

***Evaluation of SFC's ESF Priority 1 project 2010-11 – "The college sector:  
investing in recovery"***

**30 October 2013**

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## Executive summary

### Introduction

Over academic year 2010-11, SFC managed the £15.3 million European Structural Funds Priority 1 grant *The College Sector: Investing in Recovery*. This was to be a one-off, single year project, designed to meet the urgent and immediate need to respond to the economic downturn.

This was the first ESF project run on a 'unit-cost' model in Scotland and the distribution was based on SFC's standard funding model. The approach taken was intended to simplify the administration of the funds compared with previous ESF projects.

The aim of the funding was to provide additional training opportunities for the young unemployed in areas of the country particularly affected by the economic downturn.

The project exceeded its targets for the additional student learning activity (WSUMs) provided, reaching 4,022 young people with this additional training (within 2% of the original estimate of numbers to be reached).

*Table 1*

	<b>Training activity</b>	<b>Students</b>	<b>Activity per student</b>
Target	58,632 WSUMs	4,100 (est)	14.3 WSUMs
Delivered	73,835 WSUMs	4,022	18.34 WSUMs

*Throughout this document, we refer to "WSUMs" or weighted student units of measurement. In broad terms, these reflect the intensity of student learning activity.*

*See Annex 1 for a simple explanation of this term.*

## **Evaluation terms of reference**

The evaluation was asked to consider:

- The effectiveness of the project delivery;
- The effectiveness of using a unit cost method;
- An analysis of the outputs of the project and how these compared with the application.

## **Method**

Information was gathered primarily through: review of SFC-held paperwork and outcome data on the project; a survey of relevant college staff; and interviews with key stakeholders.

## **Were the outputs achieved?**

### ***National target (WSUMs)***

Yes. This target (58,632 WSUMs) was delivered and exceeded.

### ***Key outputs and results***

Output targets – Yes, within an acceptable range. All above 91%.  
Student numbers and NEET group above 98%.

Result targets – mixed achievement. Qualifications gained and combined positive destination targets (going onto education or training) exceeded. Poor quality figures on employment destinations are significantly below target.

## **Did this support reach additional people?**

Yes. 4,022 young people were associated with ESF funding. They were distinct from and additional to SFC's business-as-usual funding of student activity. The participating colleges' enrolment increased by 2% without ESF and by 10% with ESF, between 2008-09 and 2010-11.

## **Were the right people reached?**

Yes. The 4,022 participants were all within the target groups, although the balance of detailed characteristics varied from the proposal.

## **Was the result of the activity what was hoped?**

### ***Getting young people into employment***

No, although the results were still positive. Significantly more (141.5% of the target) students went on from their course to enter education or training – a positive step towards employment. Significantly fewer (15.2% of the target) entered employment. There are concerns about under-reporting of the employment figures but no reason to believe the target would be closely approached.

### ***Efficiency***

Yes. Colleges delivered an additional 15,203 WSUMs above the ESF target at no additional cost. The cost per ESF WSUM *delivered* was therefore only about 80% of the cost per *target* ESF WSUM. Also, the cost per ESF WSUM *delivered* was only about two-thirds of the cost per core SFC-WSUM *delivered*.

### ***Participants' progress***

Yes. A larger number of students left with new qualifications at each of levels 2-5 than entered with them.

### ***Full and partial qualifications***

Yes. More students (3,903 or 97% of the cohort) left with full or partial qualifications than expected in the proposal (3,690 or 90% of the cohort). The balance was more towards partial qualifications and more towards level 2 (rather than level 3) than intended. However, 16.5% of the cohort (664) achieved qualifications of level 4 or 5.

### ***Richer learning experience***

Not a target but positive outcome. The students studied for longer than anticipated in the proposal (18.34 WSUMs instead of 14.3 WSUMs), over 600 received higher-level qualifications than anticipated, 83% studied full-time.

### ***Contribution to priority sectors***

Largely positive. Decisions on allocation of places to subject areas were taken in the context of local demand and discussions with Community Planning Partnerships. Nationally over half of the students studied subjects with a clear link to the sectors identified in the proposal.

These subjects showed a greater increase in activity than other subjects in the participating colleges.

### ***Data issues***

This work has suggested some potentially inconsistent interpretations of data categories by Scottish Government, SFC and the colleges. For future programmes, further work is required to identify potential for, and to avoid, such difficulties.

### **Were the aims achieved?**

#### ***Additional college activity***

Yes. Additional student places were delivered, to the right groups and subjects and delivered relevant qualifications.

