Evaluation of Personal Learning Accounts

Executive Summary

1. Introduction/Background

1.1 March 2021 the Welsh Government commissioned Wavehill to undertake an evaluation of the Personal Learning Accounts (PLA) programme. PLA launched with the aim of providing funding for vocational retraining of employed people (earning less than £26,000 per year) in industrial sectors in which there is a demonstrable skill shortage. Moreover, the programme launched with the aim of supporting employed people to gain higher-level skills and qualifications, thereby providing opportunities for people to switch careers.

1.2 The PLA programme commenced in September 2019 as a pilot (initially for two years) delivered through two Further Education (FE) Colleges. However, because of the coronavirus (COVID-19) pandemic, the Welsh Government made the decision to accelerate the rollout of the PLA programme across 13 FE colleges throughout Wales prior to the completion of the pilot phase. Ultimately, the pilot ran for six months until March 2020, and then underwent a period of transition in response to the pandemic between March and August 2020 before the full programme commenced in October 2020. During that transitional period, the programme became available to all furloughed workers throughout Wales, regardless of salary, and, as part of the expansion, the programme became eligible for employers, the Employer Learning Accounts (ELA) strand of support.

1.3 The PLA programme was also viewed as being a suitable intervention through which to pilot gender budgeting. Gender budgeting involves a gender-based assessment of budgets, incorporating a gender perspective at all levels of the budgetary process and restructuring revenues and expenditures to promote gender equality.[1]

The evaluation

1.4 The evaluation was commissioned with the aim of providing the Welsh Government with robust information on the pilot from its launch in September 2019 through its transition and roll-out in August 2020 through to July 2022 to provide an understanding of the outcomes and short-term effects of PLA, and to identify lessons as to how the scheme could be improved.

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[1] Council of Europe. Gender budgeting: practical implementation, Handbook, Council of Europe, Directorate General of Human Rights and Legal Affairs, 2009.

Methodological approach

1.5 The evaluation has been delivered over two phases; a scoping phase which drew on initial consultations and desk research to develop a theory of change, evaluation framework and to inform the process evaluation, and a final phase focused on the process and outcome evaluation.

1.6 Across the two phases the following approaches were applied:

- Scoping interviews with 30 key representatives from Welsh Government and delivery partners to explore programme design and implementation

- Review of management information (MI)/data held by the Welsh Government and primarily captured through the Lifelong Learning Wales Record (LLWR) and additional MI from FE Colleges not captured within the LLWR.

- A desk-based review of policy and programme related documentation, wider literature on previous PLA-type programmes and a review of marketing materials and promotional activity on social media at each FE college.

- A theory of change development workshop with key representatives within the Welsh Government to test and refine the logic model associated with the PLA programme.

- A telephone survey of 391 PLA learners who had commenced their learning between 1st January 2020 and 15th December 2021 (311 of whom had completed their course and 80 who were still on their course). The eligible population were stratified by FE college, and quotas set to ensure that sufficient learners (at least 15) were engaged through the survey from each FE college.

- A telephone survey of 112 PLA learners recorded in the MI as early leavers was also undertaken. The early leavers were randomly sampled from all FE colleges.

- A telephone survey of 75 employers who enrolled their employees in the ELA stand of PLA. Contact details for employer were provided by FE colleges and randomly sampled.

- Interviews were also undertaken with 19 strategic stakeholders identified by the Welsh Government with an informed strategic perspective on the programme.

Methodological Limitations

1.7 Obtaining MI for the PLA programme (from both Welsh Government and FE colleges) has proven to be problematic and led to delays in the progress of the evaluation. Guidance has been provided to FE colleges on the nature of MI that is necessary for the PLA programme; however, this is captured and held by each college in various formats. Core evidence collected via the LLWR is gathered by FE colleges and uploaded centrally to a Welsh Government portal. The data are typically comprehensive, but there are key gaps in the evidence as well as concerns surrounding the accuracy of some elements. Details on the gaps in the evidence held can be found in the main report.

1.8 The issues regarding the MI have limited the scope and robustness of the impact and value-for-money assessment of the programme. The technical paper outlines an impact framework and value-for-money approach for the programme to strengthen the assessment of PLA in future years.

2. Key findings and Recommendations

2.1 The PLA programme was designed to be a learner-led initiative that addresses the gap in support provision available to employed adults in Wales. It provides funding for vocational training of employed people, supporting them to gain higher level skills and qualifications. It sought to target individuals on lower-than-average earnings on the basis that higher earnings would create higher productivity, greater wealth, and improved well-being amongst the economically active population.

