to focus on assessment rather than delivery of curricula when providing vocational qualifications. All these unintended consequences have a negative impact on rigour.

The use of the unit format and sharing of units in the QCF needs to be optional for awarding organisations. Awarding organisations ought to require training providers to deliver curricula for vocational education and training, rather than tick-box assessment, and work directly with employers in the sectors for which they provide vocational qualifications. Important design rules relating to level descriptors and credit values will continue. These support alignment across the UK and internationally and are important for **progression and labour mobility** for individuals, reducing the likelihood of unnecessary repeat training.

Recognised

Vocational qualifications have to be recognisable by employers as clear signals that individuals have the **relevant skills, knowledge and understanding** to perform well in occupations. Information about which qualifications deliver the occupational standard can address this initially. Over time, developing success measures to show the impact of vocational qualifications on progression for individuals and business growth will help the market operate more effectively.

Simple, accessible information about the vocational qualifications on offer and how they relate to occupations will help employers and individuals know which vocational qualifications an individual needs for initial entry into an occupation, and which can support their continuing professional development. Ideally, this information will link to where high quality delivery is available, and eligibility for public subsidy. Currently, qualifications databases are detached from each

2 Some of the current qualifications (eg National Vocational Qualifications) are included in the National Qualifications Framework (which accommodates general qualifications such as A-Levels and GCSEs) as well as the QCF.

other and employers or individuals need detailed technical knowledge to use them. To widen use of regulated vocational qualifications, employers and individuals need easy access to information about what is available. This will encourage use of the regulated system and help businesses to develop their workforce and individuals to make informed choices.

Over time, there ought to be supplementary data giving information about how each individual vocational qualification performs, including its economic returns. This will incentivise training providers to test the market, and offer individuals, employers and government information to support their investments in vocational qualifications. If data from returns to qualifications were available, there would be visibility of the best performing qualifications offered by training providers and awarding organisations.

Employer Ownership

Adult vocational qualifications will only be relevant, rigorous and recognised when they are aligned with the skills employers need and the modes of delivery that industry requires.

Our vision is best achieved through the principles of employer ownership of skills. Through employer ownership, government can transform the way that it invests in the skills and talents of people, making vocational qualifications integral to **business growth** and **individual prosperity**.

Central to this long term vision is that employers step up and work in partnership with competitors, supply chains, unions, training providers, professional bodies and awarding organisations to take end-to-end responsibility for workforce development in their sectors. These **industrial partnerships** are being formed through business leadership rather than government planning in key priority sectors, as part of the wider industrial strategy for jobs and growth. There is scope to sustain this momentum and incentivise co-investment through industrial partnerships in a wide range of sectors in the economy.

Our vision is of a de-cluttered skills landscape, making it easier for industrial partnerships to use the regulated qualifications system to align skills with vocational qualifications in their sectors. Through this approach adult vocational qualifications will support workforce development, leading to growth and competitiveness for businesses, and career success for individuals.

5 The Strategy

To work out how best to achieve the vision, systems engineering methodology has been used to review the current system, analyse the barriers to the vision, and propose a future system, with key recommendations.

5.1 The current system

The current system has over 19,000 regulated vocational qualifications available through 176 awarding organisations. Many of these have limited take-up: 1,780 vocational qualifications account for over 90% of achievement. There are large numbers of vocational qualifications with low take-up, some of which may be serving niche sectors. Conversely, many valued and popular vocational qualifications (such as vendor qualifications) operate outside the regulated qualifications sector, attracting investment from individuals and employers in preference to regulated qualifications.

The privately funded training market is significantly larger than the publicly funded market. The most recent *UK Commission's Employer Skills Survey* (2011) indicates that employers in England spent £40.5 billion a year on training.[3] Public investment through SFA was approximately £2.7 billion in 2011/12.[4] In 2011/2012, around 30% of regulated qualifications were privately funded, with only around 7% of these privately funded qualifications delivered through FE colleges.[5]

Table 2 opposite, illustrates that the majority of learning aims delivered through public funding were at Entry Level and Levels 1 and 2. Those likely to confer occupational competence (Level 3 and above) can attract private investment from employers and individuals (particularly where they are co-funded for those aged 24+). They account for around 19% of public investment. Clearly there is scope for significant growth in the market for regulated vocational qualifications. To realise this potential, employers and individuals would have to understand the regulated vocational qualifications system and how it adds value.

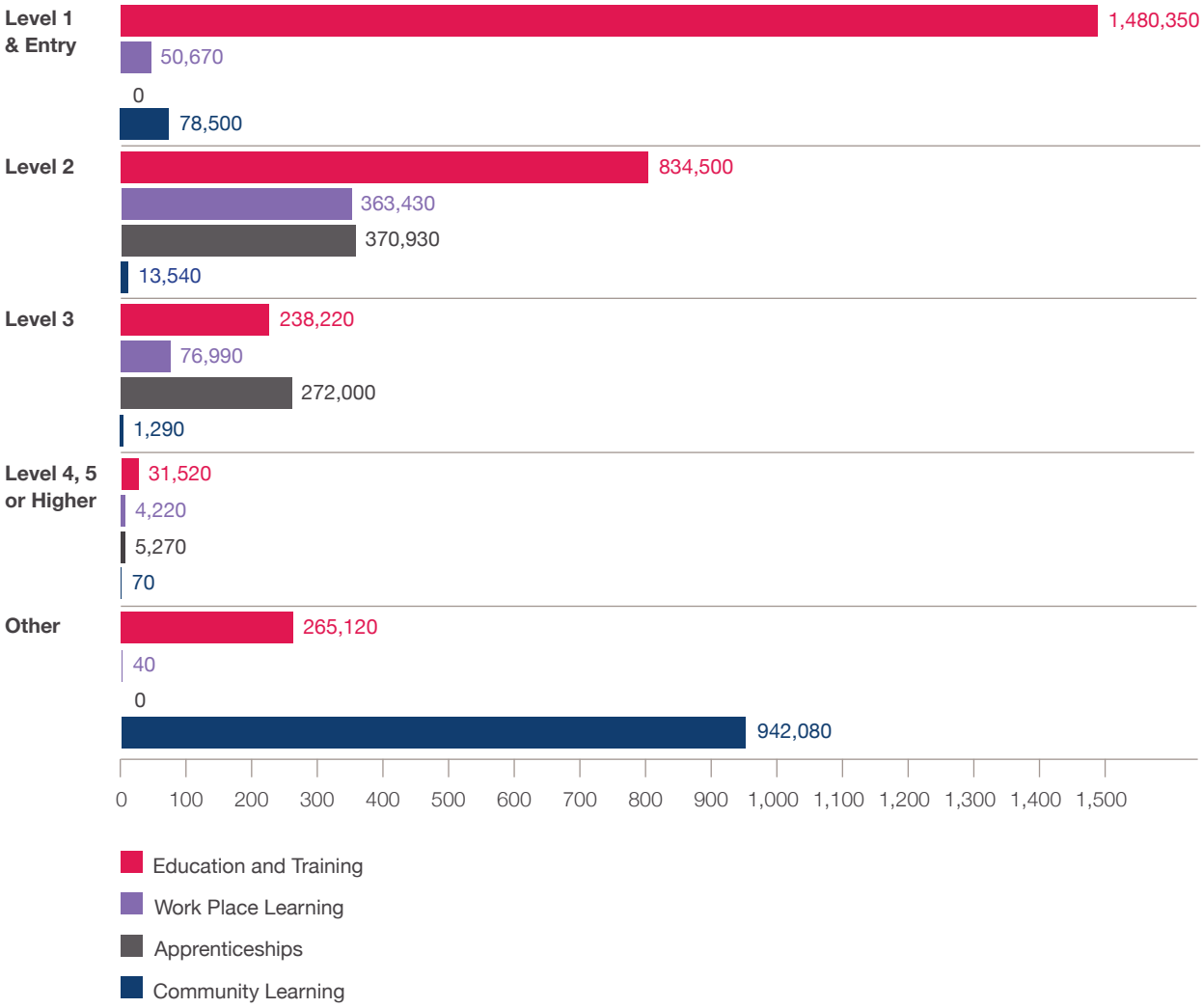
To investigate how this can happen, the current regulated system has been mapped, looking at where value is added for the employer and individual. **Figure 1** shows the activities involved, the organisations that participate, and the key outputs. It is clear from the map that there are many stakeholders and processes participating in the design, the development and the delivery of adult vocational qualifications. Although there are instances of best practice in working relationships between employers, awarding organisations and training providers (including informal ways of reporting how benefits accrue), these are not the norm. Only typical interactions are illustrated in Figure 1.

3 Davies, B. *et al*. (2012) *UK Commission's Employer Skills Survey 2011: England Results*. UK Commission for Employment and Skills, Wath-upon-Dearne.

4 Based on the 2011/12 budget and taken from: SFA (2013) *Annual Report and Accounts 2012*. Skills Funding Agency, London.

5 Based on estimates comparing the volume of funded qualifications by SFA and EFA through the ILR against the total volume of vocational qualifications awarded, as reported by Awarding Organisations to Ofqual.

Table 2: Number of regulated qualifications[6] funded by level, 2011/12



6 Referred to as 'learning aims' by the SFA.

Oversight and design of the English adult vocational qualification system (Figure 1 – Top Left)

• The Department of Business, Innovation and Skills (BIS) oversees policy for adult vocational qualifications in England. There are two other government departments with a close interest: The Department for Education (DfE) for alignment with vocational qualifications for young people and the Department for Work and Pensions (DWP) to support young people and adults into work.

• The Devolved Administrations have shared interests in the system with regard to National Occupational Standards (NOS) (all Devolved Administrations) and the Qualifications and Credit Framework (QCF) (Wales and Northern Ireland only).

• Ofqual regulates awarding organisations and the vocational qualifications these offer in England and Northern Ireland.

• The Skills Funding Agency (SFA) administers public funding for adult further education and skills training and Apprenticeships (including vocational qualifications) according to priorities determined by BIS.

• Ofsted assesses the quality of teaching and learning in England against the Common Inspection Framework.

• The UK Commission (UKCES) commissions NOS and other publicly fundable work relating to standards and frameworks on a UK-wide basis. This takes place through a preferred supplier list selected via a competition amongst sector bodies.

• Some employers are able to articulate their skills needs, working with awarding organisations and training providers.

Development and modification of qualifications and associated training courses (Figure 1 – Top Right)

• Awarding organisations identify the need[7] for new vocational qualifications based on their views of national or local employer demand and how large the market is, usually assisted by information from one or more of their training providers.[8]

• Vocational qualifications based on NOS are (in most cases) designed using the QCF. Amongst other criteria, the QCF has a set of design rules requiring vocational qualifications to be made up of units with levels and credits.

• Awarding organisations choose units from the QCF databank or add new units so that they can develop specifications for vocational qualifications. Specifications comprise lists of units, rules for combining the units, and arrangements for assessment, quality management and guidance.

• Awarding organisations submit vocational qualifications to Ofqual for accreditation and placing on the Ofqual Register of Regulated Qualifications.

• The SFA approves vocational qualifications from the Ofqual Register for public funding based on government funding and eligibility rules.