#### ***Mitigation of effect of downturn***

Likely. LUPS local authorities all saw increased student places (between 2008-09 and 2010-11) due to ESF funding. In Dundee, where there was a slight decrease (-1%), this would have been significantly worse (-9.7%) without ESF funding. There are indications within national NEET and youth unemployment data that results between 2009 and 2011 were better for LUPS areas than for others.

#### ***Simplification of approach***

Achieved. Colleges found the approach simpler than other ESF projects. There is scope for further work on the detail of the processes used.

### **Conclusions**

Overall, the project achieved its aims. The majority of objectives were achieved or exceeded. The administration of the project was simpler for participants than earlier projects and was efficient.

The project met and exceeded its target, delivering 73,835 WSUMs to 4,022 participants. SFC managed the project to ensure that delivery across a variety of locations was co-ordinated to address the agreed **national** targets.

As was appropriate for a pilot of a new approach, some operational difficulties were revealed. These were either resolved within the timescale of the project or have informed approaches to be taken for further ESF projects.

## Lessons and recommendations

There are mismatches between the funding model piloted in this project and the external reporting and auditing systems which supported it. The Eurosyst reporting systems and Scottish Government conducted audits have not been fully adapted to fit the unit-cost model. If funding is offered for the delivery of WSUMs, reports should be made on WSUMs. The model of audit for unit-cost projects should be reviewed to test whether it is fit for purpose.

Categories used in the project, such as 'student places' and qualification levels, are insufficiently defined, leaving scope for different interpretations. There is a need for clearer testing, understanding, ownership and consistent use of shared terms at an early stage. Agreed definitions and any subsequent changes should be fully documented.

Methods by which indicators are derived from collected data should also be fully documented to ensure consistency throughout the project.

Use of existing systems contributed to the efficiency of the project. SFC's FES data collection system should be extended to accommodate ESF data requirements as fully as possible.

The information collected on student destinations is inadequate. Completion of planned work to develop this should be given priority if this remains an objective for future ESF funding.

There is scope for increasing the efficiency and speed of the claim and payment process.

College claims should include more explicit estimates of progress towards final targets, to minimise the complexity of any reconciliation in the final months of a project.

Clear measures of outcome success, as well as outputs, should be established at the start of the project.

SFC should consider carefully their internal resource requirements for any future ESF projects, as there is some evidence of difficulty in claiming identified funds for administrative work associated with the project.

## SFC Evaluation: The College Sector: Investing in Recovery

### Introduction

1. Over academic year 2010-11, SFC managed the £15.3 million European Structural Funds Priority 1 grant *The College Sector: Investing in Recovery*. This was the first project run on a 'unit-cost' model in Scotland and was based on SFC's standard funding model. The intention to undertake an internal evaluation using SFC procedures was noted in the project proposal<sup>1</sup>.
2. This internal evaluation was commissioned by the team within SFC. The evaluation was to consider:
  - The effectiveness of the project delivery;
  - The effectiveness of using a unit cost method; and
  - An analysis of the outputs of the project and how these compared with the application.
3. In addition, the evaluation was asked to consider a process for evaluating the outcome of the project relating to the destinations of students.

### Method

4. Information was gathered by:
  - A survey of college contacts involved with the local administration of the project (November/December 2012)
  - Interviews with other key stakeholders, including the European Structural Funds Division within the Scottish Government and key SFC staff (November 2012)
  - Consideration of data collected on the outcomes of the project
  - Review of internal paperwork on the project

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<sup>1</sup> Page 10 of the proposal