2.2   Whilst the programme has been branded as 'Personal Learning Accounts', there are no personal accounts for individuals to draw down from. This is a reflection on some of the challenges faced by previous PLA initiatives, with the onus being placed on FE colleges and their subcontracted partners to determine and resource appropriate learning provision for individuals.

2.3   Commissioning FE colleges to deliver PLA has brought considerable and necessary efficiencies to the setup and implementation of the programme, given the external shock of the COVID-19 pandemic and the importance of a rapid rollout from the pilot. One alternative option would have been the adoption of a competitive procurement approach enabling work-based learning and other training providers to bid into the programme. This would have demanded considerable time and resources by comparison, neither of which was available to the Welsh Government at the time.

2.4   The rationale behind funding institutions (rather than individuals) remains somewhat unclear, given that fraudulent activity of the original UK-wide PLA programme related to providers (rather than learners). However, restricting contractual awards to the 13 FE colleges does enable closer scrutiny of activity funded through the programme than would have been the case if a much greater number of providers had been commissioned.

2.5   The programme was in the midst of the pilot phase when the COVID-19 pandemic reached Wales. The launch of the furlough scheme in response to the pandemic, alongside widespread concerns surrounding the resilience and the potential structural change in the economy, meant that the PLA programme presented an opportunity for individuals to develop their skills.

2.6   Serendipitously, therefore, the programme appeared to be closely aligned with the needs of the economically active population following the socioeconomic shock triggered by the COVID-19 pandemic, and a rapid, responsive transition and expansion of the PLA programme commenced.

2.7   The rate at which the programme scaled up in response to the foreseen demand triggered by the pandemic should be commended and is an excellent example of the role that government can play in times of crises. The programme grew from £2m in the pilot year in 2019/20 to £27.4m in 2021/22 and from 1,187 enrolments in the 2019/20 academic year to 7,603 in the 2020/21 academic year. This scaling illustrated both the programme's ability and its suitability to respond to the situation presented by the pandemic.

2.8   In responding to that demand there were some gaps in the implementation of processes and in monitoring and measuring the performance of the programme. Collectively, this has made it difficult to provide a robust judgement as to the programme's efficacy.

Design and implementation

2.9   The funding model adopted for the PLA programme is a considerable departure from the traditional approach to FE college funding. Providing funding up front helped to de-risk the trialling of new courses and enabled colleges to allocate funding to course development. The funding model also enabled FE colleges to be more responsive to learner demands, as it provides the ability to deliver a course without having to wait for sufficient learners to make it financially viable. This enabled FE colleges to be more innovative and less risk-averse in their operational practice.

2.10   One of the challenges brought about by the changes in course funding related to the consistency in how funding calculations have been applied. With limited national oversight of funding approval for PLA courses due to the volume of course applications, widespread concerns amongst FE colleges as to inconsistencies in the level of funding secured for similar courses have emerged. The application of bandings or tight cost parameters has been planned for the programme to ensure that a higher level of consistency in course costing is secured.

2.11   There is also a desire amongst FE colleges to tighten the eligibility regarding courses on offer. The planned review of qualifications in the PLA programme is therefore widely welcomed amongst FE colleges:

"We need clarity, consistency, and transparency. We're supposed to be working as a region, but no one knows what other people are doing. Because it's not there in black and white, we second-guess a lot." (FE College Respondent)

Recommendation 1: The sharing of learning numbers enrolled per course by FE college amongst FE colleges and RSPs would provide clarity as to what courses are being delivered and the levels of demand for that provision.

2.12   It was hoped that the implementation of a different funding model would facilitate increased flexibility in the operational practice of FE colleges to deliver learning provision with an expectation of increasing levels of online, evening and weekend courses. The COVID-19 pandemic forced a rapid transformation in the delivery of learning provision into a remote, online offer. Following the pandemic, that model of delivery has been retained for many courses. Beyond the transition to online learning, there has been some flexing in the timing of course delivery, although this has been constrained in some instances by the relative rigidity of staffing contracts, particularly for those working full-time. Furthermore, whilst online learning has become more commonplace amongst some FE colleges, those courses suffer from higher rates of non-completion. Interestingly, those courses delivered at the weekend also suffered from higher rates of non-completion, highlighting that how the delivery model is adjusted is an important factor to consider.

