How can VET systems meet the challenges of innovation and new skill requirements?

An exploration of England’s Centres of Vocational Excellence (CoVE) program

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Contents

Executive Summary .................................................................................................................. 1

Strengths of the program ......................................................................................................... 3
Weaknesses of the program ....................................................................................................... 3

1. Introduction ....................................................................................................................... 5

This paper ............................................................................................................................ 5

2. Reform of VET in the U.K. .............................................................................................. 6

The Skills Task Force ............................................................................................................ 6
National Skills Strategy ......................................................................................................... 7
Major reforms to the post-16 education and training system .............................................. 10

Learning and Skills Development Agency ........................................................................ 11
Learning and Skills Council ............................................................................................... 11
Skills for Business .................................................................................................................. 12

3. The Centres of Vocational Excellence (CoVE) Program ............................................ 15

Background .......................................................................................................................... 15
Development and implementation ......................................................................................... 16

Aims of the program ............................................................................................................ 16
Growth of the CoVE network .............................................................................................. 17
Funding Arrangements ......................................................................................................... 18
Evaluation ............................................................................................................................. 19

4. Assessing the CoVE program .......................................................................................... 22

Strengths and Weaknesses of the Program ......................................................................... 25
Weaknesses ............................................................................................................................ 26

5. The CoVE model in Australia? ....................................................................................... 27

6. Conclusion ......................................................................................................................... 31

References .......................................................................................................................... 32

Appendix 1: Performance Criteria for individual CoVEs .................................................. 33
Appendix 2: LSC Flowchart for the assessment and confirmation process ....................... 37
Executive Summary

Governments in Australia and overseas are faced with the challenge of ensuring that the vocational education and training systems will be able to meet future skill requirements, including needs for new or different skills arising from innovation.

During late 2003 – early 2004, CEET conducted a small research project to identify the major strategies being adopted by Australia’s states and territories to build capability in vocational education and training systems to meet future skill needs. The major purposes of the project were:

- To document the range of initiatives being adopted, their rationales and objectives, funding and major features.
- To highlight similarities and differences between the approaches and the various emphases being given to different aspects of VET, to types of skills and innovation and to VET-industry relationships.
- To highlight ‘good ideas’ and best practice approaches.

To provide a comparison with Australian initiatives, the project looked briefly at reform of VET in the U.K and especially the program supporting Centres of Vocational Excellence (CoVEs) in England. This paper reports on the research conducted in the U.K. A companion working paper reports on the Australian part of the project.

VET Reform in the UK

A Skills Task Force was established by the government in 1998 to identify the main skills gaps and shortages. Its final report, Skills for All (June 2000), proposed a national skills agenda towards a vision of ‘a high skill, high value added economy delivering competitiveness and social cohesion’. Of the agenda’s six proposed goals two were concerned with a need to identify changing skill needs and to frame appropriate education and training responses.

A UK government white paper, 21st Century Skills, Realising Our Potential (2003) proposed a strategy to ensure that employers have the skills to support their businesses and that individuals have skills for employment and personal fulfilment. Some specific measures suggested included reform of the qualifications framework and VET funding arrangements, and specific reforms designed to improve the system for employers, employees, and individuals. Some of these measures echo changes introduced in Australia in the past decade.

Alongside the development of a ‘skills strategy’, there have been three major changes since 2000 in policy, advisory and funding arrangements for the post-16 education and training system:

- The creation of the Learning and Skills Development Agency (LSDA)
- The creation of the Learning and Skills Council (LSC)
- The ‘Skills for Business’ initiative.

The LSDA is responsible for improving the quality of post-16 education and training. It provides training for governors, managers and practitioners in the Further Education sector, supports research programs in the FE colleges, carries out strategic research on behalf of the Learning and Skills sector; and manages research and development projects and activities.

The LSC is responsible for funding and planning all post-16 education and training in England outside universities. Its broad aim is to raise participation and attainment in education and training, ensuring that ‘by 2010, young people and adults in England have knowledge and skills matching the best in the world’. It comprises a national office and 47 regional groups that set their own goals.

*Skills for Business* aims to assist business leaders to pool their knowledge in order to raise skills levels. It works through *Sector Skills Councils*, supported by the *Sector Skills Development Agency*.

**The CoVE Program**

The CoVE program is an important part of the broader strategy in the UK to reform the VET system. The UK Department for Education and Skills (DFES) sees the program as a ‘key driver’ in enhancing the further education sector's contribution to meeting the nation's current and future skills needs’. The centres are expected to be innovative and to ‘create specialisms that embed a culture of innovation and technical excellence’ (www.dfes.gov.uk).

The idea of special centres of vocational education with strong links to industry arose in a statement by the Secretary of State for Education and Employment published in November 2000. The program focuses on meeting skill needs at four levels - nationally, sectorally, regionally and locally - by developing new VET provision, improving existing provision, and increasing access to VET. CoVEs are expected to build relationships with business and industry, local Learning and Skills Councils and other local organisations, and other VET providers to work together to identify skill needs and develop innovative ways of meeting them. They are also expected to disseminate good practice throughout the VET system.

Sixteen CoVEs were selected for the initial ‘pathfinder phase’ from September 2001 and subsequently the program grew rapidly and ahead of expectations. By May 2004 there were 262 centres and funding has since been approved for around 400 centres in England by 2006. Rapid growth has been assisted by the opening up of eligibility to a broad range of VET providers, including workplace training, private providers and group training.

While most applications for CoVE status come from VET providers, discussions conducted for this project with an LSC representative indicate that the program allows
the Council to identify an area where it sees a need to develop VET capability (e.g. in training for a new industry) and a suitable site for a CoVE to fill the identified gap.

Each CoVE is eligible to receive up to £300,000 in its first year, depending on the scale and scope of its work. Up to £100,000 is available for activity in the second and third year depending on the availability of funds.

**Strengths of the program**

1. **Flexibility**
   
The flexibility built into the CoVE program enables a diversity of centres meeting a variety of needs and interests, including national, regional, local and sectoral issues and training for new as well as existing industries. It also supports the building of VET capability from a low-base, as well as a high base.

2. **Relationships**
   
The program has a strong emphasis on developing and sustaining relationships to drive the flow of information about skill and training needs and the development and delivery of appropriate training.

3. **Disseminating good practice**
   
Requiring CoVEs to demonstrate leadership and to disseminate ‘good practice’ within the VET system promotes attention to issues of quality and simultaneously contributes to the system’s renewal.

4. **Facilities**
   
The program is supporting the substantial renewal and upgrading of the facilities and equipment available for training and increasing the likelihood that, at least during the period of CoVE funding, these will approach, or match, industry standards.

5. **Equity objectives**
   
In having ‘widening participation’ among its objectives the CoVE program recognizes the diversity of learners and their needs and the obligation of the VET system to meet the needs of individual learners, and contribute to the attainment of social goals, as well as to address the requirements of industry and employers.

6. **Recognition**
   
‘Badging’ of centres provides new and formal recognition for new and previous work, attracts new partners and students and acts as a catalyst to further work.

**Weaknesses of the program**

1. Quality and performance
Considerable variability in standards across the CoVE network has potential to
devalue the reputation of the best-performing Centres. Further assessment is
required to identify under-performing CoVEs.

2. Funding
The balance in the program between funding for capital and equipment and for
recurrent expenditure does not suit all centres. Further flexibility may be required
to cater for the needs of particular CoVEs.

3. Equity
CoVEs have not been as successful in achieving ‘widening participation’ as they
have been in some other areas.

4. Relationships with other providers
The resentment that CoVE status and funding creates between the centres and
other providers affects the ability of the CoVE to fulfil its responsibility to
support other VET providers and disseminate ‘good practice’.

Conclusion

The CoVE program is contributing substantially to the renewal of England’s VET system
and to the rapid building of capability to meet new skill needs. It is extending and
enhancing provision in both existing and new areas; enabling the development of
provision to meet specific needs; developing staff expertise and spreading good practice;
supporting the upgrade and extension of facilities so that they better meet industry
standards; improving the flow of information and expertise between VET providers and
enterprises, industries and communities. It is also helping to change attitudes to VET,
thus increasing support for and participation in the system.

The model has some similarities to Victoria’s Specialist Centres program, but with some
differences that reflect local conditions, notably funding, scale and equity goals.

The model is one that if implemented in Australia, has the potential to add some
additional elements to the mix of current initiatives to build and extend VET capabilities
to meet new skill needs. However, any adaptation of the program to Australia should
address its weaknesses and incorporate both its strengths and the strengths of Victoria’s
Specialist Centres program.
1. Introduction

Governments in Australia are taking steps to ensure that education and training will meet future skill requirements, including needs for new skills arising from research, innovation, and technological development. Overseas, other governments face similar challenges.

