Interim Definition for Full Level 2 Qualifications in the Qualifications and Credit Framework

Background

1. The new interim Full Level 2 definition supports the implementation of the Qualification and Credit Framework (QCF). The QCF is a new regulated framework which will recognise a wide range of different unit and credit-based vocational qualifications. It aims to create a qualification system with greater clarity and flexibility that is more responsive to learner and employer needs.

2. On 14th November 2008 Siôn Simon, Parliamentary Under Secretary of State for Further Education, wrote to the Chief Executives of LSC, QCA, Ofqual, UKCES, The Alliance of Sector Skills Councils, The Federation of Awarding Bodies and the Joint Council for Qualifications formally remitting their responsibilities for delivering the Qualifications and Credit Framework (QCF) across the employment and skills sector\(^1\), including responsibility for delivering the fully specified QCF Service Layer\(^2\).

3. LSC has reiterated its commitment to the introduction of the QCF in the Statement of Priorities 2009/10\(^3\). Significant development work has been undertaken at national policy level over recent years to prepare for the introduction of the QCF including an appraisal of the policy areas and business processes that will be affected by the changes.

New Interim Full Level 2 definition

4. A consequence of the UK wide Vocational Qualification Reform programme and introduction of the QCF is that a new definition for qualifications categorised as ‘full’ Level 2 (FL2) is required. This is for the purposes of adult learner entitlement and the measurement of the adult Public Service Agreement (PSA) target as a result of the introduction of the QCF.

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\(^1\) QCF implementation is led by the UK Vocational Qualifications Reform Programme Board (UKVQRPB) and, in addition to the LSC’s remit, has other strands of activity, including QCF Readiness led by Qualifications and Curriculum Authority (QCA), Accreditation Layer and regulatory framework led by Ofqual, and also work on Sector Qualifications Strategies action plans, National Occupational Standards and QCF research and evaluation led by UKCES.

\(^2\) QCF high level operating model has three distinct layers: an Accreditation Layer, an Industry Layer and a Service Layer. QCF Service Layer supports learners, Awarding Organisations, learning providers and Information Advice and Guidance (IAG) providers by providing systems and services enabling Credit Accumulation and Transfer (CAT) to take place.

\(^3\) The Statement of Priorities can be found at http://readingroom.lsc.gov.uk/lsc/National/nat-statementofpriorities200910-nov08.pdf
The Secretary of State has agreed an interim definition for Full Level 2 set at a minimum threshold of 13 credits for QCF provision. The new Full Level 2 definition is initially for the 2-year period to 31 August 2010 and defines a Full Level 2 as a Certificate or Diploma in the Qualifications and Credit Framework (QCF). Sector Skills Councils (SSCs) will be responsible for determining the content and appropriate credit threshold for their sectors and will also have the flexibility to set the threshold higher or lower than 13 credits as appropriate for relevant sub-sectors.

Reasons for change

Full Level 2 is the level of skill considered as a foundation for employability and progression to higher level skills. The interim definition for a qualification in the QCF at Full Level 2 to date has been based on the comparative level of a qualification as set out in the National Qualifications Framework (NQF). It further takes into account the breadth of learning, and recognised qualifications by either ‘type’ or ‘size’.

In the QCF there are no ‘types’ of qualifications, as vocational qualifications will be defined by purpose rather than type, and outcomes are measured in the achievement of credit and size in learning time, not guided learning hours. In the QCF, a single credit is awarded for achieving the outcomes in ten hours of learning time and the size of qualifications is signalled through the use of the terms ‘award’, ‘certificate’ and ‘diploma’ at Entry Level through to Level 8.

In the Comprehensive Spending Review (CSR) in 2007, Department for Innovation, Universities and Skills (DIUS) signed up to a set of indicators for skills improvements by 2011, including threshold targets for adults qualified to Level 2 and Level 3. The Level 2 and Level 3 indicators will be measured by the percentage of the population qualified to Level 2 (79%) and Level 3 (56%) by 2011, as reported through the Labour Force Survey.

The minimum credit threshold has been set to maintain stability in terms of the qualifications that currently count to the PSA target. However, the reform of vocational qualifications may lead to significant changes in the content and size of some qualifications which may impact on the volumes of qualifications that potentially contribute to the target.

The interim credit threshold of 13 credits is based on modelling undertaken by LSC which was aimed primarily to maintain stability and consistency in the setting and monitoring of targets and the allocation of funds for the current CSR period.