2.13   A particular strength of the delivery model, however, has been the widening of eligibility in course provision, specifically the inclusion of vendor qualifications as eligible for programme funding. The allowance of provision of this nature has had a considerable impact on the ability of FE colleges and training providers to adapt learning provision to individual and employer needs, and has led to a substantial increase in the range of training provision put forward for the programme:

"The beauty of it is for me that ability to be responsive to market and individual demand, but also to have the opportunity to invest in curriculum, to invest in staff time to be able to recruit staff if you need them, or to gather resources, because you're not shackled by some of the constraints that you have with other funding streams." (FE College Respondent)

2.14   Competitive bidding rounds were also introduced to respond to national priorities, these were widely welcomed amongst FE colleges and other stakeholders. Stakeholders considered the approach to be a highly effective, rapid response to emerging issues associated with the provision of resources for HGV training, and to respond to opportunities in the green and digital sectors. PLA would appear to offer a particularly suitable mechanism for a rapid and targeted response in this manner.

2.15   The expansion in the programme placed pressure on some processes associated with PLA. For the programme team it led to challenges associated with the appraisal and approval of a high volume of courses. Concerns surrounding the endorsement/validation of new courses remain, particularly in emerging sectors. However, introducing a process of validation will further lengthen approval processes in a programme built on responsiveness and flexibility.

Recommendation 2: Piloting the validation of new courses through the appointment of sector experts who could be used on a drawdown basis, particularly for provision in national priority or emerging sectors, would provide insight into the potential value of this approach.

Recommendation 3: That a gender budgeting approach be adopted for the piloting of new courses to address any existing bias in programme delivery. This will ensure that new courses consider gender, ethnicity, and disability from the outset.

Recommendation 4: That the review of qualifications to confirm eligibility and consistency in costings be completed as a matter of urgency to ensure that momentum for the PLA programme is maintained and colleges are not inadvertently offering ineligible provision.

2.16   Assessing the likely demand for new courses has also proven to be challenging. Various mechanisms are used to identify labour shortages, but these are inconsistently and sporadically adopted. Some FE colleges have purchased commercial licences to obtain labour market intelligence; however, there would appear to be an opportunity to purchase this at a national level to

bring about economies of scale. Alongside evidence from employer forums and sector groups, this approach might help to bring about greater consistency in determining needs and ensuring that an intersectional focus is embedded within the wider approach.

Recommendation 5: Explore the relative value in pooling resources to acquire a nationwide commercial licence for LMI. Where available, LMI should also be disaggregated by gender, ethnicity, and disability to ensure that the gender budgeting approach is embedded from the outset.

Eligibility

2.17   Fully funded learning provision during the COVID-19 pandemic and the current cost-of-living crisis is widely viewed as a key strength of the programme.

2.18   The assignment of an earnings threshold as a key determinant of programme eligibility provides useful clarity to potential applicants for PLA. The salary threshold, however, exists as a boundary between 'all or nothing' funding for PLA provision. In certain sectors in which labour market modelling suggests existing shortages and strong growth prospects, there are opportunities for individuals to reskill who may already be earning above the threshold but who have some of the necessary transferrable skills to respond rapidly to the opportunities presented (plumbers, for instance, who may seek to transition to the green sector). The loss of the funding incentive to retrain due to the salary threshold, whilst clear-cut in nature, appears to be excessive, and a tapering of contribution in accordance with earnings that reflects on research into the lessons from previous ILA[2] may offer a more suitable response going forward.

Recommendation 6: Explore options for the application of a tapered funding model for certain sectors or priorities. This process should also consider how a tapered model for certain sectors or priorities could advance guidance specific to gender equality to ensure that the gender budgeting approach is retained and embedded through all aspects of the programme.

2.19   There are also concerns surrounding the ineligibility of the unemployed for the PLA programme, with a nervousness that there may be instances in which the unemployed are paying to participate in a course that the employed are able to access for free. It is expected that other programmes such as ReAct Plus are fulfilling this demand, however, this would risk the course being double-funded. One area in which eligibility has been expanded is amongst full-time carers, who will be offered places in the PLA programme where there is capacity on existing courses.

Gender budgeting

2.20   The introduction of gender budgeting on the PLA programme, following the design of the pilot, restricted its role in shaping the intervention. Furthermore, as outlined within the Gender Equality Review,[3] to be effective, gender budgeting needs to be robust (based on data) and there needs to be a shared collective understanding of its aims and objectives, which was not going to happen over one programme and should be seen as a longer process.