During late 2003 – early 2004, CEET conducted a small research project which aimed to identify the major strategies being adopted by Australia’s states and territories to build capability in vocational education and training systems to meet future skill needs. The major purposes of the project were:

- To document the range of initiatives being adopted, their rationales and objectives, funding and major features.
- To highlight similarities and differences between the approaches and the various emphases being given to different aspects of VET, to types of skills and innovation and to VET-industry relationships.
- To highlight ‘good ideas’ and best practice approaches.

To provide a comparison with Australian developments, the project looked, albeit briefly, at the program supporting Centres of Vocational Excellence (CoVEs) in England. The CoVE program is an important part of a broad strategy in the UK to reform the vocational training system to enable it to meet skill needs more effectively. The UK Department for Education and Skills (DFES) sees the program as a ‘key driver’ in enhancing the further education sector’s contribution to meeting the nation's current and future skills needs’. The centres are expected to be innovative and to ‘create specialisms that embed a culture of innovation and technical excellence’ (www.dfes.gov.uk).

This paper

This paper presents the outcomes of CEET’s investigation of the CoVE program. (A companion working paper discusses the findings of the Australian part of the project.) It begins by discussing the context in which the program has been developed and implemented – the broader strategy of reform of vocational training in the UK. The development of the CoVE program, its aims and objectives, its growth and the ways in which it is being evaluated, are discussed in section 2. Section 3 discusses the strengths and weaknesses of the program and Section 4 whether (and how) the program might be adapted for Australia.

The material presented is based on internet searches, document surveying, discussions with policy makers and visits to two CoVEs, where interviews were conducted with staff. Collection of material ceased in early 2004, and thus more recent developments in the U.K.’s VET reform process are not included.

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1 The author thanks Mr Keith McMaster of the Learning and Skills Council, and Professor Chris Selby Smith of CEET and Monash University for useful comments on an earlier draft of this paper.
2. Reform of VET in the U.K.

The Centre of Vocational Excellence Program is only one of a number of measures introduced in recent years to improve vocational education and training in England, align provision more closely with skill needs and gaps, and increase participation. The majority of these measures have been implemented in response to the findings of a Skills Task Force, which was established by the government in 1998 and delivered its final report in June 2000.

The Skills Task Force

The Skills Task Force comprised representatives of government, education and training, industry, business and trade unions. Its aim was to identify the main skills gaps and shortages and its final report noted six:

- **Basic skills** - literacy and numeracy, the basic building blocks on which to build other skills
- **Generic skills** - transferable skills, essential for employability, which are relevant at different levels for most;
- **Mathematics skills** - where there is a poor supply coupled with increasing demand for mathematical capability significantly above basic numeracy
- **Intermediate level skills** - specific occupational skills needed in intermediate jobs ranging from craft to associate professional occupations i.e. At levels 3 and 4
- **Specialist information and communications technology skills** - professional skills needed in the information and communications technology (ict) sector, and by ict specialists in other industries - those 'e-skills' at the heart of the knowledge economy
- **Major adult skill gaps** - the large proportion of the adult workforce with no qualifications or qualifications below level 2.

The work of the Task Force highlighted many deficiencies in the vocational education and training system and recommended that it be re-shaped to deliver training responsive to labour market requirements and accessible and attractive to ‘those who depart from the general education route’. The Task Force also called for a ‘less fractured vocational sector with a clear parallel path of learning from lower to higher levels’ that would enable employers to assess the level of skills attained by an individual with a given level of training.

Commenting on the Task Force’s second report Boyer (1999) noted that the vocational training system was complex and confusing to both young people and employers and poorly regarded:

Currently, many young people see little discernible benefit in vocational provision. They are confused by the array of options, unconvinced that such a qualification will secure them the job they want, or are hindered from pursuing

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2 (From Individual learning News, Autumn 2000, on web at www.lifelonglearning.co.uk/iln/a2-08.htm)
training for financial and other reasons. Employers, meanwhile, consistently complain that most young people continue to lack relevant workplace skills. (www.cesi.org.uk/_newsite2002/publications/wb/w105/skillstf.htm)

The Task Force’s final report, *Skills for All* set out a proposal for a national skills agenda towards a vision of ‘a high skill, high value added economy delivering competitiveness and social cohesion. It is a vision in which economic and social goals are inextricably linked’ (www.skillsbase.dfes.gov.uk/downloads/SKT28.pdf).

The report proposed that the agenda have six goals, of which two, the second and last, noted a need to identify changing skill needs and to frame appropriate education and training responses:

- To identify and anticipate better the evolving skills requirements of employment, and ensure that effective information, advice and guidance enables individuals and firms to make informed choices about learning which better match those needs over time.
- To manage the post-16 education and training system so that we establish and maintain a sound match between skills needs and skills supply, and so minimise the negative economic and social impact of skills shortages and gaps.

**National Skills Strategy**

Following delivery of the final report of the Skills Taskforce, the UK government in July 2003 released a white paper, *21st Century Skills, Realising Our Potential* (http://www.dfes.gov.uk/skillsstrategy/subPage.cfm?action=whitePaper.default). This set out a ‘skills challenge’ noting that there were ‘stubbornly persistent’ skill gaps at intermediate skill levels (apprenticeship, skilled craft and technician) as well as skill gaps in basic literacy, numeracy and IT. It indicated that employers were concerned that they were not always able to recruit the skills they wanted and expressed a view that a highly educated workforce with a culture of lifelong learning would be more likely to adapt to economic change. Thus it proposed the implementation of a strategy that would ensure both that employers have the skills to support their businesses and organisations and that individuals have the skills they need for employment and personal fulfilment.

The paper also suggested some specific measures that might be included in the strategy, including reform of the qualifications framework, reform of funding arrangements, and specific reforms designed to improve the system for employers, employees, and individuals (see examples in Box 1 below).
Box 1: Some reform measures of the Skills White Paper

For employers and employees:
- Giving employers greater choice and control over the publicly-funded training they receive and how it is delivered.
- Providing better information for employers about the quality of local training by introducing an Employer Guide to Good Training.
- Improving training and development for management and leadership, particularly in small firms centred around the Investors in People management and leadership model.
- Developing business support services to ensure that employers have better access to the advice and help they want, from the sources best placed to provide it, bringing in a wider range of intermediaries.
- Expanding and strengthening the network of Union Learning Representatives as a key plank in encouraging the low skilled to engage in training.

For individual learners:
- Creating a new guarantee of free tuition for any adult without a good foundation of employability skills to get the training they need to achieve such a qualification (known as a ‘level 2’ qualification).
- Increasing support for higher level skills at technician, higher craft or associate professional level (known as a ‘level 3’ qualification), in areas of sectoral or regional skill priority.
- Piloting a new form of adult learning grant, providing weekly financial support for adults studying full-time for their first full level 2 qualification, and for young adults studying for their first full level 3 qualification.
- Safeguarding the provision in each local area of a wide range of learning for adults, for culture, leisure, community and personal fulfilment purposes, with a better choice of opportunities to encourage adults back into learning.
- Providing better information, advice and guidance on skills, training and qualifications, so that people know what is available, what the benefits are, and where to go.
- Helping adults gain ICT skills, as a third basic skill alongside literacy and numeracy (through a Skills for Life program).

Reform of the qualifications framework:
- Strengthening and extending Modern Apprenticeships and lifting the current age cap, so that adults will be able to benefit.
- Reviewing the vocational routes available to young people, and strengthening the focus on their employability and enterprise skills.
- Making qualifications for adults more flexible by dividing more learning programs into units and speeding up accreditation of new qualifications.
- Introducing a credits framework for adults, to help both learners and employers package the training programs they want, and build a record of achievement over time towards qualifications.
- Making it easier for people to gain the skills they need by reviewing in each sector the need for new adult learning programs to develop generic skills for employment.

Other measures include:
- Reform of the funding arrangements for adult learning and skills, to give training providers stronger incentives to work with employers while reducing bureaucracy, including the introduction of a new approach to setting fees and raising income.
- Supporting the development of e-learning across further education, with more on-line learning materials and assessment.
- Helping colleges build their capability to offer a wider range of business support for local employers.
- Broadening the range of training providers, by bringing within the scope of public funding those private providers ‘who have something distinctive and high quality to offer’.

Some of these measures echo changes introduced in Australia as part of a VET reform process over the past decade:

- Giving employers greater choice and control over the publicly-funded training they receive and how it is delivered (eg the User Choice policy).
- Making qualifications for adults more flexible by dividing more learning programs into units (modularisation)
- Broadening the range of training providers, by bringing within the scope of public funding those private providers ‘who have something distinctive and high quality to offer’ (opening up of the training market).
- Improving training and development for management and leadership (the Frontline Managers’ Initiative)
- Developing business support services to ensure that employers have better access to the advice and help they want (eg New Apprenticeship Centres)
- Supporting the development of e-learning across further education (eg flexible delivery, ‘Framing the Future’)

Others are ideas that have not been implemented in Australia and may not have yet been fully considered:

- Expanding and strengthening the network of Union Learning Representatives as a key plank in encouraging the low skilled to engage in training.
- Creating a new guarantee of free tuition for any adult without a good foundation of employability skills to get the training they need to achieve a ‘level 2’ qualification.