• Apprenticeship framework developers (usually Sector Skills Councils (SSCs) but it is an open market) design Apprenticeship frameworks according to a given standard (Specification of Apprenticeship Standards for England – SASE) and include regulated vocational qualifications in these frameworks (where they meet the requirements).

7 Our evidence shows that there is no standard process for this.

8 The term 'training provider' is used here to refer to any college, private training organisation or other organisation offering regulated vocational qualifications.

• Issuing Authorities[9] (usually SSCs) issue Apprenticeship frameworks for a sector, when they comply with the required standard, and monitor the vocational qualifications in Apprenticeship frameworks to make sure they stay current.

Delivery of training and assessment of individual achievement (Figure 1 – Bottom Right)

• Training providers choose which awarding organisations to use, and whether to test the market. Usually the cost of awarding services does not make it a legal requirement to test the market.

• Training providers apply to awarding organisations for approval to deliver the qualifications of that awarding organisation.

• Training providers promote the vocational qualifications they deliver to learners and employers locally.

• Training providers develop and deliver training programmes covering the skills and knowledge defined in the units making up the qualifications.

• Ofsted review provision attracting public funding to assess quality, and in some cases other agencies such as professional bodies or Sector Skills Councils review provision where they have endorsement arrangements.[10]

• The individuals taking the qualifications are assessed in accordance with the qualification specification.

• Where the assessments rely on evidence from work or from other locally-based assignments, employers and/or training providers assess the achievements of individuals locally.

• Awarding organisations sample local assessments to assure validity, usually through periodic external review.

• Awarding organisations issue certificates to individuals confirming the qualification is achieved.

• Awarding organisations submit annual returns to Ofqual on their compliance and can be subject to scrutiny by Ofqual.

• Ofqual can apply sanctions to an awarding organisation where it fails to comply with regulatory requirements.

Employers and individuals benefit from up-skilling resulting from attainment of qualifications (Figure 1 – Bottom Left)

• Employers recruit individuals, usually looking for people who have achieved particular educational levels (often benchmarking against academic standards), and support their development in work with further training to help their performance and effectiveness.

• Individuals take adult vocational qualifications available from training providers, anticipating that these will offer progression to and within employment or education.

• Some awarding organisations and training providers collect and use information they receive from individuals about their progress to help improve their qualifications.

• Some SSCs and awarding organisations collect and respond to feedback they receive from the employers they engage with about NOS, Apprenticeships and vocational qualifications, to inform future development.

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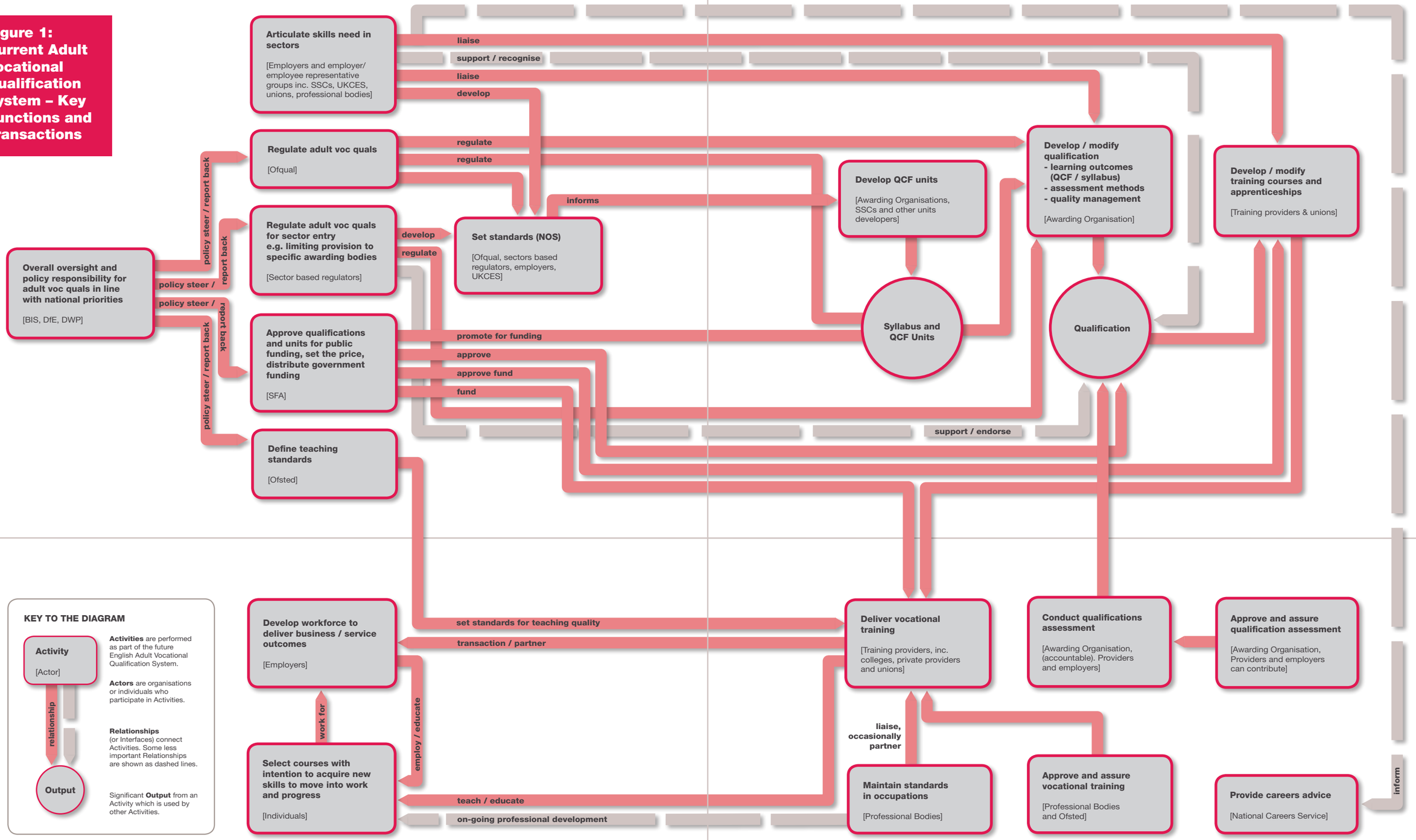
9 Issuing authorities are organisations designated by BIS to issue Apprenticeships that comply with the Apprenticeship standard (SASE).

10 Ofsted reviews provision where there is direct public funding. The SFA has a Register of Training Organisations eligible for public funding.

Figure 1: Current Adult Vocational Qualification System – Key Functions and Transactions



Employers and Individuals benefit from up-skilling resulting from attainment of Qualifications

Delivery of Training and Assessment of Individual Achievement

5.2 Problems with the current system

The current system has much to commend it. Some (mostly large) employers engage with the system and are happy with their experience, feeling that vocational qualifications cover the skills needed by their businesses, allow staff to work flexibly, and do not require much time away from the job.[11] Some awarding organisations and training providers collect and act on progression data about their learners to improve the relevance of their offer (although there is no formal system for this). QCF level descriptions and credit values help align vocational qualifications across the UK and Europe, encouraging labour mobility; and can support learners further from the jobs market, or those wanting to take vocational qualifications in stages by recognising partial achievement.

However, many employers (especially smaller employers) fail to engage with the vocational qualifications system. Only 28% of businesses trained staff using vocational qualifications in the year before the survey. This drops to just 16% of businesses with 2-4 employees, a symptom of the inaccessibility of the system to the smallest businesses.[12] The complex, over-prescribed system is a barrier to many employers and does not, even with the help of significant levels of public funding, generate vocational qualifications that are valued widely or seen as a signal of marketable skills.

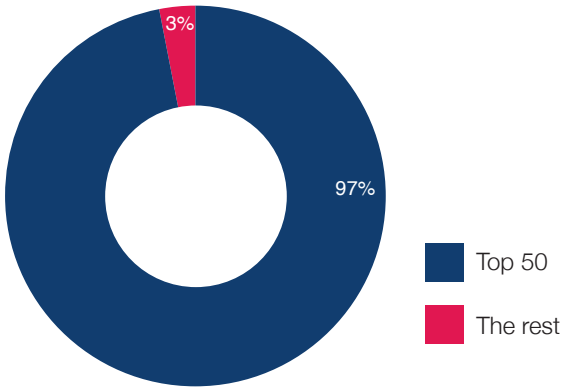
Successive governments have recognised this, and intervened to get a better match between skills and vocational qualifications.[13] These interventions have created a more centralised system, unwittingly developed on "low trust principles", where quantity of vocational qualifications achieved is measured rather than quality or impact.

1. Weak accountabilities in the vocational qualifications system

The current system does not expect awarding organisations to provide information about the value added by their vocational qualifications or require them to be consistent with other awarding organisations in their approach to approving training providers awarding their vocational qualifications. As a result, there is limited information to help training providers, employers or individuals to choose between awarding organisations. This problem is compounded by the number of recognised awarding organisations and regulated vocational qualifications.

The awarding market is dominated by a small number of large awarding organisations that operate in many sectors. Ofqual regulates 176 awarding organisations, of which the three largest (Pearson, City & Guilds and OCR), account for over half of the market. Pearson acounts for 25%, City & Guilds 16% and OCR 11%. The 50 largest awarding organisations account for 97% of the market. This means that 126 awarding organisations have just 3% market share.[14]

126 awarding organisations account for a total of 3 per cent of the market



11 Shury, J. *et al.* (2012) *UK Commission's Employer Perspectives Survey 2012*. UK Commission for Employment and Skills, Wath-upon-Dearne.

12 Ibid

13 Concurrent work by the OECD identifies many of the same problems as this report, including the need for improved accountability and the flexibility to respond to employer need.

14 Ofqual (2013). *Annual Qualifications Market Report 2013*. Ofqual, London.

The majority of awarding organisations operate in a small number of sectors: 72 operate in only one sector; and just 8 operate in more than 11. Where they operate in one sector, they tend not to dominate that sector. Instead, larger awarding organisations issue the most certificates. This is illustrated by sector in **Annex 1**.

Choice between awarding organisations can be helpful and should encourage competition. However, there is little information to help training providers, employers or individuals to choose between awarding organisations. The OECD report, *Skills Beyond School in England,*[15] suggests that in these circumstances choice can have a negative impact on quality as there is limited other information available to compare awarding organisations. The risk is that selection takes place on factors such as the high cost of switching awarding organisations, or the perceived ease of attaining certain vocational qualifications. This can lead to a 'race to the bottom' in quality.

To test the level of flexibility in one aspect of the quality assurance arrangements, a quick review was conducted of centre manuals issued by awarding organisations to training providers. These documents explain the quality assurance processes of awarding organisations. There is significant flexibility in the models awarding organisations use and the information available publicly. These processes are costly, so the incentive can be to do less. Given the competitive pressures on awarding organisations to keep costs down and the incentives to run less robust quality assurance of assessment, a greater level of specificity would help to mitigate against this.

2. NOS are too specific and constrain use by small employers or employers with unique processes

Industry-led occupational standards are developed using a number of different approaches, through professional bodies, sector regulators and standards-setting organisations. There are around 940 NOS, giving 56% coverage of occupations (based on SOC codes).[16] NOS summarise the competency requirements (skills, knowledge and understanding) for an occupation.