2.21   It is important to recognise that gender budgeting is something of a journey. PLA initially relied on theory, but more practical examples of how gender budgeting can be used are now sought by FE colleges. Stakeholders reported that the loss of Welsh Government staff as the programme was rolling out also resulted in the loss of knowledge regarding the gender budgeting approach. When PLA was rolled out to other colleges, the gender budgeting approach was not perceived to be fully embedded within programme delivery and at times was confused with the promotion of equal opportunities. The combination of the urgent COVID-19 response, new delivery partners, and a lack of retained programme and staff knowledge on gender budgeting would appear to have resulted in the approach being perceived to be a lesser priority.

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[2] Consulting in Place (2010) Personal Learning Accounts: Building on Lessons Learnt, UK Commission for Employment and Skills.
[3] Chwarae Teg, Deeds not Words Summary Report, Review of Gender Equality in Wales (Phase Two), June 2019.

Recommendation 7: Examples of gender budgeting for delivery partners to learn from, as well as data for them to use and interrogate to help instil behavioural change, will be important. Empowering providers to take the agenda forward will be vital to ensuring that it is understood and becomes integrated in everyday practice.

2.22 Progress of this nature is evident with Welsh Government officials engaging with the RSPs and FE colleges through regional engagement sessions. In sessions, officials have shared practical examples and are also internally developing a support offer on gender budgeting to ensure that a consistent foundation of knowledge on gender budgeting exists across the Welsh Government.

Recommendation 8: Explore options to strengthen the role of RSPs and Working Wales in furthering the gender budgeting agenda. This role could include leading the use of LMI, disaggregated by gender, ethnicity, and disability, to identify intersectional needs by region and/or sector to ensure that the gender budgeting approach is embedded at a foundational level.

Employer Learning Accounts

2.23 The PLA programme required an injection of resources to help facilitate its expansion. To do so, it drew on resources allocated to the former Skills Development Fund (SDF) programme. The SDF programme was targeted at employers; therefore, widening eligibility in the PLA programme to enable employers to access PLA via the ELA strand could be viewed as something of a compromise in securing that funding.

2.24 Aligning the ELA strand with the PLA programme (which, at its core, is learner-led) has proven to be difficult, diluting the messaging associated with the role of the programme and its objectives. However, the role of employers in determining learning is less clear-cut than this, with almost three in every 10 learners on the learner-led element of the PLA programme being made aware of the programme by their line manager/supervisor, and one-fifth of learners having some employer influence on the ultimate decision as to whether the course might be suitable for them.

2.25 Parameters for employer eligibility were intentionally broad, with an emphasis on developing increased resilience amongst employers to the pandemic and with no earnings threshold being applied. Like the learner-led PLA offer, the ELA strand also generated considerable demand; however, with limited eligibility criteria, accessing the ELA strand commonly operated on the basis of first come, first served with larger employers, with more established college relationships being the more likely to benefit.

2.26 There were also concerns that ELA provision could effectively 'crowd out' the PLA offer at the expense of the individual learners, whom PLA had been designed to target, with this mismatch being a concern for most FE colleges alongside the lack of co-investment in training provision.

2.27 Moreover, associated concerns surrounding the ELA programme related to the degree to which it was aligned with other provision. The ELA strand presented considerable similarities to the Flexible Skills Programme (FSP), which targets priority employee skills in priority sectors, too. The FSP, however, required employer contributions with a 50 per cent intervention rate, and employers would therefore naturally pursue the more favourable funding package offered through ELA. Furthermore, several upskilling programmes were in operation at the launch of ELA through the European Social Fund, most of which have now ended or will end imminently. ELA has also ceased operation since September 2022, which, for the clarity of the PLA programme, is a very welcome development; however, it does raise concerns for some colleges regarding the planned approach to employer-led upskilling in the future.

Governance

2.28 The expansion in the funding of the PLA programme was not reflected in personnel to manage its operation. A recruitment freeze within the Welsh Government at the point of expansion placed considerable constraints on increasing the personnel to manage the programme. Ultimately, the staffing quota has been insufficient for a programme of this scale, resulted in gaps in communication

and governance, and restricted the ability of the team to appraise new course and employer applications for the programme or measure progress and success.

Progress and performance

2.29   The LLWR MI system is not currently set up to run reports on the programme; thus, obtaining relevant, timely information on performance requires bespoke analysis, which is resource intensive. The lack of performance data has been a source of frustration for the Welsh Government and for external partners, with RSPs being particularly keen to gain sight of data on attendance at recently approved courses to aid the determination of levels of demand, and FE colleges are keen to have sight of all approved courses to ascertain what range of provision is eligible for the programme and contextualise their performance and progress against other colleges.