## Background

5. The ESF Priority 1 funds (and matched resources) distributed by SFC to lowlands and uplands Scottish colleges in 2010-11 aimed to support the colleges in taking on more young students to meet the increased demand caused by the economic downturn.
6. This was the first project run on a 'unit-cost' model in Scotland. The change in approach was intended to simplify the management and administration of ESF grants, to make them more accessible and to focus effort on achieving aims.
7. The Scottish Government decided SFC was the appropriate organisation to take on this role because of its existing relationship with colleges and its experience of this sort of funding approach. The funding was therefore to be based on SFC's standard funding model. A 'price' would be paid for a measure of student learning activity (a "WSUM" or weighted student unit of measurement – see Annex 1), rather than the 'real' costs incurred by each student being claimed.
8. SFC applied for ESF funds through the normal application processes, drawing on existing sector expertise in European projects. In parallel, SFC was working with the Scottish Government to agree that if the bid was successful the funds would be allocated to colleges on a unit-price basis, using SFC's current funding methodology.
9. This was intended to be a one-off, single year project, designed to meet the urgent and immediate need to respond to the economic downturn, in particular rising unemployment among young people. At the same time as developing the bid for ESF funds, SFC was therefore developing a model to target these funds at regions with the highest youth unemployment rates.
10. When SFC secured the additional funds and agreement on unit-pricing, colleges were offered additional funding to deliver a target number of additional WSUMs. These targets were based on SFC's funding model, targeting regions with the highest youth unemployment rates. There was a process between SFC and colleges to agree both the WSUMs to be delivered and the likely balance of funds between teaching grants and financial support for students. A final grant offer letter was then drawn up with specific conditions of grant and these were accepted by the colleges.
11. SFC worked closely with the Scottish Government Managing Authority to agree the costing method, offers and conditions of grant and to ensure that these conditions met with European guidance. SFC in discussion with Scottish Government drew up specific guidance for the project which was issued to the sector in October 2010. Prior to the guidance being issued

SFC had held a seminar for colleges to outline the project and discuss the draft guidance.

12. The total support made available to the project was £15,272,727, made up of £8,400,000 allocated for the purpose by the Scottish Government drawing on Barnett consequential and £6,872,727 of ESF funding.
13. In addition SFC contributed set-up costs in 2009-10, including staff time commitment and a sector consultation event (£4,407) and, in common with colleges, is meeting the costs of on-going audit. The final total spend on the project through matched funds was therefore greater than accounted for in 2010-11.

### **Aims**

14. The stated aims for the **funding** were –

#### *European Union*

- to direct short-term action to reinforce competitiveness in the long term
- to invest in the right skills for tomorrow's needs
- to put the right social and economic levers in place to meet today's challenge
- to help those most in need

#### *Government*

- to mitigate the impact of the recession on young people at risk of unemployment

#### *SFC*

- **to** help Scotland's colleges respond to the needs of individuals and businesses during the economic downturn; and
- **to** support colleges in taking on more young students aged 16 to 24 to meet the increased demand caused by the economic downturn<sup>2</sup>.

15. The aims of the unit cost **approach** taken were -

- **to** simplify the management and administration of the project.

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<sup>2</sup> There was originally an additional aim for SFC funding: "to support the work-focussed element of the DWP Young Person's Guarantee of work, training or other experience as outlined in the Ministerial guidance to SFC". This scheme did not in fact run as planned in Scotland in 2010-11. (Scottish Government letter 11 June 2010)

### **Unit cost approach**

16. The bid states that “Use of a pricing methodology will simplify the management and administration of the project. This simplification is critical to the success of the project as it would not have been feasible to bring together all of the institutions involved under a single application without this. ... In the view of SFC this is the method that offers the greatest transparency in demonstrating added value and represents good value for money”<sup>3</sup>.
17. In essence, SFC pays colleges a price for each measure of student learning activity, or WSUM (see Annex 1) to an agreed target number. The price that SFC pays per WSUM is intended on average to cover the costs of teaching and all associated costs. There is not a direct relationship between the teaching costs incurred for an individual student and SFC funding.
18. SFC’s funding method was well established and there was close working with the Scottish Government to ensure that it met the ESF criteria that the method should be: established in advance, fair, equitable and verifiable.

### **Targets**

19. The project proposal offered “**to provide an additional 58,632 WSUM<sup>4</sup>s of activity across the 27 colleges, which equates to approximately 4,100 additional full-time equivalent student places**”.
20. This proposal translated the offer of 58,632 WSUMs into:

Table 2

Type	Indicator	Project Target
Output	Number of participants receiving support	4100
Output	Number of participants with multiple deprivations	1680
Output	Number of participants in the NEET group	2920
Output	Number of participants with disabilities or health difficulties	120
Result	Number of participants entering employment	600
Result	Number of participants entering education or training	1800
Result	Number of participants gaining a full or partial qualification	3690
Result	Number of participants in employment 6 months after leaving	400

21. Each proposed ‘participant’ was therefore equated to marginally over 14.3 WSUMs.

<sup>3</sup> Page 6 of the bid.