The white paper indicated that the task of meeting the ‘skills challenge’ was not seen only as the responsibility of governments - the government intended as part of its skills strategy to form a national Skills Alliance of key employer and union representatives and delivery agencies as well as ‘key government departments’. In addition, implementation of the strategy was to be linked with an Innovation Review being carried out by the Department of Trade and Industry, so that ‘both skills and innovation work together as two key drivers enhancing productivity’. (www.dfes.gov.uk/skillsstrategy/)

Comments on the white paper were sought by late 2003, and in early 2004 further work was being carried out by the Department for Education and Skills in partnership with the Department for Trade and Industry to implement the skills strategy. In March a progress report on the implementation highlighted the link between innovation, the supply of skills and economic prosperity:

The future of the country's prosperity lies in the knowledge economy. This is as true of the manufacturing sector as it is of the service sector. We must strive to innovate, to produce high quality, value-added products and services. And to do this, we have to ensure the right skills to support growth across all regions.

It noted also the contribution of skills to social cohesion and the welfare of individuals:
Meeting the skills challenge we face is not an end in itself. It is a means towards the wider goal of enabling our economy to progress and to maintain social cohesion. For individuals, it is about giving them the skills for employability – no longer skills for a job for life, but skills for employability for life.

The progress report noted also a need for better support for employers:

Employers need to be supported in raising business performance and the quality of products and services they provide through a highly skilled and qualified workforce. And we need to put in place an ambitious, responsive and flexible system to support those needs.

The key elements that the Skills Strategy would likely include were also set out in this progress report:

- better engagement of employers through more joined up support on business performance and skills; promotion of co-operative arrangements by employers to improve business performance and skill levels; and targeted support from government to employers in return;
- higher quality and more coherent education and training offers to young people on Modern Apprenticeships, and on vocational and occupational courses in further and higher education;
- targeted support for low skilled adults and young adults to engage them in education and training; featuring higher quality advice and learning programs that meet their needs;
- education and training more influenced by regionally and sectorally determined skill priority areas taking account of employer needs both now and in the future;
- more responsive education and training with more flexible funding of learning to better meet the needs of the learner, greater adaptability in the blocks of learning that can be undertaken and funded; and greater differentiation in the learning infrastructure; and
- a delivery plan that clearly articulates the roles and responsibilities of the main stakeholders and agencies including a major role for the public sector to lead by example.

(From the DFES website – February progress report on the skills strategy http://www.dfes.gov.uk/skillsstrategy/_pdfs/whitePaper_PDFID35.pdf)

**Major reforms to the post-16 education and training system**

Alongside the development of a ‘skills strategy’, there have been three major changes since 2000 in policy, advisory and funding arrangements for the post-16 education and training system:

- The creation of the Learning and Skills Development Agency
- The creation of the Learning and Skills Council
- The ‘Skills for Business’ initiative.
**Learning and Skills Development Agency**

The Learning and Skills Development Agency (LSDA) was launched in late 2000 to replace the Further Education Development Agency (FEDA).

The FEDA had been established in 1995 through a merger of the Further Education Unit (a policy body) and the Staff College (a training and professional development institute). Its primary role was the development of further education colleges, but following a review of the organisation's mission, operation and business models in 1998, the new LSDA gained wider responsibility for all provision funded by the Learning and Skills Council (ie provision outside, as well as inside FE colleges), and a stronger role in policy development and research.

The LSDA describes its primary role as improving the quality of post-16 education and training in England, Wales and Northern Ireland. It does this by providing training for governors, managers and practitioners in the Further Education sector, supporting the research programs of the FE colleges, carrying out strategic research on behalf of the Learning and Skills sector; and managing research and development projects and activities. It also publishes reports and resources (http://www.ldsa.org.uk).

As well as a national office the agency has nine regional centres, connecting it with local needs and issues.

**Learning and Skills Council**

The Council was established in April 2001 to succeed the former Training and Enterprise Councils and the Further Education Funding Council. The National Council has 12 members, with representatives of employers, trades unions, learning providers and community groups. In addition, there are 47 local Learning and Skills Councils across England, with representatives from local employers, learning providers and community groups.

The Council is responsible for funding and planning all post-16 education and training in England outside universities. This includes:

- Further education
- Work-based training and young people
- School sixth forms
- Workforce development
- Adult and community learning
- Information, advice and guidance for adults
- Education business link

Its broad aim is to raise participation and attainment in education and training, ensuring that ‘by 2010, young people and adults in England have knowledge and skills matching the best in the world’. It aims to do this by transforming ‘the quality, scope and relevance
of post-age 16 education and training’ and channelling ‘the abilities and expectations of people to better fit the commercial demands of business and secure Britain's long term competitiveness and prosperity’ (www.lsc.gov.uk).

Each of the 47 local Learning and Skills Councils is responsible for setting and achieving its own goals, based on local demographic characteristics, needs and issues. For instance, the LSC for London South notes that its region:

‘is a largely prosperous sub region of a great world city, with low unemployment and over 25% of local workers in sophisticated, knowledge based, well paid, value-adding employments like business services, consumer services and care professions’. However, there are also ‘pockets of entrenched deprivation, economic poverty and social exclusion. 1 in 10 of the local workforce have no qualifications; 20% have low levels of literacy; and nearly one third are inadequately qualified. The dominant employers are small firms and micro businesses. Historically, these do not, will not or cannot afford staff training and development’.

Based on this local profile, the LSC has set out its specific goals for the region and is accountable for meeting them:

- 93% of local 16-18 year olds will be in structured learning (a 3% increase from 2000).
- 90% of local young people will be at level 2 by age 19 (a 2% increase).
- 61% of local young people will be at level 3 by age 19 (a 2% increase).
- 40,000 adults will have basic qualifications in literacy and numeracy.
- More local employers will be actively developing their workforces.

(http://www.lsc.gov.uk/londonsouth/Corporate/default.htm)

**Skills for Business**

The policy initiative *Skills for Business* responds to a need to increase productivity in the UK to match that of its main competitors. It responds to a recognition that the UK has inadequate basic and intermediate, craft and technical skills; and that there are weaknesses in management and leadership and the capacity to exploit new technologies and ideas. The initiative also acknowledges the country’s increasing reliance on the skills of its workforce and the importance of knowledge and creativity.

*Skills for Business* aims to assist business leaders to pool their knowledge in order to raise skills levels. It works through *Sector Skills Councils*, supported by the *Sector Skills Development Agency*. A sectoral approach has been chosen ‘because employers tend to identify with others in the same or related industry or public service area. This common identity provides the basis for recognising common needs and developing common solutions best suited to the culture of the sector’. Sectors, and their Sector Skills Councils, ‘are able to add another dimension to national, regional and local arrangements for tackling skills issues’ (www.sdda.org.uk/about/approach.shtml).
Sector Skills Councils

Sector Skills Councils (SSCs) provide employers and other sector stakeholders with opportunities to influence skills and productivity policies through interaction with government departments and ‘education and training partners’. Independent organisations led by employers in industry or business sectors ‘of economic or strategic significance’, they work to meet the needs of the sector, including skill needs. As well as employers, the Councils include representatives of trade unions, professional bodies and other stakeholders.

Each SSC determines its own priorities and targets within a broad framework that has four main goals:

- Reducing skills gaps and shortages
- Improving productivity, business and public service performance
- Increasing opportunities to boost skills and productivity in the sector’s workforce, including action on equal opportunities
- Improving learning supply, including apprenticeships, higher education and national occupational standards

The first five SSCs, known as ‘trailblazers’ came into existence in 2002, following a request for expressions of interest in late 2001. In announcing them the Adult Skills Minister noted:

Set up by business for business, the Councils will demonstrate to everyone the importance of investing in the workforce, present and future… They will produce top class labour market and skills intelligence to help identify our workforce development needs, and provide the highest level of business leadership to influence the supply of education and training across the range. (www.ssda.org.uk/cgi-bin/go.pl/news/show_release.html?uid=9)

Councils that gain full recognition are ‘licensed’ by the government for three years. Achieving the licence requires the completion of a three stage process: the submission of an expression of interest to the Board of the Sector Skills Development Agency (SSDA); a developmental phase in which the Council develops a business case; and a final assessment stage comprised of assessment by the SSDA, other relevant bodies and a Licence Assessment Panel before a proposal for licence is put before the SSDA Board. By February 2004 10 Councils had been licensed and one approved for licensing (a web search conducted in March 2005 reveals 21 licensed Councils).