Occupational standards (including NOS) support employers and individuals by giving them clear industry-led standards to work to, often benchmarked against best practice internationally, and contributing towards up-skilling and competitiveness. For individuals, having a clear standard can facilitate labour mobility across the UK and internationally; and for employers it can be an indicator of level of competence achieved and reduce costs by avoiding unnecessary repetition of training.

NOS are commissioned through the UK Commission on behalf of the four nations. Priority is given to NOS revisions in line with changes to legislation in sectors and to growth sectors for each UK nation, working through a preferred supplier network chosen for their capacity to deliver. Over the last two years, investments of £2.7 million and £2.3 million respectively have been made in NOS through these UK-wide arrangements. Policy relating to NOS is not part of the commissioning process and rests with governments in each nation.

For various and historic reasons, including the lack of confidence in levels of employer involvement in the design, the development and the delivery of vocational qualifications, NOS tend to prescribe

15 McCoshan, A. and Hillage, J. (2013). *OECD Review: Skills Beyond School Background Report for England*. UK Commission for Employment and Skills, Wath-upon-Dearne.

16 SOC (Standard Occupational Classification) is a common classification of occupations for the UK. Jobs are classified in terms of their skills levels and content.

outcomes to a degree of detail that can restrict assessment for awarding organisations and delivery for training providers. The use of these tightly prescribed NOS limits the relevance of vocational qualifications based on NOS for small employers or larger employers operating with unique systems and structures, as the level of detail constrains their flexibility in different contexts. Over-detailed NOS can also constrain assessment, limiting it to a tick-box approach and make it difficult for training providers to customise the curriculum to meet local needs. A number of recent reviews[17,18,19] identify this narrowness and tight prescription as a problem.

3. Vocational qualifications have no clear identity or specific design principles, are poorly quality assured and proliferate through the QCF

All regulated qualifications in England have to comply with Ofqual's General Conditions, which do not specify particular approaches to qualification design (except for certain academic qualifications). Adult vocational qualifications seeking eligibility for public funding are expected to comply with the requirements for the QCF, but there are no specific design principles to give vocational qualifications an identity. They tend to be seen as those qualifications that are not academic. This is a problem for employers and individuals looking to develop vocational qualifications based on an occupational standard. Many qualifications supporting those further from the labour market can get confused with vocational qualifications.

The use of the QCF has compounded the problem. NOS have to be rewritten into a standard QCF unit format and these units are added to the QCF unit databank. There is no quality assurance process to check these units reflect the initial NOS, are written clearly or are of an appropriate quality. The conversion of NOS into units adds a step to the development process. The approach of using a standard QCF unit format was introduced so that individuals could change vocational qualifications and could transfer between awarding organisations more easily, avoiding unnecessary repetition of training. In practice, there is little evidence that the units system has resulted in individuals transferring between awarding organisations. Instead, the unit format has resulted in a databank of units not quality assured and used as building blocks for vocational qualifications. The format has also encouraged a "tick box" approach to curriculum and discouraged assessment that confirmed the overall standard had been reached.

The freedom for all awarding organisations to introduce new qualifications based on QCF units has eased market entry and reduced product development costs for awarding organisations, without reference to their level of employer involvement or sector expertise. It has also contributed to a proliferation in the number of vocational qualifications, weakened the link with the occupational standard, and made the system more complicated. For example, in England, each unit can be a qualification in itself, or part of an award, certificate, diploma or extended diploma. In Scotland, where the credit system was introduced differently and there continues to be a direct relationship between NOS and Scottish Vocational Qualifications, one part of the retail sector has five vocational qualifications based on NOS. In England, the same NOS converted into QCF units generate around 140 separate vocational qualifications.

4. Too little emphasis on economically valuable skills

In the current skills system, success is measured on the number of those gaining vocational qualifications. This does not indicate the relevance of skills provided to the labour market or the quality of provision. There is no formal feedback loop that demonstrates the return on investment for employers or individuals of achieving a vocational

17 Wolf, A. (2011). *Review of Vocational Education – The Wolf Report*. DfE, London.

18 Richard, D. (2012) *The Richard Review of Apprenticeships*. BIS, London.

19 CAVTL (2013). *It's about Work… Excellent Adult Vocational Teaching and Learning*. Learning and Skills Improvement Service, Coventry.

qualification. While some research is conducted on the impact of qualifications on wages, there is no standardised mechanism for tracking progression.

As a result, there is no clear indication of which training providers, awarding organisations or even subject areas provide sufficient return on investment. Capturing this information is challenging, but it is important that those delivering and awarding have clear sight of impact so that qualifications can be refined in line with individual experience and labour market need.

BIS is taking forward work to develop success measures for the FE sector, focusing on earnings, destinations and progression. Additionally, some awarding organisations are working to measure the impact of their qualifications. On the whole, although work is in progress to improve this, there is very little visible information at a sufficient level of granularity to give individuals and employers clear information about the likely impact of particular vocational qualifications on their career or for their business.

5. Confusing qualification titles and complicated databases

Vocational qualifications are obscured by the nature of the current databases and the conventions used for titling and counting. Vocational qualifications offered by approved awarding organisations are listed on a database maintained by Ofqual (the Register of Regulated Qualifications); those qualifications eligible for public funding are listed on a separate database (LARA);[20] SSCs have websites showing the offer for their sector; and awarding organisations and training providers have websites containing their own adult vocational qualifications. NOS and Apprenticeship frameworks are listed in two additional separate databases. These databases do not connect and can be difficult for employers and individuals to navigate.

For example, Ofqual's search engine asks for technical information including qualification level and type. Employers or individuals looking for qualifications would not usually have this technical expertise. For regulatory purposes, Ofqual has to be able to identify all vocational qualifications uniquely, including those offered by different awarding organisations. Vocational qualifications tend to be counted on the basis of these identifiers, artificially inflating the number of different vocational qualifications available. Although the unique identifier is important, there needs to be a better approach to identifying vocational qualifications for employers and individuals to reduce the complexity and give visibility of what is available.

6. Barriers to the use of technology in the delivery and assessment of adult vocational qualifications [21]

Recent technological advances in education offer the opportunity for better flexibility and value for money in delivery and assessment of vocational qualifications. Unfortunately, many stakeholders have yet to adopt them. There is little incentive for delivering learning quickly, flexibly and affordably through technology, as some busy individuals and employers would prefer. Trainers and teachers can also be the barrier. They may not be trained or confident in the use of new technology, and may discourage its take-up, possibly because of limited access to continuing professional development opportunities or personal preferences towards low-technology teaching methods.

7. Limited effective employer involvement in vocational qualifications

The current regulated system does not encourage employer ownership of vocational qualifications. Unlike in mainland Europe, there is not the history across all sectors of employers being involved in vocational qualifications. Successive governments

20 N.B.: LARA also generates funding calculations and allocations and has links to Individualised Learner Records (ILR), which record learners and their learning with information collected from providers.

21 We would like to acknowledge the input of the Further Education Learning Technology Action Group (FELTAG) in shaping this recommendation.

have tried to mandate this, most recently through setting up a network of licensed SSCs. The best of these developed strong employer-led governance and co-invested in skills, usually where there was a shared need to address skills issues to support business growth. Others struggled to involve employers, and were dependent on public funding. These tended to focus on the detail of vocational qualifications and Apprenticeship reforms, and had strong relationships with government rather than employers. Also, some awarding organisations and training providers engaged more with these intermediaries rather than working with employers directly.

A further barrier to engagement for employers is the complexity and lack of stability of the vocational qualifications system. Employers have limited time to develop the level of understanding necessary to make their opinions known, and want confidence that they are contributing to a sustainable approach. There is no guaranteed mechanism for ensuring employer input into qualification design, development or delivery. At the national level, scope for engagement can be through SSCs or intermediaries, and the design of NOS, but the level of direct employer engagement can be variable, particularly in highly competitive sectors without a history of collaboration. At local level, training providers have very little discretion to negotiate the curriculum directly with employers because of the central prescription of the current offer.

This leaves the design and provision of qualifications open to perverse incentives. The end result can be vocational qualifications designed and redesigned to chase public funding rather than to suit the needs of the labour market. In response, employers have tended to commission their own training without using regulated qualifications. This leads to two markets for skills: one in which government invests, and the much larger one in which employers invest. The ambition of this review is to bring these markets together wherever possible and leverage up significantly the level of investment employers and individuals make in the regulated market.

5.3 Immediate actions

Considering the above problems, the following actions would add clarity and accountability to the adult vocational qualifications system. Six initial recommendations are provided in this section, followed by a seventh recommendation in the subsequent section to realise the longer-term vision. A summary of these recommendations and the effect they will have is provided in **Section 7**. These recommendations build on the Richard Review of Apprenticeships, Tech Levels, the Commission for Adult Vocational Teaching Learning (CAVTL) and the Further Education Learning Technology Action Group (FELTAG).

1. Ofqual should require awarding organisations to engage actively with employers in sectors where they provide vocational qualifications; and awarding organisations should require training providers offering their vocational qualifications to engage with employers locally.

Awarding organisations and training providers should have a clear line of sight to employers and individuals working in or entering the sectors they serve. Ofqual should explain its role more clearly and work with awarding organisations to encourage more effective employer engagement (for example, through industrial partnerships as they emerge), and subject those not able to interact effectively with employers to regulatory action.

Awarding organisations should require training providers offering vocational qualifications to work closely with local employers in relevant sectors. Working with employers locally will help training providers to offer courses relevant to local business needs, and make the course design and delivery underpinning the vocational qualification relevant to the individual and employer. This will give employers and individuals the confidence that employers are influencing vocational qualifications in their sectors. There would be visibility of which awarding organisations and training providers operate in particular sectors, and employers and

individuals would see the benefit of investing in the regulated system.

The likely result would be:

- Greater involvement of employers in the design, the development and the delivery of adult vocational qualifications, Tech Levels and Apprenticeships

- Clear information about which awarding organisations offer adult vocational qualifications to each sector and where they are delivered, supporting employer and individual choice

2. The UK Commission for Employment and Skills should work with employers to agree the future model for occupational standards; and employer-led collaborations (industrial partnerships) should ensure that future occupational standards articulate their ambition and aspiration for their workforce clearly and effectively.

The UK Commission should have policy and commissioning responsibility for occupational standards, and use its strengths in labour market analysis and evaluation to allocate any public funding available appropriately. In practice, this would probably be to meet growth priorities of nations and, for England, to underpin Tech Levels, Apprenticeships and adult vocational qualifications.

In taking forward policy on NOS, the UK Commission should review the current criteria and guidance for NOS, and free up occupational standards so that the level of prescription would remain only where industry wants it or there is a statutory requirement. This would allow vocational qualifications to be contextualised locally to meet the needs of specific industries and individuals, allowing a 'core and options' approach to be developed and delivered.