<sup>4</sup> What are WSUMs? See annex 1

22. Of the 3,690 participants expected to gain a full or partial qualification:

- 1,741 (47.2%) were expected to gain an award at Higher National Certificate level (“level 3”); and
- 1,949 (52.8%) were expected to gain an award at National Certificate level (“level 2”).<sup>5</sup>

### **Process: establishing the project**

#### ***Proposal***

23. SFC worked with the Scottish Government and a working group drawn from the college sector to submit the bid for Priority 1 on behalf of the college sector. The advantage of this approach was that one bid was submitted on behalf of all the 27 colleges involved, rather than each college having to develop and submit a separate bid.

24. One difficulty was the tight timescale within which SFC was required to develop and submit the bid, develop the allocation model and prepare the colleges, particularly those that had not delivered ESF projects previously. Several of these processes had to be undertaken simultaneously in anticipation of a positive response to the bid.

25. The bid was submitted through Eurosyst, the Scottish Government European Structural Funds System for applications and progress reports. SFC received notification of approval of bid in a letter dated 20 September 2010 and of approval of the unit cost approach in a letter dated 21 Sept 2010.

26. Due to SFC’s coordination of the bid, a number of colleges that had not previously been involved in delivery of ESF became engaged, therefore expanding and introducing delivery of ESF into some areas of Scotland.

#### ***Allocations***

27. The Priority 1 programme was restricted to colleges<sup>6</sup> operating in the Lowlands and Uplands Scotland (LUPS) Priority 1 area<sup>7</sup>. Funding was weighted towards those local authorities with greater increases in youth unemployment.

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<sup>5</sup> Page 4 of the bid

<sup>6</sup> SFC can only legally fund colleges or universities which are identified in statute. It cannot fund private sector training providers. When developing the application for Priority 1, SFC sought advice from the Scottish Government and their procurement lawyers and was told that this legal position meant that an open procurement process would not be possible.

<sup>7</sup> Clackmannanshire, Dundee City, East Ayrshire, Edinburgh City, Fife, Glasgow City, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Lanarkshire, West Dunbartonshire & West Lothian

28. To be eligible for ESF, each participant/student was required to:

- Be aged 16 to 24 years
- Be unemployed or workless
- Be from the LUPS Priority 1 area, and
- Complete at least one WSUM

29. The funding was allocated to colleges in proportion to the number of 16 to 24 year old students who came from the targeted local authority areas.

This was then converted to a WSUMs target. The method was described in SFC's circular letter SFC/15/2010 published in April 2010 (see extract in Annex 2). The letter also included the indicative WSUM targets for each of the 27 colleges and outlined the proposed distribution among the colleges of £15,083,800<sup>8</sup> for the ESF scheme and its aim of mitigating the effects of the economic downturn<sup>9</sup>.

30. In the summer of 2010 colleges submitted delivery plans to SFC indicating planned provision and projected levels of spend. Having reviewed those plans, SFC agreed final targets (WSUMs), funding allocations (WSUMs, fee waivers and student support) and conditions of grant with all 27 colleges. Each of the 27 college delivery partners then signed a delivery contract with SFC. This process was completed by August 2010.

31. In combination during the course of academic year (AY) 2010-11, the colleges would, through their individual activity, provide the **national** target of an additional 58,632 WSUMs within the limits of the nationally available budget.

### ***Preparation and guidance***

32. SFC worked with the college sector to ensure understanding of the aims and operating requirements of the project and that any difficulties were exposed and addressed as efficiently as possible. This process included six consultation, briefing and networking events held nationally and regionally between May and November 2010.

33. A liaison group of senior college staff, attended by Scottish Government and ESF staff, was set up in August 2010 to advise SFC on issues and progress relating to this and other ESF projects. (Terms of reference are in Annex 3.)

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<sup>8</sup> The balance of the £15.3 million was allocated to running costs.

<sup>9</sup> This circular also announced an additional £1.145 million (4,452 WSUMs) of unmatched SFC funds for colleges serving LA areas not eligible for ESF priority 1 funding, but which met the funding principles of the ESF funds. Nine colleges were offered these additional funds, including two which were not part of the ESF Priority 1 project.

34. Guidance notes for colleges were issued in October 2010<sup>10</sup>. These had been developed in collaboration between Scottish Government and the SFC. Practical implementation led to subsequent clarifications, including emphasising the requirement for students to have been unemployed on enrolment and resolving the treatment of student absence. Although developed in partnership, this was presented as an SFC document. It became clear during the project that greater clarity of ownership of this guidance by the Managing Authority could have been valuable.

## **Process: running the project**

### ***Introduction***

35. SFC gathered and verified information from colleges on student participation in the project and made payments to colleges for this activity. In turn SFC made claims through Eurosyst and was reimbursed for college payments and for central running costs.