SSCs can receive up to £1m a year each from the Department for Education and Skills (DfES) towards the costs of:

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3 The Councils replaced National Training Organisations, which ceased to be recognised by the Government from March 2002.
Developing a skills and productivity agenda for the sector
- Securing a commitment to the agenda from employers, governments, funding agencies, key workforce development agencies and learning institutions, in an agreed action plan.
- Promoting employers’ investment in skills and innovation, career opportunities in the sector, learning and qualifications.
- Building collaborative sector-based networks of employers to tackle skills needs.
- Defining and developing key national occupational standards and learning pathways.
- Reporting regularly on the impact of public and private skills investments on the sector’s performance.

Councils are expected to earn additional funding from other sources, such as providing commercial services to meet the needs of employers and individuals in their sector; providing expertise under contract to government agencies; and participation in local regional or EU projects (www.ssd.org.uk/pdfs/sscdguide.pdf).

The SSCs appear to fulfil some similar roles to Australia’s Industry Skills Councils, which are responsible for providing information to the VET system about skill needs and training requirements and supporting the development of appropriate training (http://www.anta.gov.au/vetAdvisory.asp). However, they also appear to be dissimilar in a number of respects. These were not able to be investigated in this research project.

The Sector Skills Development Agency

The Sector Skills Development Agency (SSDA) is responsible for developing, supporting, regulating and monitoring the Sector Skills Councils. It:

- Assists employers in sectors in bidding to become SSCs
- Ensures the quality and consistency of standards across the network of SSCs
- Provides minimum cover for essential functions in sectors without an SSC
- Ensures skills provision is designed to meet sector needs
- Ensures generic skills are effectively covered in the work of SSCs
- Promotes best practice sharing and benchmarking between sectors
- Provides a website portal enabling access to sectoral labour market intelligence across the UK

The SSDA is led by a Board comprising representatives of employers appointed by the Secretary of State for Education and Skills.

To develop the analytical capacity of the Skills for Business Network the SSDA supports a program of research and evaluation, including international research; the synthesis of existing research; the development of a common skills and labour market intelligence framework. It also participates in research projects with a variety of partners across the UK and has set up a network of researchers in the field of labour market studies (www.ssd.org.uk/).
3. The Centres of Vocational Excellence (CoVE) Program

Background

In November 2000 the Secretary of State for Education and Employment published a statement, *Colleges for Excellence and Innovation* (www.dfes.gov.uk/speeches/media/documents/excellenceandinnovation.pdf) which set out a vision for the future of further education in England. It declared an intent to ‘rebuild the technical instruction that once symbolised the very best of our industrial training system’; creating a ‘modern further education sector’ that would contribute fully to the nation's vocational skills and the drive to increase productivity. This rebuilt system would have four main objectives:

- Ensuring increased participation and achievement on broad and balanced programs of study for 16-19 year olds
- Playing a leading role in providing the technical and vocational skills the economy needs at every level
- Widening participation in learning
- Providing a ladder of opportunity to higher education with a key focus on foundation degrees.\(^4\)

The statement introduced the idea of special centres of vocational education with strong links to industry:

I envisage a network of specialist centres of vocational education built around colleges or groups of colleges working with business partners (Colleges for excellence and innovation, p 3).

The Minister noted that Colleges ‘must earn and retain a reputation for excellence in vocational and technical learning’ that would give them ‘definition and enhanced standing’ and indicated that he saw specialization as the way to achieve this. He further noted that while some Colleges had already developed specializations, focusing resources in a particular occupational field, these were often ‘too narrow and limited’ and their development had been ‘ad hoc rather than being planned in relation to the work of other colleges and training providers or economic development priorities’. He thus indicated a need to be more:

\(^4\) Foundation degrees are employment related higher education qualifications offered at sub-degree level by universities in partnership with higher education or further education colleges and designed in conjunction with employers to meet skills shortages at the higher technician and associate professional levels. They are delivered flexibly to make them available to people in work, unemployed people, or those seeking a career change.(http://www.foundationdegree.org.uk/)
ambitious and systematic in the drive to take colleges to the forefront of skill development in a wide range of traditional and new growth sectors - from fashion textiles to design technology to ICT (Colleges for excellence and innovation, p 14).

Based on this view, the statement announced the introduction of a new strategy to:

Create specialisms within colleges that embed a culture of innovation and technical excellence on which institutions’ perception by employers, unions and workers, and the wider community will rely (Colleges for excellence and innovation, p 14).

The Minister indicated an expectation that the most successful centres – which he described as those with the most effective collaborations and the strongest credentials in teaching and learning - would have a strong role in innovation. They ‘should aspire to become advanced technology centres working at the leading edge of innovation’.

**Development and implementation**

Following the Minister’s statement the Department for Education and Skills (DfES) issued a proposal for development of the centres and began a process of consultation with stakeholders. Based on the results of the consultation process it published a prospectus for the CoVE program, *The Way Ahead*, in July 2001.

The prospectus announced the government’s intention to establish a ‘network of centres’ within 12 months and an ambitious aim to have at least one centre in half of all colleges by 2003-2004. It also set out the aims of the CoVE program, what would be expected of CoVEs, eligibility and the process for obtaining CoVE status, and some possible performance measures for assessing the performance of the CoVEs. It also announced an initial ‘pathfinder phase’ in which a small number of centres would be selected to trial the CoVE arrangements. Their experience was expected to provide information to the Learning and Skills Council that would help it to refine and develop the characteristics, implementation and operation of the CoVE program. It was also envisaged that the pathfinder CoVEs would also be able to support and assist other colleges later applying for CoVE status.

**Aims of the program**

As described in the prospectus developed by DfES, the CoVE program would focus on meeting skill needs at four levels - nationally, sectorally, regionally and locally. They would do this by developing new education and training provision, improving existing provision, and increasing access to, and participation in, vocational education.

CoVEs will develop new, and enhance existing, excellent vocational provision which is focused on meeting the skill needs of employers, nationally, sectorally, regionally and locally. They will seek to give a greater number of individuals from
all backgrounds access to the high quality vocational training which they need to succeed in a modern economy.

CoVEs were expected to build relationships with business and industry, local Learning and Skills Councils and other local organisations, and other vocational education and training providers that would enable them to work together to identify skill needs and develop innovative ways of meeting them. With business and industry they were also expected to secure ‘a joint commitment to investing in workforce development’.

More specifically, the centres were expected to:

- Focus their resources and provision at level 3, where a ‘crucial skills gap’ had been identified, while providing opportunities for some learners at lower levels, ensuring progression opportunities to level 4 and in some cases, delivering at level 4.
- Focus on skill needs in one of three specialist areas: in the local labour market; sub-regional and regional labour markets; or a sector, occupation or group of related occupations at the national level.
- Provide high quality vocational education through excellence in staff, staff development and extra support for learning.
- Have, or have access to, industry standard equipment and a range of support services and resources for learners and by ensuring that the learning environment would meet the needs of learners.
- Build links to smooth the transition of learners from and to other education providers or employment and to support the progression of learners to higher levels.
- Disseminate good practice throughout the further education sector.

Together, it was expected that the CoVES would form a network that would allow for the spread of good ideas and practice and promote the exchange of mutual support.

**Growth of the CoVE network**

Eligibility to apply for CoVE status was opened initially to further education (FE) colleges, Tertiary and Specialist colleges of Agriculture, Horticulture, Art and Design and the Performing Arts and to further education provision within universities funded by the Learning and Skills Council. Sixteen CoVEs were selected for the initial ‘pathfinder phase’ from September 2001 and subsequently the program grew rapidly and ahead of expectations. By September 2003 there were over 200 centres in the CoVE network, six months ahead of schedule and by May 2004 there were 262, comprising 126 with interim CoVE status and 136 with full CoVE status. Funding has since been approved for a network of approximately 400 centres in England by 2006.

Rapid growth of the network was assisted by the extension of eligibility to apply for CoVE status from mid 2002 to work-based learning providers; private and voluntary sector
providers; former ‘external institutions’; employer-based providers; and group training associations. (http://cove.lsc.gov.uk/background.cfm) Growth is illustrated in figure 1:

**Figure One**

![Growth of the CoVE Programme: Number of providers on the CoVE Programme](http://cove.lsc.gov.uk/background.cfm)

While most applications for CoVE status come from VET providers, discussions conducted for this project with an LSC representative indicate that the program allows the Council to identify an area where it sees a need to develop VET capability (e.g. in training for a new industry) and a suitable site for a CoVE to fill the identified gap.

**Funding Arrangements**

On joining the program a CoVE is awarded Interim status for 12 months (the development period), during which the local LSC reports on progress and recommends whether Full CoVE status should be confirmed, or Interim status continued or withdrawn. Assessment is moderated at regional and national levels to ensure consistency. An LSC flow chart outlining the confirmation and assessment process is attached as Appendix 2.