Examples of what such high level outcome-based standards might look like are included from the Federal Institute for Vocational Education and Training (BIBB) in Germany (**Annex 2**).[22] Employers would design the occupational standards for adult vocational qualifications, Tech Levels and Apprenticeships, giving individuals the opportunity to reach the required standard wherever it is delivered. Where standards are needed and there is no employer leadership, the UK Commission would commission the standard through appropriate employer-led arrangements.

3. Ofqual should introduce our proposed new design principles for vocational qualifications giving vocational qualifications a clear identity and should make the prescribed unit format and sharing of units optional.

There are two different types of adult vocational qualifications:

- Those supporting initial entry to an occupation would be based on the same standard and assessment as Apprenticeships and Tech Levels.

- Those supporting continuing professional development encourage learning beyond initial training, which would be either knowledge or competency based or a mixture of the two depending on the needs of the sector.

This approach to initial vocational qualifications gives primacy to Apprenticeships and supports economic recovery by putting in place a pipeline of talent during an economic downturn; and the approach to vocational qualifications supporting continuing professional development underpins lifelong learning and encourages development of skills beyond initial achievement.

The current requirements for vocational qualifications should be replaced by a single set of new design principles that gives vocational qualifications a clear and distinct identity **(Section 8)**. These principles should set out clearly what learners should know and be able to do upon completion at a level of detail that is meaningful and relevant to employers and individuals.

22 The included examples are for illustration purposes only.

These design principles would not require use of the unit format or expect awarding organisations to give up their intellectual property rights. This reduces the length of the design process and removes a key source of proliferation of vocational qualifications, and reaffirms the importance of quality by discouraging assessment to be delivered as curriculum. These changes would free up the design features for vocational qualifications, encouraging innovation in curriculum and assessment, including the increased use of technology, and facilitate the introduction of grading to drive up levels of performance and support competitiveness. The use of credit values and level descriptions would continue to show the distance travelled and to support labour mobility and educational progression across the UK and Europe.

4. Awarding organisations and training providers should report on the impact of their vocational qualifications to their customers.

Training providers and awarding organisations should provide information on outcomes and impact for learners, including evidence of students/employees passing adult vocational qualifications going on to study at a higher level, or securing employment (including whether the course was relevant to the employment) or an Apprenticeship;[23] where possible, information about employment progression should also be included.

To do this, awarding organisations would be responsible for collecting data and using it to improve their offer. The information would be publicly available to help training providers test the awarding market and select the best value, as well as to demonstrate to individuals which awarding organisations and qualifications deliver the best results.

There is a range of ways in which impact information would be collected. Awarding organisations and training providers should work together to determine the most appropriate option, which could include:

i **Awarding organisations/training providers** surveying learners after completion (proportionate to the number of learners undertaking the qualification), and potentially sharing survey questions to facilitate comparability.

ii **Awarding organisations collecting centrally defined information requirements** similar to the Destination of Leavers from Higher Education survey (DLHE), which records progression into subsequent work or education, including job titles, pay and the type of work undertaken.

iii **Analysis of publicly-available data.** Use of matched data to track learners who have completed a qualification to find out their employment status and wage levels (being trialled by government).

Awarding organisation data will complement existing and evolving requirements for training providers to publish information about the impact of studying at their institution and signal broader support for a system that values the outcomes of learning.

There is work underway already to gather and present some of this information in a cost effective manner. For example, FE Choices provides information about publicly funded education and training to help learners and employers make informed decisions. A number of awarding organisations are looking at success measures that focus on the impact of qualifications on employment and wage progression for learners to help internal decision-making about product development. Also, government is moving to develop success measures for vocational education based on outcomes and progression.

Through joint work between BIS, awarding organisations and training providers, these different datasets could be matched, used for a range of different purposes and made visible in appropriate formats. This would reduce costs,

23 Aligned to the DfE pre-19 recommendations.

prevent duplication of effort and give employers and individuals a richer source of information to support their choices. In the first instance collecting success measures can be explored at awarding organisation and training provider level but this information needs to be available systematically at vocational qualification level. Government, working with partners, should consider the most appropriate and cost-effective way of doing this.

By collecting and reporting new outcome-based performance measures, training providers will become more discerning purchasers and awarding organisations have information to clarify and improve the market value of their qualifications.

5. Ofqual with SFA and the UK Commission should create a single point of access to the different qualifications databases.

Through our survey and focus groups, it was clear that employers want a simple catalogue of vocational qualifications which they can use to make informed decisions. For this, there should be a single point of access to the Ofqual Register of Regulated Qualifications, the SFA Learning Aims Reference Application (LARA), the NOS database, and the Apprenticeship frameworks database.[24]

The first step in bringing clarity to the qualifications offer is to create a single front-end website that draws information from the separate databases into one place, allowing the original owners of the data to maintain the quality of the information. It would display vocational qualifications by occupation and could be used without technical knowledge of qualifications. It would include a simple search function that produces easily understood results, as well as advanced search options to accommodate professional users. It should clearly indicate which qualifications – if any – are eligible for government funding.

Vocational qualifications offered by multiple awarding organisations should only count as one qualification, with the awarding organisations listed as secondary information. This would make the qualifications databases easier to navigate and help remove some of the confusion about which vocational qualifications are available. Quick tests in three sub-sectors show that if the same qualifications offered by different awarding organisations were counted as a single qualification, the number of qualifications would be reduced as follows:

- an engineering sub-sector - from 334 to 166 qualifications
- a care sub-sector - from 302 to 58 qualifications
- a retail sub-sector - from 236 to 66 qualifications

This is further illustrated in **Annex 1**.

6. Ofqual, Ofsted and SFA should ensure that arrangements for regulation, inspection and funding provide appropriate incentives and do not inhibit training providers and awarding organisations from using technology in the delivery and assessment of vocational qualifications.

Recent technological innovations have made it easier to deliver and assess learning that is priced competitively and suits the needs of learners. Use of technology ensures value for money, reducing the cost of taught time and bringing down the recurring cost of delivering qualifications. This is particularly important for owner-managers and small businesses, who have smaller budgets than large organisations. Appropriate technology can increase accessibility and support flexibility of learning, allowing learners to access online resources in their own time rather than being tied to rigid schedules.

It is important to note that savings resulting from learning technologies are more likely to accrue over time, rather than immediately. The following recommendations would ease this transition.

24 Any developments relating to the NOS database would need to be taken forward in conjunction with Scotland, Wales and Northern Ireland.

Encouraging take-up of flexible, economical electronic resources requires:

- **Supporting the continuing professional development of vocational teachers and trainers:** This review mirrors the recent CAVTL report in recommending that teachers be provided with training on the newest electronic resources and how to use them to support learning, improve assessment and collect meaningful and measurable data.

- **Working with universities and other training providers of initial teacher training (ITT) to enhance the curriculum to include the use of digital technologies:** ITT programmes should include specific training on how to deploy digital media in support of teaching, learning and assessment.

5.4 A recommendation for a sustainable longer-term vision

Adult vocational qualifications reform is one important part of a bigger challenge – encouraging employers to invest in establishing a talent pipeline for their sector and developing their workforce. This final recommendation describes a longer term vision for adult vocational qualifications within the broader context of an end-to-end approach to skills as an integral part of business growth and competitiveness. It places employers and individuals as the "golden thread" running from oversight through design and delivery to benefit accrual.

7. Encourage more leading employers to work in partnership to develop recognised, rigorous and relevant vocational qualifications.

To maximise our economic advantage and competitiveness, employers need to work in partnership to develop a shared vision for their industry that provides benefits over the longer term. Workforce development will need to be an integral part of this vision and industrial partnerships – coalitions of leading employers, unions and other partners – can ensure investment in people is optimised by aligning it to a broader industry strategy. To achieve this, government and key stakeholders need to create the space for employer led partnerships to step up and take responsibility for workforce development in their sector.

Such industrial partnerships[25] would have responsibility for developing industry-led responses to market failures that encompass the supply, utilisation and demand for skills. Over time, industrial partnerships have the potential to develop an ambitious remit; for example encouraging more and better investment in people; working with government to create conditions that support those businesses wanting to move up the value chain; taking steps to reduce youth unemployment; reducing reliance on migrant labour and diminishing the productivity gap with competitor nations. They will look across a full range of measures to accomplish this.

Within the qualifications context, the role would include setting the high level occupational standard that reflects total industry need and being involved in the design, the development and the delivery of adult vocational qualifications, Tech Levels, and Apprenticeships. Developing standards through industry collaboration ensures that they have credibility with business and respond to the needs of employees and employers, and involvement in assessment and delivery gives employers the confidence that vocational qualifications are fit for purpose.

The form of such partnerships will vary depending on the needs and make-up of different sectors. However, there will be some key characteristics in place:

- **Genuine business leadership:** a voluntary coalition of leaders from high profile businesses that operate in the interests of the whole industry.

25 These industrial partnerships of employers will look to achieve growth in their sectors and are likely to engage with Scotland, Wales and Northern Ireland where their employers have interests in Devolved Administrations.

- **Clear industrial strategy / broader growth agenda:** industrial partnerships align workforce development to wider industry challenges (e.g. trade, access to finance, innovation).

- **Activities determined by need and economic development:** functions and activities are determined by market failures affecting industry growth rather than solely designed to fulfil functions of the skills system.

- **Take a 'whole' approach to workforce development:** monitoring the supply, utilisation and demand of skills.

- **Exclusive rather than inclusive:** industrial partnerships will not give economy-wide coverage, they will emerge where there is need and business leadership.

- **Accountable to the entire sector/industry:** governance arrangements enable the partnership to be owned by the sector (i.e. through democratic leadership).

- **Representative of employees:** union involvement and active employee engagement will be encouraged.

- **Ambitious:** having a broad remit, operating well beyond what is publicly funded.

- **Able to generate finance:** the membership invests in interventions and services.

In sectors where no industrial partnership exists, alternative arrangements can be put in place to deliver aspects that government wishes to fund. This can happen by working with BIS and the Devolved Administrations to refine the approach to commissioning the development of standards, Apprenticeship frameworks and related qualifications activities. The future approach would address sectors important to national priorities in all parts of the UK and those not covered by industrial partnerships (where public co-investment is from England). Over time, as employers become more confident in their ownership of skills, there will be more employers coming forward and recognising the benefits of collaboration and co-investment.

Through the Employer Ownership of Skills Pilots we have seen substantial appetite from leading businesses to work in partnership and take responsibility for workforce development in their sector. Such industry partnerships are in the early stages of their development, but with the right leadership they can:

- Increase the credibility of and investment in adult vocational qualifications, Tech Levels and Apprenticeships through the active involvement of leading edge employers (including smaller businesses), employee representative bodies, trade associations and professional bodies in their development.

- Increase the rigour and responsiveness of the skills system and qualifications market.