2.30   Analysis of the MI as part of the evaluation has enabled the exploration of various patterns of note:

- Despite the pursuit of flexible provision, there remains a degree of alignment with the traditional academic timetable.
- There are considerable geographical fluctuations in the propensity to enrol in PLA, with residents of Carmarthenshire being 33 times more likely to enrol in PLA than those in Wrexham.
- Whilst the PLA strand has struggled with rates of completion, it has managed to enrol a more diverse population than those typically engaged in adult learning provision in Wales.

Recommendation 9: To enable closer monitoring of the progress and performance of PLA, it is necessary to:

- Establish a series of bespoke reports that provide intersectional analysis of learner profiles, enrolments and completions by course and FE college, and ensure that all are consistently recorded.
- Ensure that the highest qualification prior to learning becomes a mandatory field for FE colleges (according to the LLWR guidance, it is only mandatory for work-based learning providers).
- Collate a list of approved courses and their CQFW-equivalent level and sector subject area in a consistent manner and establish these as a drop-down list or similar to ensure consistency of recording.
- Ensure that course costs, course duration (learning hours and total hours), and participant numbers are held and analysed in a consistent manner and that target learner numbers are recorded and the means by which to determine actual learner numbers per course (and therefore demand) are established.
- Provide locked templates to ensure that learner sector, occupation and earnings are captured consistently for all participants upon enrolment.

2.31   FE colleges are also required to use a destination survey to capture detail on learners at the point of completion and six months after the completion of learning. Analysis has shown that key changes with regard to securing new roles and new careers tend to take over six months after learner completion. Furthermore, FE colleges are expending considerable resources while seeking to obtain this information from learners. Capturing whether a learner completes their learning or whether they leave early (and the reasons as to why) at the completion (or termination) of learning would seem to be sufficient and reasonable evidence to capture. A learner survey could then form part of a dedicated survey exercise through an impact evaluation or similar (in a similar manner to that of the ESF leavers survey, for example).

Recommendation 10: That the destination of learners six months after the completion of learning no longer be a requirement for FE colleges to capture.

Outcomes

2.32   The PLA programme has played a key role in attracting individuals to learning provision. Whilst most learners could be described as traditional learners, almost half (46 per cent) reported that in the

absence of the PLA programme they would not have embarked on their learning. Female learners and those who reported being in less secure employment[4] were more likely not to have undertaken any training than were males.

2.33 Almost four in 10 learners in PLA are recorded as 'learning programme continuing'. It is unclear as to what proportion of these learners may simply have left their course and failed to notify the FE college or training provider. The degree of variation in learner status by FE college is illustrative of an issue that is specific to FE college operations and data capture systems. The early leaver rate of 16 per cent is therefore likely to be an underestimate; however, it is difficult to determine of what scale.

2.34 Intersectional analysis of completion rates cross-programme shows higher early leaver rates for certain ethnicities; when analysed on a college-by-college basis, however, no significant variation is evident. It is therefore the distribution by FE college (rather than any specific characteristic of a learner) that appears to be the driver of any fluctuations identified.

2.35 PLA learners reported increased self-confidence and self-motivation, as well as feeling more independent and with clearer career aspirations. Most participants are pursuing further learning; however, they were already more engaged in learning than was the typical adult prior to PLA enrolment. Furthermore, across most sector subject areas, females are more prevalent on PLA courses than they are in post-16 learning provision generally.

2.36 Almost 40 per cent (149/381) of surveyed learners who had completed their learning or had left after having completed over half of their course are now in a different career from when they enrolled in PLA or have secured a pay rise as a result of their participation in the PLA programme. Of these, 85 per cent (127/129) attribute this change, at least to some extent, to the PLA programme. This represents one third of all learners who had completed a course or left early after having completed over half of the course. Given the socioeconomic context within which the programme has been delivered, these would appear to be strong outcomes for the programme, and with reported salary increments of, on average, over £10,000 per annum per learner, they represent a massive increase in earnings for affected learners. The programme, however, appears to be relatively expensive to deliver and whilst course cost data are incomplete or inconsistently completed, the evidence that is available suggests a cost that is far in excess of adult part-time learning, which ranges from £7.06 to £14.12 per hour.[5] Reflecting on these two elements, early indications through a narrow value for money assessment of the programme are that it currently represents acceptable value for money.

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[4] Defined as being on furlough, on zero hours, in agency employment, at risk of redundancy, or employed and financially negatively impacted by the economy.

[5] Based on Welsh Government analysis.

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Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government.

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