Each CoVE is eligible to receive up to £300,000 in its first year, depending on the scale and scope of its work. Up to £100,000 is available for activity in the second and third year depending on the availability of funds. An LSC circular (http://cove.lsc.gov.uk/cove_pdf/Circular02_15.pdf) advised that funding would be allocated on a 70-30 ratio between capital and revenue but this appears to have been varied at different stages of the program. For pathfinder CoVEs the allocation was 60:40 revenue/capital and for CoVEs in rounds 1 and 3 it was 60:40 capital/revenue. CoVEs are able to make their own decisions about the allocation of capital funding to equipment or minor works. (http://cove.lsc.gov.uk/funding_questions.cfm).


Evaluation

Two types of evaluation take place: assessment of the performance of individual CoVEs; and assessment of the CoVE program as a whole.

Evaluating individual CoVEs

Local LSCs monitor and review the performance of individual CoVEs using two types of measures: five performance criteria that were set out in the original CoVE prospectus - meeting skill needs; providing high quality learning; resources for learning; progression; and mission and management; and targets and milestones that are agreed with each CoVE and set out in their individual audit and development plans. A new ‘assessment tool’ that is used to collect and assess data against the five general criteria was developed by the LSC and published in 2004 (see Appendix 1).

Evaluating the CoVE program

The CoVE program is evaluated in two ways. Firstly, information collected in the process of assessing individual CoVEs is aggregated by the LSC to provide an overall picture of the program. Secondly, the LSC commissions evaluations of specific aspects of the program.

The LSC has identified eight key outcomes for measuring the impact of the CoVE program as a whole:

1. A significant expansion in vocational learning, particularly at level 3, in terms of overall volumes and participation rates as measured against targets for expansion of vocational level 3 identified in development plan.
2. Increased effectiveness in addressing skills priorities through CoVEs, particularly in being responsive to the needs of employers.
3. An improvement in learners' achievements in vocational level 3 provision, including progression in to employment and advancement within employment
4. Widening participation of non-typical learners in level 3 vocational qualifications and the participation of adults as a result of the CoVE program.
5. A significant increase in the extent of collaboration amongst learning providers and the promotion of the concept of excellence and continuous improvement in economically important vocational specialisms
6. An expansion of the use of industry standard equipment and facilities in the post-16 sector, including leverage of greater employer contributions to enhance provision.
7. Examples of innovation and flexibility in order to meet the needs of employers.
8. A positive change in the attitude of employers and involvement in training as a result of the quality of post-16 provision and the impact on meeting the skills needs of the workforce.
It has mapped these against the five criteria for measuring the performance of individual CoVEs so that there is a clear linkage between the two groups of measures.

In late 2002 The LSC commissioned an evaluation of the program to measure progress towards the eight ‘desired outcomes’ noted above. Though many of the CoVEs involved in this evaluation were still in a developmental stage, and data was not always available, the findings were generally positive, with progress reported to be substantial against some measures, less so in the case of others.

**Table 1: A summary of progress towards desired program outcomes**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Expansion in vocational learning, particularly at Level 3</td>
<td>Eighty-one percent of the sampled CoVEs described forecast or actual increases in learner numbers at Level 3 – with 9 of the 11 FE pathfinders describing actual increases. Where increases were not forecast, negative developments in the target sector were given as the reason.</td>
</tr>
<tr>
<td>2 Increased effectiveness in addressing skills priorities</td>
<td>The majority of employers reported high levels of satisfaction with the services provided by the CoVEs. However, only two of the ten employers interviewed were sure that their take-up of CoVE services would increase. The influence of other factors such as market conditions and technological developments would have equal influence to the availability of relevant high quality provision.</td>
</tr>
<tr>
<td>3 Improved learner achievement at Level 3</td>
<td>CoVEs were optimistic about their potential for improving achievement and progression outcomes, with 20 of the 32 CoVEs sampled forecasting increases in achievement.</td>
</tr>
<tr>
<td>4 Widening participation at Level 3</td>
<td>All case study CoVEs were optimistic about widening participation in the future. CoVEs unanimously described plans to widen participation.</td>
</tr>
<tr>
<td>5 Increase in collaboration amongst learning providers, and the promotion of good quality provision</td>
<td>The level of collaboration with other providers had increased as a result of the programme, with a range of benefits already realised and more expected. The specialist development groups facilitated by the Learning and Skills Development Agency had been influential, and CoVEs had developed other partnerships to assist the enhancement and expansion of existing provision.</td>
</tr>
<tr>
<td>6 Expansion of use of industry standard equipment and facilities</td>
<td>CoVE funding and enhanced employer and industry relations guided investment decisions and offered opportunities for significant cost savings. ICT was a common investment focus, and impressive partnerships with global market leaders had been established which would be exploited further.</td>
</tr>
<tr>
<td>7 Innovation and flexibility in meeting employer needs</td>
<td>Employers believed that CoVEs are clearly improving their ability to accommodate employer needs in terms of course provision and delivery. CoVEs described many ‘new’ elements in their service offers. Increased flexibility of provision was also a common theme, to meet both employer and individual needs and featuring more on-line learning opportunities, flexible timetables and study locations and enhanced outreach work.</td>
</tr>
<tr>
<td>8 Positive change in employer attitudes to post-16 provision</td>
<td>There is evidence that employer attitudes are improving – with the majority describing their opinions as either improved or unchanged from a previously high opinion.</td>
</tr>
</tbody>
</table>


For instance, the report indicated that employers believed that CoVEs were improving course delivery and provision to meet their needs better. However, only two of ten
employers indicated that they would increase their take-up of CoVE services. A summary of progress against the eight outcomes is presented in table 1 above:

The evaluators’ report identified some challenges with the potential to influence progress and described some factors essential to the future success of the program that the Centres had identified. These included: maintaining the quality of provision across the program; continued collaboration between CoVEs and other stakeholders; the ability to recruit, retain and develop high quality staff; and the effective promotion and marketing of the CoVE program and CoVEs both locally and nationally. The report also noted some concern among the CoVEs about their sustainability in the longer term.

**Box 2: Summary of recommendations of CoVE program evaluation, 2003**

1. **Programme focus** – The LSC is recommended to maintain the emphasis on the development of high quality, employer focused provision;
2. **Partners and partnerships** – CoVEs are recommended to further develop relationships with Business Link and Chambers of Commerce networks; Sector Skills Councils and Regional Development Agencies;
3. **Promotion and dissemination** – It is recommended that the LSC promotes the CoVE programme more actively to employers, learners and other stakeholders and facilitates the dissemination of good practice material. It is also recommended that CoVEs further develop effective ways of transferring good practice across the post-16 sector;
4. **Engaging employers** – CoVEs are recommended to further develop their engagement with and responsiveness to employers;
5. **Identifying need, strategy and linkage** – The LSC is recommended to produce guidance on the labour market information available to CoVEs and enable its local offices to take the lead in consolidating existing local, regional and sectoral labour market information and relevant skills strategies, to inform the development of the CoVE programme. Providers developing CoVE proposals are recommended to involve stakeholders and employers in the very early development of CoVE proposals;
6. **Widening participation** – CoVEs are recommended to further develop strategies for widening participation and methods of evidencing progress towards widening participation;
7. **Sustainability** – It is recommended that greater prominence is given in LSC documentation to the need for each CoVE to consider its sustainability. CoVEs are recommended to include development of sustainability in good practice material.


The evaluation consequently made a number of recommendations directed to the LSC or to the CoVEs, including further development of external links, greater promotion of the CoVE program and the transfer of good practice between colleges, attention to strategies for widening participation, improvements to the use and collection of local labour market
information; and a stronger emphasis on finding ways to sustain individual CoVES beyond their three year period of government funding. These recommendations are indicated in Box 2 above and discussed in more detail in the next section of this paper.

4. Assessing the CoVE program

The external evaluation of the CoVE program conducted for the Learning and Skills Council during 2003 noted that it had already made progress toward its target outcomes, despite the still being in its very early stages. For instance it indicated:

- A significant expansion in vocational learning, particularly at Level 3.
- Increased effectiveness in addressing skills priorities.
- A significant increase in collaboration between learning providers.
- Continuous improvement in economically important vocational specialisms.
- An expansion of the use of industry standard equipment and facilities.
- A positive change in the attitude of employers and involvement in training.

However the evaluation also noted some areas where further effort was required, as well as some issues of concern to the centres. For instance:

*Use of local labour market information:* The ability of the CoVE program to meet the skills needs of employers is essential to its success. However, identifying and tracking changing needs pose specific challenges. CoVEs employ a range of approaches, but need further assistance at the local level, particularly in the appropriate use of labour market information (LMI) and facilitating local strategic positioning. The use of labour market information in targeting provision was small - only one of 10 case study centres had used this type of information in preparing its development plan.

*Sustainability:* While the Centres are expected to develop sustainability there appeared to have been only slow progress toward this objective. Moreover, CoVEs had expressed concerns about their ability to maintain achievements once program funding ceased. In particular they were concerned about the maintenance and updating of sophisticated new equipment, especially ICT facilities.