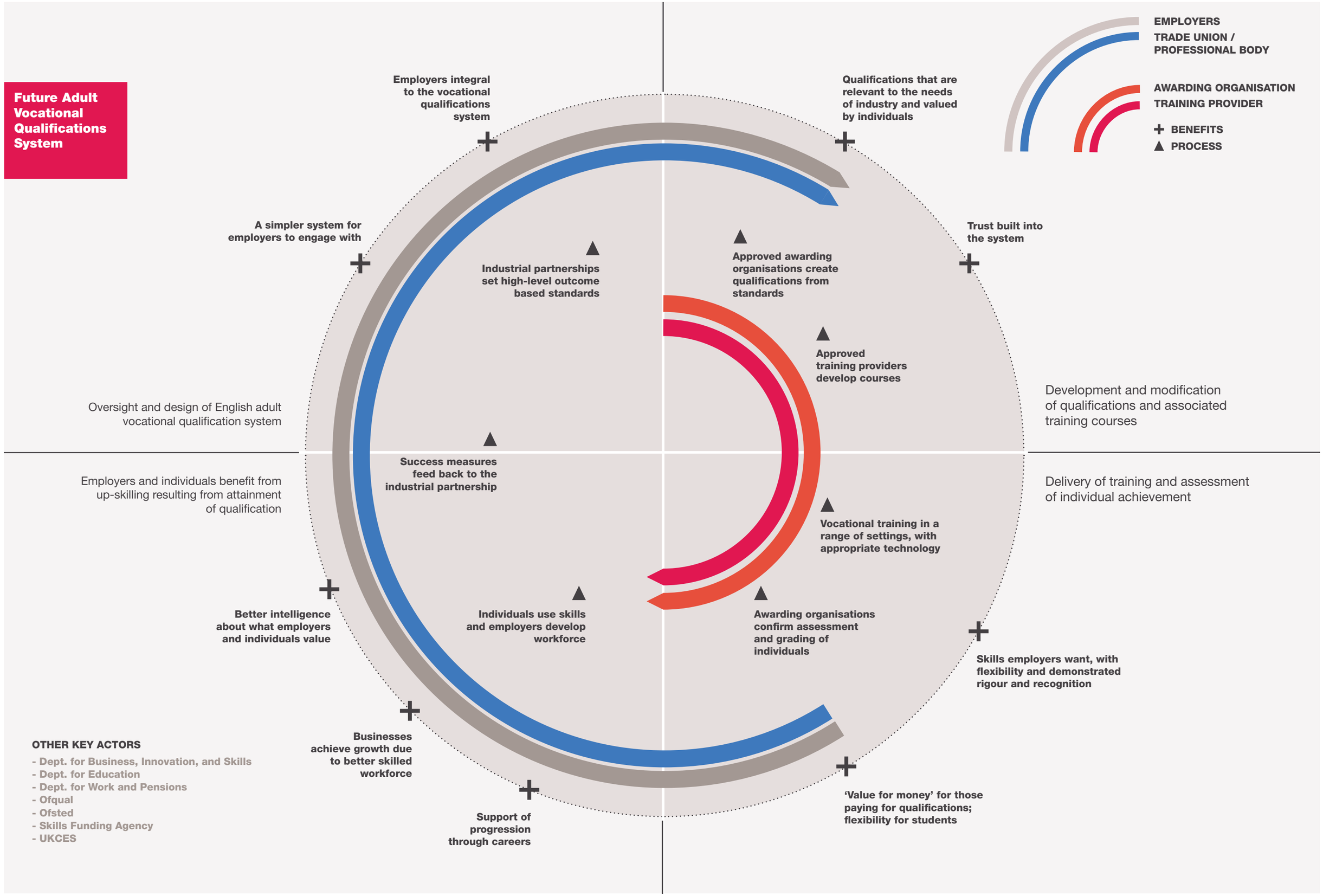
- Ensure the skills and qualifications that people gain are aligned to the labour market and are focused on ambitions of growth.

- Focus qualifications on economic and individual growth, rather than growth of the various organisations within the skills system or success in attracting public funds.

Government should build on the success of the Employer Ownership of Skills Pilots by continuing to co-invest with employers to incentivise the formation of more industrial partnerships across a broader range of sectors, and to help make newly developed partnerships self-sustaining. Putting the skills agenda in the hands of these industrial partnerships will ensure strong employer engagement in the design of Apprenticeships, Tech Levels and adult vocational qualifications.

The next page shows a potential future model for the qualifications system, with callouts referring to the areas of key difference. A technical representation is provided in **Annex 3**. While the future system is still understandably complex, the high potential for dysfunction is removed.

Future Adult Vocational Qualifications System



OTHER KEY ACTORS

- Dept. for Business, Innovation, and Skills
- Dept. for Education
- Dept. for Work and Pensions
- Ofqual
- Ofsted
- Skills Funding Agency
- UKCES

Oversight and design of the English adult vocational qualification system (Top Left)

- **Employer-led industrial partnerships**, as they form, come forward to take end-to-end responsibility for skills solutions (including high level outcome-based standards for vocational qualifications and Apprenticeships) and support generic vocational skills such as management and leadership as linked to their wider industrial strategy. Where no industrial partnerships form, investment continues through the UK Commission's UK-wide arrangements.

- **Awarding organisations and training providers work directly with employers** in sectors they represent, and **new design principles** give vocational qualifications a clear identity.

- **Individuals, through their employers, personal investment or 24+ Advanced Learning Loans, invest directly** in vocational qualifications, knowing which vocational qualifications are valued and most relevant to them. This will remove the incentive to design and redesign vocational qualifications to chase public funding. Government would decide how limited public resources are spent. For example, it may choose to incentivise co-investment in growth sectors or only invest in those individuals furthest from the labour market.

Development and modification of qualifications and associated training courses (Top Right)

- **Awarding organisations**[26] **are accountable** to the sectors they are operating in through employer involvement and impact measures. They use the appropriate high level standards and the new design principles to design adult vocational qualifications that allow a core and options approach, giving local flexibility.

- Awarding organisations develop vocational qualifications only where **there is evidence of clear economic value**. Awarding organisations are required to provide evidence of the impact of vocational qualifications.

- Vocational qualifications are developed using the high level occupational standards created by the industrial partnerships. The new design principles ensure that the **qualifications are rigorous**.

- Training providers develop courses to deliver the content of qualifications, with more scope for e-learning. **The core options** approach allows them to work with local employers to adapt their courses to fit local needs.

- **Awarding organisations** (or other suppliers) approve training providers only where they have the capability and **employer involvement** to deliver high quality vocational qualifications.

Delivery of training and assessment of individual achievement (Bottom Right)

- **Training providers become discerning customers**, using the market to engage with awarding organisations with evidence of being progressive and innovative, and offering courses that deliver employment and progression.

- **Training providers work with employers** to confirm priorities, design curriculum and market adult vocational qualifications to employers and individuals in response to local needs, with the opportunity to customise a portion of the qualification (variable within sectors).

- Ofsted oversees the overall quality of delivery of the learning offer recognising the importance of vocational qualifications **accruing benefits for employers and learners**.

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26 Note that our use of the term 'awarding organisation' includes any organisation that holds an awarding function, including industrial partnerships where they meet Ofqual's requirements to do so.

Employers and individuals benefit from up-skilling resulting from attainment of qualifications (Bottom Left)

- Training providers and awarding organisations **report publicly on the impact** of adult vocational qualifications as part of their annual success measures. These measures focus beyond the immediate achievement of the qualification and include **employment outcomes for the individual, and benefits to businesses**.

- Employers and learners, as customers of the system, are able to use the **new vocational qualifications database** to make **informed decisions** about which vocational qualifications they take, knowing the success measures for these qualifications.

6 Summary of the key differences between current and future systems

FROM	TO	DIFFERENCE	BENEFITS
Weak accountabilities in the vocational qualifications system	**Ofqual should require awarding organisations to engage actively with employers in sectors where they provide vocational qualifications; and awarding organisations should require training providers offering their vocational qualifications to engage with employers locally.**	Ofqual requires awarding organisations to involve employers and representative organisations directly in the design and development of vocational qualifications, and awarding organisations require centres to involve employers in course design and delivery.	Increased employer and individual confidence in vocational qualifications and the benefits of regulation, with employers integral to the vocational qualifications system.
NOS written with excess detail, constraining qualification design	**The UK Commission should work with employers to agree the future model for occupational standards; and employer-led collaborations (industrial partnerships) should ensure that future occupational standards articulate their ambition and aspiration for their workforce clearly and effectively**	Single, clear high level outcome-based standards used for adult vocational qualifications, Tech Levels and the Richard Review in England.	Clarity of what the standard is, with reduced detail, making it easy to update, and allowing individuals to change routes as economic circumstances alter. Reduced costs of developing and updating the standard. Continued relevance across the UK and internationally to support labour mobility.
New design principles giving a clear identity, but not based on a unit format or shared units	**Ofqual should introduce our proposed new design principles for vocational qualifications giving vocational qualifications a clear identity and should make the prescribed unit format and sharing of units optional.**	New design principles for vocational qualifications will give vocational qualifications an identity, and more robust assessment and grading (Section 8). Make use of the unit format and shared units optional to awarding organisations.	The design principles give adult vocational qualifications a clear identity alongside Tech Levels and Apprenticeships. They share the same standard and assessment, helping to build a talent pipeline into an occupation. The features of the QCF that are important to labour mobility (level descriptions and credit values) are retained, but those putting quality at risk are removed.
Too little emphasis on economically valuable skills	**Awarding organisations and training providers should report on the impact of their vocational qualifications to their customers.**	Awarding organisations and training providers responsible for collecting data and using it to improve their offer.	Fewer dead ends for employers and individuals – better informed choices about awarding organisation and training provider achievements. Better intelligence about what employers and individuals value, driving quality into the system.
Confusing qualification titles and complicated databases	**Ofqual, with SFA and the UK Commission should create a single point of access to the different qualifications databases.**	Simplifies the qualifications offer by creating a single access point for employers and individuals, the true customers.	Helps individuals and employers to make informed decisions.
Barriers to the use of technology in the delivery and assessment of adult vocational qualifications	**Ofqual, Ofsted and SFA should ensure that arrangements for regulation, inspection and funding provide appropriate incentives and do not inhibit training providers and awarding organisations from using technology in the delivery and assessment of vocational qualifications.**	Incentivises awarding organisations and training providers to utilise the newest technological advancements.	Better use of technology means that individuals and employers can decide where and when they want to learn and do not have to take time off work to learn.
Limited effective employer involvement in vocational qualifications	**Encourage more leading employers to work in partnership to develop recognised, rigorous and relevant vocational qualifications.**	Leading edge employers, trade unions, training providers, exemplary SSCs and awarding organisations supporting the design of vocational qualifications to ensure that they provide relevant skills and promote progression into and through work. Industrial partnerships, employer-led collaborative arrangements, will take responsibility for representing the skills needs of their sector (as they form).	Vocational qualifications relevant to the needs of industry. Support of progression through careers. Trust built into the system. A simpler system for employers and individuals to engage with.

7 Conclusions

This review began with a vision of what good adult vocational qualifications look like. It builds on recommendations from related reviews, including the Richard Review of Apprenticeships, the recommendations for Tech Levels, the Commission for Adult Vocational Teaching and Learning and the Further Education Learning Technology Action Group. It maps the current system through a systems engineering approach and, for the first time, maps the system thoroughly to illustrate areas where it has the potential to be dysfunctional.