The modelling identified that 13 credits would maintain the existing trajectories to the target in terms of the volume of learners currently on Full Level 2 NQF qualifications as this represents the average size of qualification currently followed by learners. For the interim period, the LSC will work closely with SSCs to manage the size and breadth of QCF qualifications being approved as full Level 2 to ensure fitness for purpose and that the qualifications continue to focus on the knowledge and skills that employers demand and value at Level 2 in that sector.
Role of Sector Skills Councils

Defining a Full Level 2 introduces a new role for Sector Skills Councils (SSCs), to strengthen employers’ influence on skills and allow the flexibility to set different credit thresholds for different sectors when that is likely to better reflect employer requirements. In the QCF, SSCs will be responsible for approving vocational qualifications which are accredited by Ofqual onto the QCF. In addition, SSCs will be responsible for approving qualifications as meeting the threshold for a Full Level 2 within their sector footprint. As such, SSCs have a formal role in defining the content, ensuring consistency, determining which qualifications are needed in their sector and removing unnecessary duplication.

In addition, SSCs will through their Sector Qualification Strategy (SQS) action plans advise the LSC of the qualifications they believe are fit for purpose for their sector and which qualifications and/or units should be a priority for public funding. This will include advising the LSC of those qualifications which are regarded as ‘full’ Level 2.

Learning and Skills Council Role

In the new arrangements the LSC will:

- Develop and implement processes for reviewing existing QCF qualifications at Level 2 and seeking agreement from the relevant SSCs for confirmation the qualifications meet sectors requirements for full Level 2;
- Develop and implement a process for introducing new Level 2 qualifications;
- Ensure that funding methodology supports the new Level 2 definition;
- Provide information for providers and other stakeholders by including new interim Level 2 definition in relevant policy documents and communications;
- Manage affordability of Level 2 provision;
- Provide monitoring and evaluation related to the new definition; and
- Facilitate a Level 2 monitoring group.

Implications for Awarding Organisations

The interim Full Level 2 definition will mean that Awarding Organisations can progress the development of new qualifications to populate QCF, specifically in the context of public funding.

In relation to the existing qualifications, the implications of this threshold are that some vocationally related qualifications, that do not currently count as full, could count in future if they are reformed and accredited into QCF and meet the requirements set out by the relevant SSC. This may be counter-balanced by some small NVQs which currently count, but may not count in future in their present form.

It is important that the size of existing valued NVQs is not simply reduced to hit the PSA target or to attract public funding, and there will be no financial incentives to simply produce smaller qualifications. It is expected that the guiding principles for adjustment and development of new qualifications will be to meet the
employers’ needs and marketplace requirements in terms of providing transferable skills required by employers, and therefore leading to increased employability and allowing mobility in the workforce.

**Implications for Providers**

18 The LSC expectation is that providers should start delivering the new Level 2 qualifications accredited onto the QCF where they are replacing existing Level 2 NQF qualifications as they become available. The LSC plans to make ineligible the predecessor qualifications for the purposes of new funding starts even where the NQF qualification may still be within its accreditation date. LSC’s existing policy not to make in-year changes that may negatively impact on a provider’s planned delivery will mean that the timing of the funding changes will be set in order to minimise the impact on providers.

19 As the threshold of 13 credits has been designed to create a degree of comparability of size to current full Level 2 qualifications (particularly NVQs) they should have minimal or negligible impact on the funding allocation agreed and the associated learner numbers. As such the LSC would not expect to adjust allocations as providers begin to deliver the QCF full Level 2 qualifications. This assumption will be actively monitored during the two year period of the interim definition.

20 Performance arrangements will also continue unaltered. The new full Level 2 qualifications will be included within qualification success rate calculations in the same way that current full Level 2 provision is. Achievement rates and time taken to achieve the new qualifications will form part of the monitoring that will be undertaken during the two year period.

21 For the 09/10 allocations as part of the business cycle funding will be prioritised on QCF learning, informed by the Sector Qualification Strategies. As part of the commissioning arrangements, LSC will expect providers to switch to delivering the new qualifications where they are available.

**LSC Monitoring and Evaluation**

22 The introduction of the new definition will be monitored and evaluated over the next two years to September 2010 and the new definition confirmed for 2010/11.

23 Monitoring and evaluation will include affordability and impact on current and future PSA targets. It will also include impact on success rates and delivery. LSC will seek to understand impact at provider and national level to best inform future decisions.

24 The LSC will work closely with SSCs to support them in the role of approving qualifications for Full Level 2 and will seek to question and monitor where it appears that high levels of smaller qualifications may be emerging without a robust rationale for the change. LSC will also ensure that all approved qualifications in the new QCF are economically valuable and that the processes that underpin the approval of a full Level 2 are consistent across sectors.
Next steps

25 LSC will be working with SSCs and Ofqual to define the business processes that will support the new definition. Further work also needs to be undertaken to establish how arrangements will work for qualifications that fall outside SSCs' footprint.

26 The implementation work will focus on developing processes for the review of existing Level 2 and approval of the new Level 2, as well as implementation of appropriate monitoring and evaluation processes.

27 For further information please contact Kully Jones (Kully.Jones@LSC.gov.uk)