*Quality:* Some CoVEs expressed concern that as the program expanded there was a risk of reducing the effect of the ‘excellence’ stamp that was a key to attracting employer interest. A perception of a drop in the quality of services could place the achievement of the wider program objectives at risk.

*Equity:* The CoVEs had achieved only very limited success in widening participation. Reasons for this included that in the early stages of the program the Centres had focused attention on improving the quality of provision and had used resources to purchase new equipment and develop new courses, rather than on
measures providing support to learners. In addition some Centres indicated that
the focus of the program on Level 3 might work against widening participation
measures, which fit better at lower levels. However, as other reforms improve
equity at lower levels a flow-through effect was anticipated

In CEET’s research project, examination of CoVE documents in print or published on the
web, together with interviews with CoVE personnel and policy makers, sought to answer
the question: what difference does CoVE status and funding make to the building of
capabilities in VET to respond to innovation that changes skill needs?

Case studies published by the Learning and Skills Council in late 2003, together with
other material published by CoVEs, suggested a number of ways in which improvements
were occurring. Firstly, there was substantial evidence of the creation and strengthening
of relationships between VET providers, employers, industries and community bodies at
the local level, enabling a faster and more consistent and open exchange of information
about current and future changes in skill requirements and possible responses. Secondly,
there was evidence of the formation of new partnerships for the development and
delivery of VET. Thirdly, many new courses and programs had been developed,
including tailored programs to meet the needs of particular enterprises, organisations or
learners. Fourthly, there had been substantial improvements in the standard of equipment
available for training through the updating and extension of facilities. In addition,
networking between VET providers to disseminate ‘good practice’ appeared to have
increased and within Centres and additional opportunities were being provided for staff
development.

For instance, CoVE Funding had enabled the Trade and Logistics CoVE at Felixstowe
(within ITS Training, the training division of the Institute of Chartered Shipbrokers) to
employ additional staff and has speeded the development of new software. Funding had
also supported the purchase of additional computer hardware (www.itstraining.co.uk/).

The Construction CoVE in Cambridgeshire had brought together three FE Colleges to
work together to provide training to meet the needs of local industries. The Centre had
worked to build a strong relationship with employers and as a result, had been able to
offer enhanced tailored fee-for-service programs.

Visits conducted by CEET to two colleges suggested some similar, and additional,
benefits of the CoVE program.

At Merton College in Surrey, staff of the CoVE in Access and Community Studies
stressed that a major benefit of becoming a CoVE was that the funding had enabled
substantial staff time to be devoted to building extensive external relationships and
partnerships. Previously, demands on staff time (full-time teaching commitments of 24
hours per week) did not allow for any developmental work. While links had been forged
most strongly within the local region (eg with community bodies, hospitals, a university),
new links had also been made with VET providers overseas. Staff indicated that each

23
new connection made had ultimately lead to the development and delivery of some new programs.

CoVE funding had also allowed the refurbishment, updating and extension of facilities to a higher standard. This had further enabled the CoVE to offer many additional and new courses and programs, using much more suitable (ie industry standard) and up-to-date equipment.

At the College of North-West London, becoming a CoVE has ‘formalised’ work to build external relationships that had been ongoing for some time, as well as providing support for new facilities, equipment and staff development. The College had two CoVEs, one in Construction and another in Refrigeration, Air Conditioning and Electrical Installations. It was also a partner in a third in Welding and Fabrication.

Staff indicated that the CoVE ‘Badge’ had brought recognition and acted as a ‘catalyst to further develop businesses’. It had enabled the College to become ‘more aggressive’ in providing services to industry. The College was competitive before, but CoVE status had helped to ‘channel competitiveness’ in setting standards. In Construction, these were noted to have sometimes become higher than required in industry.

Staff further indicated that some of the effects of CoVE status were subtle and unexpected. External bodies, including the sector skills councils, used connections with CoVEs for their own advancement. For instance, some employers used the connection to raise their status in the industry and also to highlight the high standard of their skills when they were submitting tenders to local authorities.

However, while CoVE staff at both Colleges acknowledged that the benefits of CoVE funding and status were substantial, they also indicated that becoming a CoVE had its downside. There were also some aspects of the program that they believed could be improved.

Firstly, success in obtaining CoVE status and funding had led to some strain in their relationships with other providers offering some similar programs. Students appeared increasingly to prefer courses and programs offered by the CoVE to those offered by other providers. In some cases this had created resentment towards the CoVE from other VET providers experiencing a decline in demand. CoVE staff at Merton College indicated that this resentment tended to work against the requirement that the CoVE provide ‘leadership’ to other providers and disseminate good practice. Because it tended also to be greatest in the local region, they seemed to have better relationships with providers outside the region.

CoVE staff at Merton College also noted resentment from other staff within the college. While they had experienced very strong support from senior management within the college, some other staff appeared to believe that the CoVE received more than its fair share of internal resources and recognition. This was unpleasant and had the potential to
create difficulties for them in spreading ‘good practice’, developing internal alliances and partnerships, and gaining access to internal resources.

CoVE staff at both colleges also highlighted problems with arrangements for funding within the CoVE program. At Merton College there was concern that the balance between funding for capital and for recurrent expenditure was not appropriate to their needs. They suggested that more funding should be available for staff support. Existing staff worked long and hard to fit in all that needed to be done. More could be achieved if more staff support was available.

Staff at North-West College indicated that funding for CoVEs should be extended to enable them to continue beyond three years as CoVEs provided an ‘outstanding’ return on the investment of public funds. They sought more ‘rolling funding’, tied to performance measures. They suggested also that the LSC needed to develop an ‘exit strategy’ to support CoVEs as they came to the end of their funding.

Quality issues were also raised at both Colleges. CoVE Staff at Merton College noted that once the COVE had met the requirements of initial assessments during their ‘development phase’ it had not been subject to further evaluation. In particular they noted that while they had been given the ‘excellence badge’ no-one from the LSC had come to identify if in fact they were ‘excellent’ – or to what extent. At North-West College strong concern was expressed about the variability in quality across the CoVE network. A very large gap was noted between highly-performing CoVEs and some others and a strong view was expressed that this variability put at risk the status of all the CoVEs. More specifically, it was felt that the reputations of outstanding performers would be damaged by their association with those CoVEs performing at a much lower level. Thus a more rigorous performance assessment system was called for.

Staff from both CoVEs suggested that there might be a place for ongoing assessment to determine if the CoVE was continuing to meet the program criteria and their own targets and goals. CoVE Staff at North-West indicated that an assessment system of this kind could be tied to a program of ‘rolling funding’.

**Strengths and Weaknesses of the Program**

The findings of the evaluation of the CoVE program conducted for the LSC, together with the additional material collected and examined for this project, enable the identification of some strengths and weaknesses of the CoVE program:

1. **Flexibility**

   The flexibility built into the CoVE program enables a diversity of centres and interests to be supported. CoVEs address national, regional, local and sectoral issues. Policy makers are able to support the development and delivery of training for a new or emerging industry, by fostering an appropriate CoVE. Individual providers, or groups of providers are able to gain CoVE status and funding to
support and further develop an area of strength, interest, or identified need. Enterprises and industries are able to partner with providers to create a CoVE that will meet their special training needs.

Flexibility also enables the building of capability from a low-base, as well as a high base.

2. Building relationships

The program is building relationships eg, relationships between providers and industries, enterprises and communities; between centres in the CoVE network; and between the local Learning and Skills Councils and VET providers, enterprises, industries and communities. This support and enable the flow of information about skill and training needs and the development and delivery of appropriate training.

3. Disseminating good practice

Requiring CoVEs to demonstrate leadership and to disseminate ‘good practice’ within the VET system promotes attention to issues of quality and simultaneously contributing to the system’s ongoing renewal.

4. Facilities

Through its funding for capital and equipment, the program is supporting the substantial renewal and upgrading of the facilities and equipment available for training and increasing the likelihood that, at least during the period of CoVE funding, these will approach, or match, industry standards.

5. Equity objectives

In having ‘widening participation’ among its objectives the CoVE program recognizes the diversity of learners and their needs and the obligation of the VET system to meet the needs of individual learners, and contribute to the attainment of social goals, as well as to address the requirements of industry and employers.

6. Recognition

‘Badging’ of centres provides new and formal recognition for new and previous work, attracts new partners and students and acts as a catalyst to further work.

Weaknesses

1. Quality and performance
Considerable variability in standards across the CoVE network has been noted – and its potential to devalue the reputation of the best-performing Centres and thus affect the relationships that they are building with enterprises, industries and communities. Currently, assessment of the CoVEs seems to focus on their performance during their developmental phase. Further assessment appears to be required to identify under-performing CoVEs once they have passed this initial period and are fully-funded and operational.

4. Funding

The balance in the program between funding for capital and equipment and for recurrent expenditure does not appear to suit all centres. Further flexibility may be required to cater for the needs of particular CoVEs. To assist in maintaining a more even distribution of quality across the CoVE network there may also be a case for an extended assessment system – perhaps with ongoing funding tied to performance measures.