The review identifies constructive work already underway that will contribute to improving adult vocational qualifications, and identifies much that works in the current system. It also clarifies areas where we need to go further and faster to connect vocational qualifications to the skills needs of industry. Taking the steps set out in this report will give employers the space to lead the design, the development and the delivery of the adult vocational qualifications that England needs, supporting growth and boosting competitiveness, and helping individuals into rewarding careers. Achieving this means putting employers and individuals first and having an effective feedback loop showing the impact of adult vocational qualifications. The effect of these changes is summarised in the key difference table, **Section 7**.

The recommendations break down the barriers to the most effective use of the skills system. A number of the characteristics of the QCF and NOS should be revised or reformed. Awarding organisations and training providers should be held to account for providing vocational qualifications that deliver relevant, reliable skills. Data collected and available on qualifications databases should be accessible to employers and individuals. This will support informed choices and career progression. Technology can improve flexibility and add value for money in delivery and assessment.

The work undertaken on employer ownership by the UK Commission proves that significant numbers of employers want to take greater ownership of skills and are willing to step up and take end-to-end responsibility for skills in their sectors. Government and its agencies could benefit from stepping back and allowing this to happen so that industrial partnerships can come forward and align the skills system with business growth and the needs of the wider economy. The future vision is one in which employers and individuals have the confidence that vocational qualifications, Tech Levels and Apprenticeships are valid representations of assessed, up-to-date vocational competency. The future vocational qualifications system can do this, but it will take time and commitment to realise its full potential. Government can help by continuing to build on the momentum from the Employer Ownership Pilots, and encouraging industrial partnerships to form through business leadership to secure long term growth and competitiveness for business, and rewarding careers for individuals.

8 Design principles for high quality vocational qualifications for adults

These new design principles were developed by the UK Commission to give vocational qualifications a clear identity and purpose.

Design Principle 1: Identity

Vocational qualifications for adults are identified as those that relate to their holders' specialist abilities to practise and/or to progress to, or within, identified occupations. That is, they are qualifications that provide a 'clear line of sight' to a range of jobs.

• Qualifications can be identified as being vocational if they relate to particular occupations, and attest to holders' specialist knowledge and skills relating to those occupations. In the terms used by the Commission for Adult Vocational Teaching and Learning, they are qualifications that 'provide a clear line of sight to a job or to a range of jobs'. This design principle is shared with the new Tech Levels for 16-19 year olds, which are to count in school and college performance tables. To give this identity and provide a clear line of sight to jobs, businesses set the standard.

Vocational qualifications need a clear link to the jobs they describe. This connection is what makes them worthwhile to employers and individuals.

Design Principle 2: Size

Vocational qualifications for adults should comply with the same design principles regardless of their size.

• Adult vocational qualifications identified according to design principle 1 range in size from qualifications whose content can typically be mastered in a single day (e.g. food hygiene certificates) to qualifications whose content might take years to master. A size criterion would not be appropriate because vocational qualifications have to accommodate these short vocational qualifications conferring licence to practise to those in work, in addition to vocational qualifications for those new to an occupation. This would not stop a sub-set having specific size requirements. The other design principles would apply regardless of a qualification's size.

All vocational qualifications can share the characteristics that provide value to employers and individuals, regardless of their different sizes.

Design Principle 3: Declared purpose

The specification for a vocational qualification provided for adults should declare the qualification's purpose, including specifying the occupations and/or occupationally-specific educational courses for which the qualification is relevant at entry.

• Although the specifications for all regulated qualifications are already required to include descriptions of the qualifications' objectives, the descriptions are made in general terms. This design principle asks for more detail that would make the intended value of the adult vocational qualification clear to employers and to individuals. It aligns to the requirement that Tech Levels are for students wishing to specialise in a 'technical

occupation or occupational group' within the Standard Occupational Classification (SOC) coding.

An employer who wishes to provide training should be able to recognise immediately qualifications that relate to comprehensive courses, and know exactly the content taught.

Design principle 4: Recognition

The design and delivery of vocational qualifications for adults should be controlled by relevant employers and the other stakeholders for whom the qualifications are intended.

- The value of an occupational qualification provided for adults will derive from the extent to which it fulfils its promise – the extent that it really does enable progress into and within the relevant occupations, and/or into or within other occupations. This value will depend on the how well the qualification meets the needs of employers and other stakeholders, so it is they who should control the qualification's design and delivery. Industrial partnerships can provide the appropriate mix of relevant stakeholders, which will vary between qualifications but which will always include employers, and will probably also include trade unions, professional bodies, regulatory bodies (if the sector is regulated), educational institutions (if the qualification is intended to lead to further study) and client or consumer groups (if the qualification has a role in consumer protection). The Tech Levels suggest endorsement by five employers – this is too few in most sectors for adult vocational qualifications where there are large numbers of different employers and potential interest groups. The exception might be in health, where one large public sector organisation dominates.

Individuals choosing to take vocational qualifications should be able to assume that the qualifications will be recognised by employers and other potential users.

Design principle 5: Recognised national standards

The specifications for vocational qualifications provided for adults should be based on what industry wants – high level outcome-based standards (based on NOS or other recognised industry standards, where there is an alternative standard with credibility) that summarise the knowledge, skills and understanding required, at a high level that will be relevant and meaningful for employers when they are making decisions about an individual's capability and suitability for a job role.

- The knowledge, skills and understanding to be assessed for the award of vocational qualifications for adults are currently, in many cases, defined in QCF units. The granular nature of the assessment criteria has led to what the Commission for Adult Vocational Teaching and Learning has described as 'assessment as learning'. This design principle picks up on the recommendation in the Richard Review that new apprenticeship qualifications should be based on 'recognised industry standards… that clearly set out what apprentices should know and be able to do, at the end of their apprenticeship, at a high level which is meaningful and relevant for employers.' It generalises the recommendation to apply to all adult vocational qualifications, and provides more freedom for training providers to innovate within the curriculum.

The high level outcome-based standard will be a simple, understandable document that does not demand a constraining level of detail. The specification for the vocational qualification will add the assessment requirement and make the purpose of the qualification clear.

Design principle 6: Recognised local standards

The specifications for vocational qualifications for adults should also allow for a proportion of locally-specified standards (company or locality), without a requirement to introduce a new qualification title.

• The Commission for Adult Vocational Teaching and Learning recommended that vocational qualifications should be developed on the basis of a 'core and tailored' approach, with the tailoring allowing for responsiveness to the needs of local employers. Accommodating such variation within the same qualification title would counteract the current tendency for a proliferation of qualifications that are nearly equivalent.

Small and medium-sized businesses will be able to make use of qualifications that rely on a national core but that can include some locally-specified standards to address their particular needs. This will allow for customisation without the burden of complete qualification design.

Design principle 7: Grading

Vocational qualifications provided for adults should be designed to use a pass, merit, distinction structure or a more detailed scale, where such differentiation will increase the qualifications' value to employers and individuals. The grading can apply to the overall qualification and/or to individual units.

• Many vocational qualifications already use grading. The reasons, as described for Tech Levels, are to encourage student motivation, to differentiate between the results of different candidates, and to ensure that there is sufficient rigour in the qualification assessment to provide confidence for qualification users. This design principle is to encourage the use of grading in vocational qualifications provided for adults, wherever employers and other stakeholders judge that it will provide associated benefits, while acknowledging that for some qualifications, including some licences to practise, the costs of introducing grading may outweigh the benefits.

Introducing grading encourages individuals to strive for excellence and signals to employers where it has been achieved.

Design principle 8: Assessment fit for purpose

Assessment methods relating to vocational qualifications for adults should not be constrained, but should draw on the full range of methodologies appropriate to the purposes of the qualifications and the needs of the candidate populations.

• The methods of assessment used for vocational qualifications for adults have to comply with the same requirements as all regulated qualifications in that they have to be valid, reliable, comparable and manageable, and avoid bias. The removal of the standardised unit format allows a move away from tick box assessment to some of the methods of assessment commonly used for GCSEs, AS and A levels, higher education qualifications and professional qualifications, and with those required for Tech Levels. Allowing the full range of methods of assessment to be used, including methods enabled by new technologies, would allow awarding organisations to relate the qualifications more clearly to other educational and professional qualification structures where appropriate.

Awarding organisations are allowed to use valid assessment methods that will provide rigorous assessment of real-world skills.

Design principle 9: External control

Assessments relating to vocational qualifications for adults should be subject to controls that are independent of the learning provider, either by using internal assessments with effective systems of external verification or by using external assessment.

• The Richard Review recommended that the 'testing and validation process should be independent and genuinely respected by industry' and that 'assessors should be independent and have no incentive or disincentive related to the outcome of the assessment'. However, as noted in the guidance for Tech Levels 'the nature of… occupational study means that coursework will continue to play a significant role in the assessment and award of qualifications'. For many other vocational qualifications, evidence from employment will also be important. This design principle maintains external control while acknowledging the value of coursework and evidence from employment.

Internal assessment continues to be used to provide realistic challenges to candidates, but it is subject to effective external verification.

Design principle 10: Distance travelled

The specifications for vocational qualifications provided for adults should include descriptions of prerequisite achievements assumed for the main candidate population, to indicate the extent of learning that the qualifications represent.

• Vocational qualifications provided for adults are already described in terms of credit values related to the learning time required to achieve the qualifications. Such values only have meaning when interpreted with reference to the candidates' starting points. This design principle provides meaning for the credit values by indicating the starting points assumed when the credit values are determined. Where prerequisite achievements are expressed in terms of previous qualifications, this design principle will also show where qualifications require candidates to progress to higher-level work.

Specifying prerequisite achievements clarifies the distance travelled that is represented by the qualification, both in breadth and depth of learning.

Design principle 11: Progression

Providers of vocational qualifications for adults should publish data about the progression of successful candidates into the related occupations and into the educational courses referenced in the qualification specifications.

• Even though there are already initiatives that could contribute, implementation of this design principle would need to be introduced gradually, because it will be challenging. The current initiatives include government schemes to analyse the impact of publicly-funded vocational education and training, and training provider and awarding organisation schemes to monitor the immediate career progression of students. However, this design principle is included as a long-term aim. Previously it was revealed in the Wolf Review (2011) that many of the vocational qualifications provided for 16-19 year olds were of very limited value, either to employers or individuals. This has led to far-reaching reforms. It is essential to confirm that vocational qualifications provided for adults do provide value to employers and individuals. The preceding design principles are focused on this aim but they relate to the intentions of the qualification providers and the methods to be used. The purpose of this design principle is to

enable confirmation that the qualifications do in reality provide the perceived value that will have justified their take up.

Employers and individuals will have available information about how the qualifications are used after completion of the relevant courses.

Design principle 12: Employer involvement

The design, the development, the delivery and evaluation of vocational qualifications for adults should be led by employers.

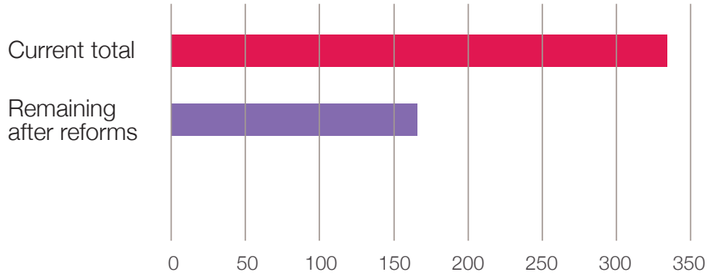
• The first design principle described vocational qualifications for adults as qualifications that provide a 'clear line of sight' to a range of jobs; and the fourth design principle explains how employers should be involved in the design and delivery, as they have the closest understanding of the jobs' demands and the most up-to-date knowledge of current techniques and technologies. They also need to take part in the qualifications' evaluation so that they can evaluate their previous decisions in the light of experience and of changes within the sector. In short, as recommended by the Commission for Adult Vocational Teaching and Learning, they need to be seen 'not just (as) customers of vocational teaching and learning, but (as) engaged at every level in helping to create and deliver excellent vocational programmes'.

Effective vocational qualifications for adults require genuine collaboration between employers, colleges and training providers.

ANNEX 1: THREE CASE STUDIES FOR ILLUSTRATION OF IMPACT IN KEY SECTORS

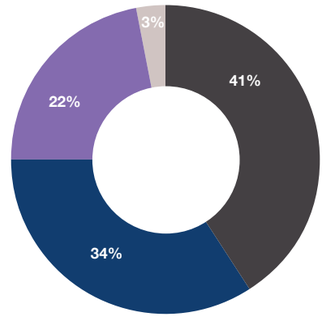
Engineering

Of the 334 qualifications meeting our definition of 'vocational,' [22] 166 are unique.



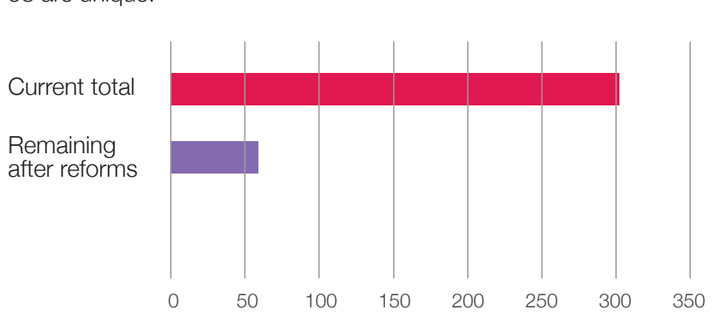
Engineering

97% of qualifications are offered by 3 AOs.



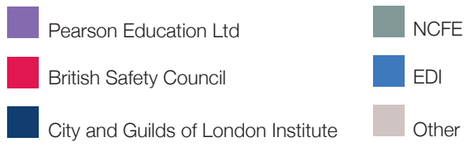
Adult Social Care

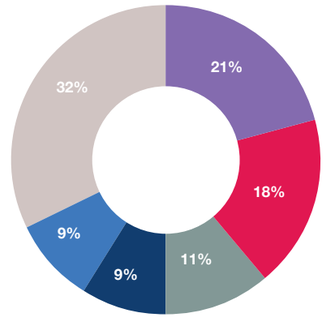
Of the 302 qualifications meeting our definition of 'vocational,' 58 are unique.



Adult Social Care

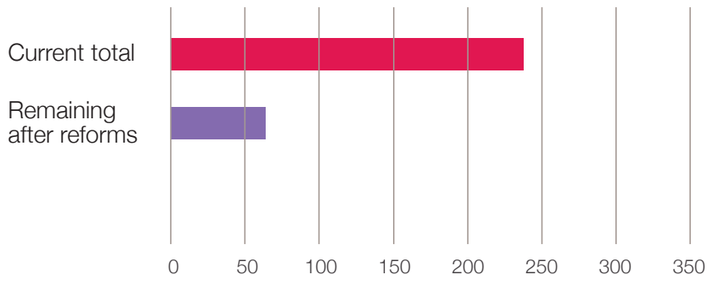
68% of qualifications are offered by 5 AOs.





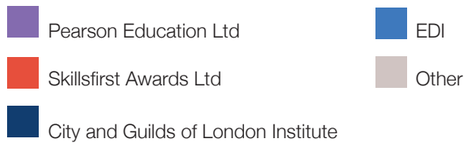
Retail

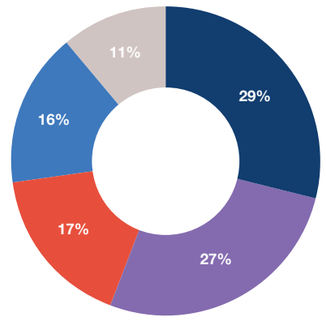
Of the 236 qualifications meeting our definition of 'vocational,' 66 are unique.



Retail

89% of qualifications are offered by 4 AOs.





22 The methodology involved identifying those qualifications which met the definition of adult vocational qualifications using the Ofqual Register 'purpose definitions'

ANNEX 2: EXAMPLE HIGH LEVEL OUTCOME-BASED STANDARDS FROM GERMANY

These are National Occupational Standards issued by the Federal Institute for Vocational Education and Training (BIBB) in Germany. The two examples presented below show how occupational standards can be written at a high level.

Example 1
Engineering draftsman / draftswoman

Recognized by Regulation of 17 December 1993 (BGBl. I, p. 25)

Duration of traineeship

3.5 years

One third of the training time is devoted to one of the following specialisms:

- Mechanical and plant engineering
- Heating, plumbing and air conditioning engineering
- Structural steel and metal engineering
- Electrical engineering
- Wood engineering

The venues for training delivery are the training company and the vocational school.

Field of activity

Engineering draftsmen / draftswomen are trained to produce engineering drawings independently, taking the necessary parameters from sketches, hand-modified drawings, plans, written descriptions and oral instructions. Their work focuses on various fields and types of assignment depending on their area of work and corporate requirements, e.g. design or development functions in industry and the craft sector.

Occupational skills

Engineering draftsmen / draftswomen are predominantly involved in detail work, supplementing and perfecting the parameters given by designers to produce the final, complete drawing. They carry out tasks both manually and computer-aided, and ensure that the data they generate are secure and can be further processed. They are responsible for the completeness and clarity of their engineering drawings and documents and also for ensuring that these are drawn up in compliance with standards, intended function and intended mode of manufacture. They must take due account in their work of economic and environmental considerations and also help ensure proper communication with the corresponding corporate divisions.

Engineering draftsmen / draftswomen specialising in mechanical and plant engineering

- Produce engineering drawings, sketches, plans and schematic representations
- Carry out detailing work and make calculations
- Produce perspective views and accompanying technical documentation
- Contribute their expertise to the work of other specialists
- Engineering draftsmen / draftswomen specialising in heating, plumbing and
- Air conditioning engineering
- Produce engineering drawings, sketches, plans and schematic representations
- Carry out detailing work and make calculations
- Produce developed views, perspective views and accompanying technical documentation
- Contribute their expertise to the work of other specialists

Engineering draftsmen / draftswomen specialising in structural steel and metal engineering

- Produce engineering drawings and sketches for workshops and construction sites
- Carry out detailing work and make calculations
- Produce developed views, penetrating views and perspective views
- Take account of the requirements of building physics
- Contribute their expertise to the work of other specialists

Engineering draftsmen / draftswomen specialising in electrical engineering

- Produce engineering drawings, sketches and plans
- Design and produce circuit documentation
- Make calculations
- Produce accompanying technical documentation
- Contribute their expertise to the work of other specialists

Engineering draftsmen / draftswomen specialising in wood engineering

- Produce sketches, engineering drawings for production and assembly
- Carry out detailing work and make calculations
- Take account of the requirements of building physics
- Determine parameters for surfacing and surface finishing
- Contribute their expertise to the work of other specialists

Example 2
Sales assistant for retail services

Recognised by ordinance of 16 July 2004 (BGBl. I p. 1806)

Duration of traineeship

2 years

The venues for training are company and part-time vocational school (Berufsschule).

Field of activity

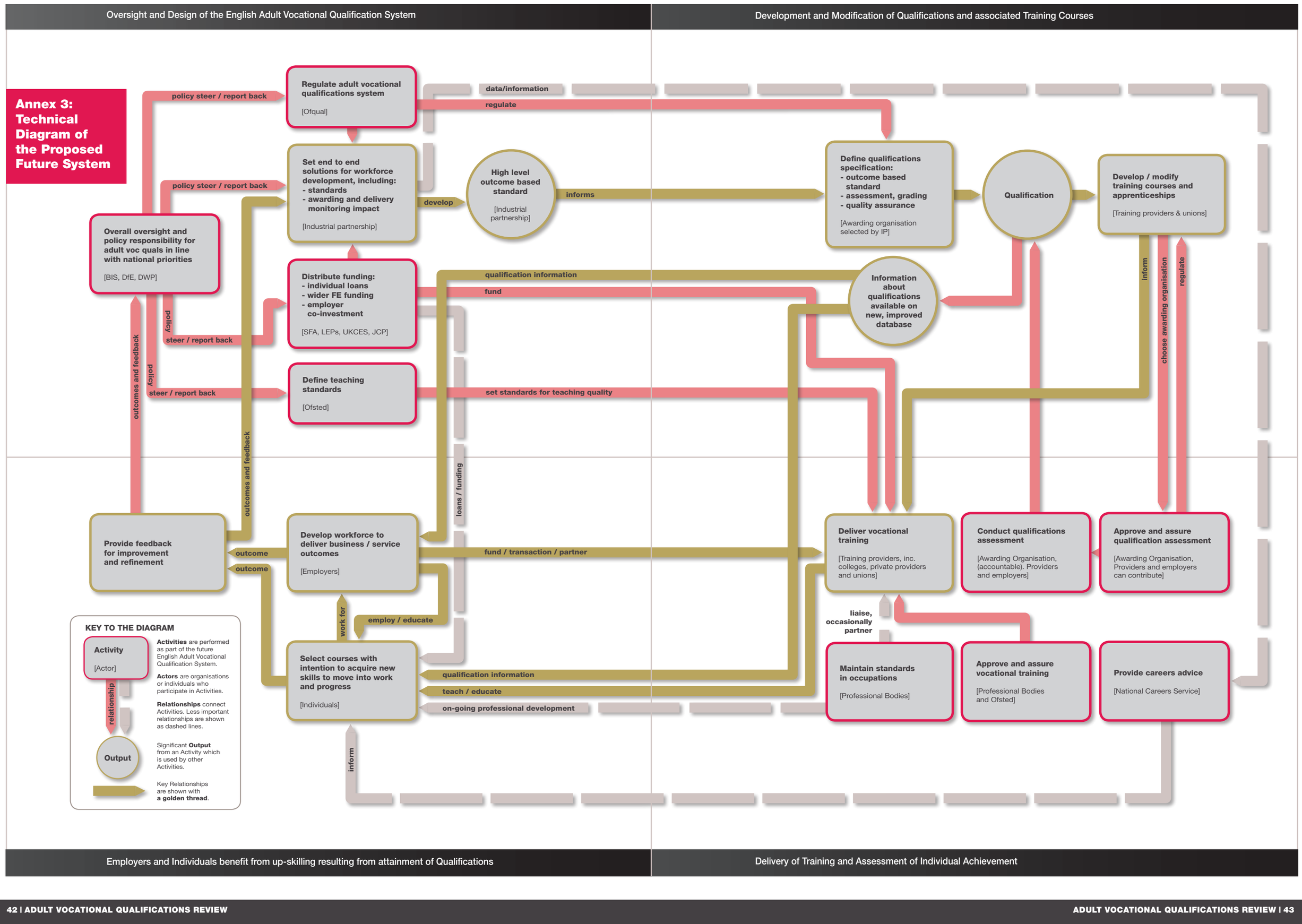
Sales assistants for retail services work in trade enterprises of different sizes, types and goods assortments. Their main tasks involve selling goods and carrying out pre-sale and post-sale tasks in assisted-service and self-service enterprises. Further areas of activity include acceptance and storage of products, till service, sales promotion, stock maintenance and inventory.