5. Equity

CoVEs have not been as successful in achieving ‘widening participation’ as they have been in some other areas. One of the reasons they give for this is that they are required to focus their efforts at Level three while most ‘disadvantaged’ students are found at lower levels. Assuming that there will be a ‘flow-through’ effect of equity measures at lower levels is inadequate.

6. Relationships with other providers

The resentment that CoVE status and funding creates between the centres and other providers affects the ability of the CoVE to fulfil its responsibility to support other VET providers and disseminate ‘good practice’.

Importantly, correspondence\(^5\) with a representative of the LSC received in early 2004 indicated that most of these weaknesses had been recognised and that steps were being taken to address them.

5. The CoVE model in Australia?

Despite the weaknesses identified in the program, CoVEs are proving to be effective in rapidly re-building capability in England’s vocational education and training system, and in strengthening and extending capability that already exists. CoVEs are innovative in their own right, and also responsive to external innovation that is changing skill requirements. Through their work, especially in developing relationships with enterprises, employers, industries and community organisations, much new training provision is

\(^5\) Personal email from Keith McMaster to Fran Ferrier
being developed; VET staff are gaining knowledge and expertise; and information about good ideas and practices are being disseminated.

The success of the CoVE program raises the question, would it be a good idea to establish a similar program in Australia? And just as importantly (perhaps even more so), what, if anything, would it add to the current range of initiatives to build VET capabilities to meet new skill needs?

There is a strong argument against the need for Centres in Australia similar to CoVEs: there are already initiatives in place with similar aims and functions. This research project found many state and territory programs and activities, including Victoria’s Specialist Centre’s program, that aim to address the challenges posed by innovation and changing skill needs. Though not explored in this project, national initiatives also exist. VET providers too are undertaking considerable relevant work. Discussions for this project with representatives of training providers in South Australia and New South Wales noted that providers are strongly aware of, and generally give a high priority to, the need for continuous improvement, and to developing and strengthening new and ongoing links with external organisations that enable them to know about and respond to changing skill needs. In particular, providers appear to be working hard to build relationships with particular industries or sub-sectors of industries, other providers and community organisations within their region (including some new industries). They are also developing and extending staff expertise into some new areas.

A further argument is the likely high cost associated with the development and maintenance of Centres – particularly those requiring substantial and expensive equipment in order to provide industry standard training.

On the other hand there are also some strong arguments in favour of the Centre model. Firstly, though Victoria’s Specialist Centres were only newly established and still to be evaluated when this research was conducted, early indications were that they were proving successful in establishing new training provision to meet some newly identified skill needs, and successful also in building the external relationships likely to lead to a stronger and more recognised role in their communities and further training development. The success of these Centres points to the potential of an expanded Centres program on a broader (nation-wide) scale to accelerate the current rate of progress in building capability in VET to identify and meet new skill needs.

Secondly, the research reported in this paper indicates that the formal ‘badging’ of CoVEs has some unexpected and positive effects. It has acted as a catalyst to further work, with status as a nationally recognised centre proving to be a powerful tool for

6 The author thanks representatives of South Sydney Institute of TAFE and of TAFE institutes in South Australia for participation in these discussions and for the additional written material they provided.

7 While no formal evaluation of the specialist centres program was available during the research project indications of some substantial achievements were presented by the centres at seminars conducted in late 2004.
attracting new partners and students into VET. Similarly a connection with a recognised centre of ‘training excellence’ has become a highly-valued commodity among enterprises, who use it to leverage competitive advantage in tough markets. Some enterprises formerly disconnected from the VET system have thus begun to seek out a link, others have sought to strengthen existing links.

Thus while some Australian initiatives, especially those by VET providers, have led in effect to the creation of ‘de-facto’ VET centres in which resources and expertise are gathered, formal recognition as a national centre has the potential to boost their success.

Thirdly, funding specifically for centres has enabled the building and renewal of specialised expertise and facilities on an intensive scale that has very quickly increased the capacity of VET providers to offer both a broader range of courses and programs and more specialised and tailored training, utilising highly expert staff and industry standard equipment. This in turn has led to greater industry recognition, participation and support, and increased student enrolments.

Fourthly, the CoVE program has been given flexibility to allow policy makers to establish a specialised VET centre in an area where there may be no, or very little, existing VET capability, such as a new industry, or industry sub-sector. It is not clear that the current range of Australian initiatives enable this – at least not to the same extent - as many primarily seek to build on existing strengths, rather than develop new ones.

If CoVEs were to be implemented in Australia, those charged with making the arrangements would be wise to look to the experience of Victoria’s Specialist Centres program. These Centres were established in TAFE colleges in Victoria in 2003 with state government seeding funding. Both CoVEs and specialist centres were designed to build VET capability and expertise in a particular area. Both are expected to provide leadership to other providers and to work to spread good practice. Both emphasise the importance of collaboration and co-operation between providers and industries, enterprises and communities in order to ensure that training provision is appropriate to meet changing skill needs, as well as social goals. Both are expected to develop new, as well as enhance existing provision. Both address issues at a regional or sectoral level. However, there are also some differences between the two types of Centres, that reflect differences in the VET systems of the two countries:

1. Context: The VET sector

There is evidence that the vocational education and training system in which the CoVEs were established had been poorly regarded by both learners and employers. Demand for courses and programs had been generally low and participation had failed to meet levels required to address skill needs. In

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8 Victoria’s Specialist Centres are noted in the companion working paper on state and territory initiatives. They are also more fully discussed in a forthcoming paper to be presented at the 2005 conference of the Australian VET Research Association.
interviews with CEET views were expressed that the system had become rundown through years of neglect and under funding. The CoVEs thus faced a more difficult task in building capability in the sector than Victoria’s specialist centres, which were established in a very different system that had already experienced substantial reforms to strengthen its links with industries, employers and communities, increase participation and improve the system’s reputation and status.

2. Funding

Victoria’s Specialist centres were granted only ‘seed funding’ for 12 months, after which were expected to become self-sustaining. In contrast, once they are ‘licensed’, England’s CoVEs can receive funding for three years. Thus they have a considerably longer period to work towards sustainability.

3. Specialist areas

Victoria’s specialist centres were established in areas selected by the government, building on established strengths. CoVEs can be selected in a similar way, but more generally the specialist areas they cover also reflect the nature of applications to the program.

4. Scale

In early 2004 the CoVE network consisted of over 250 providers and was still growing. Additional funding had been provided and the funding body (the LSC) aimed to have 400 in place by 2006. In contrast Victoria’s program was very small, with only 15 Specialist Centres in 2003 and very limited funding.

5. Equity

The CoVE program was charged with ‘widening participation’ in the VET system, ie both increasing participation and increasing the range of people who participate. The Specialist Centres share this brief, but to a lesser extent due to their focus on other imperatives.

The differences between the two types of Centres underscore the necessity to adapt the CoVE program to account for, and respond to, local conditions in Australia. Attention would also need to be given to addressing the weaknesses apparent in the CoVE program as implemented in England. A fusion of the best aspects of the CoVE model and Victoria’s Specialist Centre’s program might be a useful way forward. This could incorporate:

- Flexibility to address changing skill needs at multiple levels: national, regional, local and sectoral.
- Flexibility to allow the system to nominate (and build on) areas where specialised expertise already exists.
- Flexibility to allow governments to identify areas they want to promote and expand (e.g., biotechnology) and build expertise and facilities to serve their VET needs.
- Formal recognition, and additional resources, for work previously undertaken.
- ‘Branding’ or an ‘excellence stamp’ that will promote centres’ ability to engage employers and industry, community and individuals in their work and to increase their reputation and participation.
- Support to ensure the use of up-to-date industry-standard equipment in training (including through relationships with employers).
- Additional support for providers, or groups of providers, to work with enterprises, industries and communities to build specialised expertise and provision and, compared to the Victoria’s specialist centres program, give providers more time to work towards sustainability in their specialist areas.
- Measures enabling the building of capability from a low-base, as well as extending established strength.
- The identification of program objectives and the development of measures to evaluate progress towards them.
- A rolling process of evaluation to identify under-performing centres and to assist them, or remove them from the program.

6. Conclusion

England’s Centres of Vocational Excellence (CoVE) Program is one of a number of measures introduced to reform a vocational education and training system that was run-down and poorly regarded by employers and students. It is contributing substantially to the renewal of the system and to the building of capability to meet new skill needs.

The program is extending and enhancing provision in both existing and new areas; enabling the development of provision to meet specific needs; developing staff expertise and spreading good practice; supporting the upgrade and extension of facilities so that they better meet industry standards; improving the flow of information and expertise between VET providers and enterprises, industries and communities. It is also helping to change attitudes to vocational education and training thus increasing support and participation.

The model has some similarities to Victoria’s Specialist Centres program, but with some differences that reflect local conditions, notably funding, scale and equity goals.