Occupational skills

Sales assistants for retail services

- Sell goods and services
- Inform and advise customers and offer customer service
- Make use of product knowledge
- Arrange and present goods in the sales area
- Are involved in sales promotion activities
- Check and maintain product stocks
- Operate the till and calculate the till balance
- Are involved in accepting and checking products
- Label and store products
- Make use of commercial product codes
- Are able to work in a team, in a customer and process-oriented way, using their customer service skills
- Use information and communication technology

Annex 3: Technical Diagram of the Proposed Future System



ANNEX 4: HIGH LEVEL IMPLEMENTATION PLAN

RECOMMENDATION	ACTIONS AND IMPLICATIONS	LEAD STAKEHOLDER	COSTS AND SAVINGS
1. Ofqual should require awarding organisations to engage actively with employers in sectors where they provide vocational qualifications; and awarding organisations should require training providers offering their vocational qualifications to engage with employers locally.	**Ofqual** • Consult on a new regulatory approach to secure effective delivery of vocational qualifications, with strong employer engagement. • Run a process to identify awarding organisations capable of offering vocational qualifications based on our new design principles	**Ofqual**	Increased administration for Ofqual
	Awarding Organisations • Provide evidence of employer engagement and sector expertise • Ensure training providers have appropriate employer engagement and improve quality assurance of training providers • Work with employers to ensure that qualifications fill economic need	**Awarding organisations**	Reaffirms what awarding organisations should do already
	Training Providers • Make use of the more transparent awarding market when choosing which awarder to work with • Submit evidence of effective employer involvement in delivery of vocational qualifications locally	**Training providers**	Should save costs by using the market
2. The UK Commission for Employment and Skills should work with employers to agree the future model for occupational standards; and employer-led collaborations (industrial partnerships) should ensure that future occupational standards articulate their ambition and aspiration for their workforce clearly and effectively.	**UK Commission** • Work with industrial partnerships and collaborations of employers and governments in each nation to agree the criteria and guidance for high level outcome-based standards • Review and revise the approach to commissioning, the database, and governance to reflect how high level outcome-based standards should be taken forward, including strengthened links with research and evaluation	**UK Commission**	
	Devolved Administrations • Work on the criteria and guidance for the new high level outcome-based standard • Make sure the new approach to commissioning reflects national priorities appropriately, including the approach to commissioning, the database, the governance, the links to research, and the impact.	**UK NOS Governance Group**	

RECOMMENDATION	ACTIONS AND IMPLICATIONS	LEAD STAKEHOLDER	COSTS AND SAVINGS
3. Ofqual should introduce our proposed new design principles for vocational qualifications giving vocational qualifications a clear identity and should make the prescribed unit format and sharing of units optional.	**Ofqual** • Consult on and adopt design principles for adult vocational qualifications. • As part of the review of the QCF remove any requirements for awarding organisations to use a unit format and to make units freely available	**Ofqual**	Consultation costs to Ofqual
	Awarding Organisations • Where the awarding organisation has the expertise and level of employer involvement, design and develop the new qualifications based on new outcome-based standards and design principles	**Awarding organisations**	Savings to awarding organisations by not using unit databank
	Training Providers • Make use of tailored aspects of qualifications to suit local employer needs	**Training providers**	Cost neutral – possibly easier for awarding organisations and training providers to work with
	Employers • Work with awarding organisations to design and to develop vocational qualifications and Apprenticeships • Work with training providers to help deliver courses leading to vocational qualifications and skills	**Employers**	Cost neutral because of benefits of getting right skills
4. Awarding organisations and training providers should report on the impact of their vocational qualifications to their customers.	**Awarding Organisations** • Develop means to report the impact of their qualifications to customers	**Awarding organisations**	Costs of collecting data – awarding organisations and training providers – but powerful evidence of success
	Training Providers • Develop means to report the impact of their training to customers	**Training providers**	
	Government • Prepare a cost/benefit analysis of implementing success measures through the different approaches and agree which to adopt • Based on the above, take forward the most cost effective approach to developing success measures, working with training providers and awarding organisations	**BIS**	Current BIS developmental costs

ANNEX 4: HIGH LEVEL IMPLEMENTATION PLAN (continued)

RECOMMENDATION	ACTIONS AND IMPLICATIONS	LEAD STAKEHOLDER	COSTS AND SAVINGS
5. Ofqual, with the SFA and UK Commission should create a single point of access to the different qualifications databases.	**Ofqual** • Develop its product catalogue giving access vocational qualifications by occupations • Lead work with partner organisations to connect related databases appropriately	**Ofqual**	Obtain an estimate for database reforms
	SFA and UK Commission • Work with Ofqual to support single access point and align databases appropriately	**SFA/ UK Commission**	Cost savings – small administrative costs for big savings
6. Ofqual, Ofsted and SFA should ensure that arrangements for regulation, inspection and funding provide appropriate incentives and do not inhibit training providers and awarding organisations from using technology in the delivery and assessment of vocational qualifications.	**Training Providers** • Assist smaller employers in up skilling their workforce by making better use of technology in the delivery of vocational training	**Training providers**	
	SFA • Review funding methodology to ensure it is sensitive to use of technology and e-learning	**SFA**	Core business for SFA and Ofqual
	Ofqual • New design principles for adult vocational qualifications will make it easier to use e-assessment and e-learning	**Ofqual**	
	Ofsted • Ensure the inspection process is supportive of use of technology in delivery	**Ofsted**	Savings for training providers and employers
7. Encourage more leading employers to work in partnership to develop recognised, rigorous and relevant vocational qualifications.	**Employers** • Step up and form industrial partnerships with other employers, trade unions, training providers and awarding organisations, to take end-to-end responsibility for skills • Set high level outcome-based standards	**Employers**	Investment underway – further co-investment funds Savings on cost of NOS development
	UK Commission • Co-invest in industrial partnerships	**UK Commission/ BIS**	

ANNEX 5: GLOSSARY OF TERMS

Products

Learning Aims Reference Application (LARA): the database that contains learning aims recognised by the Education Funding Agency and the Skills Funding Agency. It holds information on both publicly funded and non-publicly funded qualifications.

National Occupational Standards (NOS): statements of the standards of performance individuals must achieve when carrying out functions in the workplace, including the underpinning knowledge and understanding.

Ofqual's Conditions of Recognition: conditions that awarding organisations must adhere to in order to operate within the regulated qualifications system in England.

Ofqual Register of Regulatory Qualifications: a register holding information on all regulated qualifications in England, Wales and Northern Ireland.

Professional Standards: standards developed by professional bodies (membership organisations setting standards for their members).

Qualifications Specifications: qualifications standards, plus additional information that can include assessment and quality assurance arrangements.

The Qualifications and Credit Framework (QCF): the national credit transfer system for qualifications in England, Wales and Northern Ireland. The framework has credit values (where one credit represents 10 hours of learning time), and levels of difficulty from Entry Level at the bottom to Level 8 at the top.

Specification of Apprenticeship Standards for England (SASE): sets out the minimum requirements to be included in a recognised English apprenticeship framework

Standard Occupational Classifications (SOC): a common classification of occupations for the UK. Jobs are classified in terms of their skills levels and content.

Tech Levels: for students (primarily 16 – 19 year olds but eligible for funding for up to 25 year olds) wishing to specialise in a technical occupation or occupational group.

Reviews

Further Education Learning Technology Action Group (FELTAG): convened by Matthew Hancock, MP, Minister for Skills and Enterprise, Department for Business, Innovation and Skills. The work of FELTAG is focused on making practical recommendations to enhance the effective use of technology in learning, teaching and assessment in the FE sector.

The Richard Review of Apprenticeships: a review examining how the quality of Apprenticeships can be improved in England, supported by the government (England) with an implementation plan scheduled for the end of September 2013.

Skills Beyond School in England, OECD: review of vocational education and training, published in late September 2013.

The Wolf Review: a review that looks into how education can be improved for 14- to 19-year-olds in England. This is being implemented by the Department for Education.

Organisations

Awarding Organisations: any organisation holding an awarding function for qualifications (bespoke organisations or parts of larger organisations).

The Commission on Adult Vocational Teaching and Learning (CAVTL): a commission that identifies best practice in the delivery of vocational teaching and learning. The Commission is chaired by Frank McLoughlin.

The Department for Business Innovation and Skills (BIS): invests in skills and education to promote trade and boost innovation.

The Department for Education (DfE): responsible for issues affecting people in England up to the age of 19, including child protection and education.

Industrial Partnerships: employer-led collaborative arrangements beginning to come together in a number of key sectors to support growth and competitiveness.

Issuing Authorities: organisations designated by BIS to issue Apprenticeships that comply with the Apprenticeship standards (Specification of Apprenticeships Standards for England).

Local Enterprise Partnerships (LEPs): voluntary partnerships between local authorities and businesses.

Ofqual: Regulates to maintain standards and confidence in qualifications. Looks after GCSEs and A Levels in England, and a wide range of vocational qualifications both in England and Northern Ireland. Also regulates the National Curriculum Assessments in England.

Ofsted: inspects and regulates services providing education and skills for learners.

Professional Bodies: membership organisations that set standards for members. Some are also recognised awarding organisations.

Sector Skills Councils (SSCs): independent, employer-led, UK-wide organisations that seek to create the conditions for increased employer investment in skills.

Skills Funding Agency (SFA): a partner organisation of the Department of Business Innovation and Skills, which administers funds and promotes adult further education (FE) and skills training in England.

Trade Unions: consist of workers and trade union leaders, who collaborate to ensure that workers' interests are upheld in the workplace.

Training Providers: any college, training organisation or other organisation offering regulated vocational qualifications.

UK Commission for Employment and Skills (UK Commission): a publicly funded, industry led organisation providing strategic leadership on skills and employment issues in the four home nations of the UK.

Other

Further Education loans (FE loans): loans given to learners aged 24 or above to fund a vocational qualification taken at Level 3 or higher.

Government regulated qualifications: A qualification that is approved by Ofqual, the independent regulator. This is in contrast to privately-developed qualifications which exist outside of the public system.

The UK Commission for Employment and Skills supports businesses to invest in the skills of their people and provides access to investment, world-class research and expert insight. Uniquely, we are led by Commissioners, who are entrepreneurs, leaders of large businesses, the third sector, trade unions and Further and Higher Education. Our chairman is Sir Charlie Mayfield, Chairman of the John Lewis Partnership. Together our Commissioners represent a form of social partnership. We are a government partner organisation sponsored by BIS and DWP.

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