If implemented in Australia, the CoVE model has the potential to add some additional elements to the mix of current initiatives to build and extend VET capabilities. However, any adaptation of model to Australia should address its identified weaknesses and incorporate both its strengths and the strengths of Victoria’s Specialist Centres program.
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ITS Training Services www.itstraining.co.uk/

Learning and Skills Council www.lsc.gov.uk/


Sector Skills Development Agency www.sssda.org.uk/

### Appendix 1: Performance Criteria for individual CoVEs

Source: cove.lsc.gov.uk/cove_pdf/COVE_Assess_Tool_28_April04.doc

Note: this table excludes all the data tables attached to each performance criterion.

<table>
<thead>
<tr>
<th>PERFORMANCE CRITERION</th>
<th>PROCESSES</th>
<th>PERFORMANCE OUTCOMES</th>
<th>KEY MEASURES OF IMPACT: CoVE OUTCOMES FOR EVALUATION AND ASSESSMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1.1 Actively engaging employers in the design, development and delivery of the specialist vocational curriculum.</td>
<td></td>
<td>• A significant expansion in vocational learning, particularly at Level 3, in terms of overall volumes and participation rates as measured against development plan targets and recruitment trends</td>
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<td></td>
<td>1.2 Supporting the needs of learners, including those from disadvantaged groups, with a key focus on employability and career progression.</td>
<td></td>
<td>• Increased effectiveness in addressing skills priorities serviced by the CoVE, particularly by being responsive to the needs of employers</td>
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<td></td>
<td>1.3 Meeting of local, regional and/or national skills needs identified by the LSC, Sector Skills Councils, and Regional Development Agencies.</td>
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<td>• A positive response from employers to learning and upskilling the workforce as a result of CoVE activities, evidenced by improved attitudes to training and use of services</td>
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<tr>
<td></td>
<td>1.4 Reflect employer and industry needs in the design and delivery of the curriculum (where awarding bodies allow).</td>
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<td>• Widening learner participation, particularly at Level 3, and adults in the workforce</td>
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<td></td>
<td>1.5 Demonstrate a good reputation among employers, relevant to the specialist sector.</td>
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<tr>
<td>PERFORMANCE CRITERION</td>
<td>PROCESSES</td>
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<tr>
<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.1 Be designing, developing and delivering courses on the basis of dialogue with employers, SSCs, and on the basis of skills forecasts and labour market information.</td>
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<tr>
<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.2 Where appropriate, provide depth of study alongside specialist areas of learning.</td>
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<tr>
<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.3 Giving appropriate support to enable learners to succeed.</td>
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<tr>
<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.4 Being creative and innovative in developing good quality provision</td>
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<td></td>
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<tr>
<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.5 Consistently high Success, Retention and Achievement rates (above national benchmarks for vocational area).</td>
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<tr>
<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.6 Demonstrate consistently good or excellent quality teaching and learning opportunities. Note: The LSC will not assess teaching and learning directly as this is the role of inspection.</td>
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<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.7 Have an appropriate range of courses and qualifications in the specialist area.</td>
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<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.8 Demonstrate new ways of working with learners to improve their vocational specialist knowledge and skills and enhance the quality of CoVE provision</td>
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<tr>
<td>2. PROVIDING HIGH QUALITY LEARNING</td>
<td>2.9. High levels of learner and employer satisfaction with the quality of CoVE provision</td>
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<tr>
<td>3. RESOURCES FOR LEARNING</td>
<td>3.1 Recruiting and maintaining a well-qualified staff with up to date expertise in the specialist area</td>
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<tr>
<td>3. RESOURCES FOR LEARNING</td>
<td>3.2 Securing and maintaining up to date industry standard resources and equipment.</td>
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<tr>
<td>3. RESOURCES FOR LEARNING</td>
<td>3.3 Have effective, and adequately funded, staff development programmes to update systematically the pedagogical subject specialist skills of teaching/training staff</td>
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<tr>
<td>3. RESOURCES FOR LEARNING</td>
<td>3.4 Have well-qualified and expert staff, who maintain a close working relationship with the industry concerned.</td>
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<tr>
<td>3. RESOURCES FOR LEARNING</td>
<td>3.5 Effective securing of specialist resources</td>
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</tbody>
</table>

**KEY MEASURES OF IMPACT: CoVE OUTCOMES FOR EVALUATION AND ASSESSMENT**

- An improvement in learners’ achievements in Level 3 provision, including progression into employment and advancement within employment (data table 5).
- Examples of innovation and flexibility that demonstrate effectiveness in meeting employer needs.
- An expansion of the use of industry standard equipment and facilities in the post-16 sector, including leverage of greater employer contributions to enhance provision.
| 4. PROGRESSION AND PARTNERSHIP WORKING | 4.1 Working in close partnership with relevant organisations |
| | 4.2 Proactive networking and dissemination/transfer of good practice |
| | 4.3 Ensuring partnership arrangements that enable progression into through and out of the CoVE |
| | 4.4 Strong evidence of progression to employment from level 3 provision, as well as supporting upskilling and promotion within employment and the opportunity to progress to Higher Education. |
| | 4.5 Demonstrates a commitment to collaborative and partnership working, for example, schools, colleges, other providers, employers, SSCs, guidance agencies and Higher Education |
| | 4.6 Demonstrates a beneficial impact (within the CoVE, college, provider or others) as a result of transfer of good practice |
| | 4.7 Clear progression routes into, through and out of the CoVE |
| | • An improvement in learners’ achievements in vocational level 3 provision, including progression into employment and advancement within employment |
| | • A significant increase in the extent of collaboration amongst learning providers and the promotion of the concept of excellence and continuous improvement in economically important vocational specialisms |
### 5. MISSION AND MANAGEMENT

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<tbody>
<tr>
<td>5.1</td>
<td>Demonstrating a commitment by management and staff to vocational excellence</td>
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<tr>
<td>5.2</td>
<td>Being committed to equality of opportunity and support for non-traditional entrants to the vocational areas of work</td>
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<tr>
<td>5.3</td>
<td>Displaying sound financial management and sustainability in the specialist area</td>
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<tr>
<td>5.4</td>
<td>Plan to develop further capacity and sustainability in the specialist area</td>
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<td>5.5</td>
<td>Have a focused mission and strategy which addresses the current and future needs of the economy</td>
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<td>5.6</td>
<td>Has robust policies and procedures to promote equality and diversity, regularly assess performance and takes action to address weaknesses</td>
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<tr>
<td>5.7</td>
<td>Have the capacity and commitment to disseminate their expertise across their own organisation and to other providers, locally, regionally or nationally as appropriate, and with other agencies e.g. LSC, SSCs, employers</td>
</tr>
<tr>
<td>5.8</td>
<td>Have effective quality assurance arrangements, that include a focus on responsiveness to employers and vocational excellence</td>
</tr>
<tr>
<td>5.9</td>
<td>Have robust information systems which are used for planning and quality improvement in the vocational area</td>
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<tr>
<td>5.10</td>
<td>Best practice in learner Health and Safety.</td>
</tr>
</tbody>
</table>

- Increased effectiveness in addressing skills priorities through CoVEs, particularly in being responsive to the needs of employers |
- Widening participation of non-typical learners in level 3 vocational qualifications and the participation of adults as a result of the CoVE programme |
- A significant increase in the extent of collaboration amongst learning providers and the promotion of the concept of excellence and continuous improvement in economically important vocational specialisms.
Appendix 2: LSC Flow chart for the assessment and confirmation process

CoVE proposal plus development plan agreed:
- Funding profile
- Spending profile
- Capital investment appraisal

Implementation of 1st year development plan
- Monitor and evaluate progress at CoVE level
- Compile evidence of CoVE impact against the 8 key outcomes

Formal Assessment: Action by CoVE Provider
- Data collected and analysed
- Evidence presented
- CoVE to complete evidence column in Assessment Tool prior to discussion with LLSC

Formal Assessment: Action by Local LSC
- LLSC collates and validates evidence on the Assessment Tool
- Completes evaluative comments
- LLSC decides as to whether CoVE Criteria has been MET/ NOT MET then recommends the appropriate category of CoVE status
- Arrange and prepare for Regional Moderation

Approval

Formal Assessment: Regional Moderation
- Check the Assessment Process has been followed
- Evidencing Documentation is in order
- Judgements reached are sound

Approval

National Moderation: Full CoVE status recommended
- 10% of Full CoVE Status goes through National Moderation

National Moderation: Extension or Suspension recommended
- All go through national moderation

Policy Selection Panel
- Agree Full CoVE Status for 3 years
- Agree 6 month extension of Interim Status
- Agree suspension of CoVE
- Reject recommendation: Require further information

Assessment Lacking Information
- Referred back for more information etc.

Dialogue between Provider & LLSC

Rejection

Rejection

Rejection
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Working Papers (free)

Papers 21 onwards can be downloaded from the website
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