### ***Data recording***

36. One of SFC's functions, independent of the ESF project, is the collection of data from the college sector. It does this using the well-established Further Education Statistics (FES) collection system. Within this project, for efficiency, SFC monitored college delivery of ESF WSUMs through existing quarterly returns made to FES, where possible. This data was the primary source of SFC's reports to the Managing Authority.

37. Data collections were conducted in two forms: quarterly FES return<sup>11</sup>s; and ESF-specific returns.

38. A regular ESF-specific data return (intended to be quarterly) was attempted. However, partly because of data quality issues and partly because the snapshot provided of a fluid student population would have given a misleading picture in the Eurosyst returns and did not link individuals with the contracted WSUMs, this was not continued beyond the first attempt. Therefore, for most categories, the more robust FES data was used to compile accurate data relating to ESF activity for Eurosyst claims, informed by the proportions of students which had been reported.

39. Additional collections of data necessary for ESF but not normally collected by FES (e.g. on length of unemployment and on destinations) were

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<sup>10</sup>

[http://www.sfc.ac.uk/web/FILES/Guidance/SFC\\_ESF\\_Investing\\_in\\_Recovery\\_guidance\\_notes\\_for\\_colleges\\_%7B225142704%7D.pdf](http://www.sfc.ac.uk/web/FILES/Guidance/SFC_ESF_Investing_in_Recovery_guidance_notes_for_colleges_%7B225142704%7D.pdf)

<sup>11</sup> Introduced for this project but now standard FES returns

minimised. This meant that reporting was proportionate, duplication of effort was avoided and consistency of data standards maximised.

40. FES has provided the capacity to meet these data requirements without making significant additional demands on the colleges. FES has also allowed further examination of college performance by the SFC executive. On occasion SFC was asked by the Managing Authority to re-run approved claim reports using different definitions, and FES also permitted this. The need for such reports illustrates that the definitions provided by the Managing Authority were not always consistent throughout the award; staff changes in both the Scottish Government and SFC may have contributed to variations in interpretation at different stages.
41. The process of this evaluation has also revealed minor inconsistencies between data which was reported for ESF and data which can be extracted from FES (see Annex 4). This may reflect variations in understanding of data definitions between bodies and in different departments of colleges.
42. FES has proved to be an efficient and robust data collection mechanism for a project involving multiple colleges. Any future ESF projects would benefit from the agreed use of the FES quarterly data collection process from the start. To meet the full requirements of ESF projects, FES would have to be extended to incorporate the ESF-specific data which is not currently collected. As part of this exercise data definitions should be fully explored to ensure that there is a shared understanding of requirements between the Managing Authority, SFC and the colleges. Definitions, and any changes, should be fully documented. Changes which were beyond the scope of FES at any point would require advance planning. Methods by which any derived figures are calculated based on FES data should also be fully documented, to ensure consistency over time, regardless of staff changes or absences.

### ***Claims and payments***

43. SFC paid colleges to an agreed timetable set out in the guidance to colleges. These payments were associated with retrospective invoices from colleges confirming receipt of funds and that they were on target to meet planned student activity. This process also provided the opportunity to note variations from planned levels, although this did not require detailed estimates from the colleges. They also recorded demand for elements such as student support which are distinct from the unit cost WSUMs. Funds used for payments to colleges derived from SFC's ESF-match resources for colleges.

44. SFC then made progress reports, based on the college claims and data collections above, and claimed ESF funds from the Managing Authority in arrears using Eurosys.
45. Six progress reports/claims were submitted for the Priority 1 ESF project. For each, SFC submitted a report via Eurosys. The claim was then authorised and paid by the Managing Authority. SFC claims included SFC running costs as well as payments to colleges for teaching activity and students' financial support. Reports included data on participants' characteristics.
46. The period between a claim being made and authorisation (and payment) of SFC's claims by the Managing Authority was often substantial. SFC's capacity to pay colleges promptly from its core resources and to avoid passing on these delays was recognised by Scottish Government staff as contributing to the efficiency of the process by avoiding potential difficulties in the delivery of learning which might have been created in colleges by poor cash flow. Proposed changes to the college funding mechanism flexibility from 2014-15 onwards may affect the ability to provide this facility in the future. If so, improvements in the time taken may become important.
47. SFC staff experience suggests that a more active generation of activity figures by colleges, including more detailed estimates of any variation from target, would improve monitoring of progress and limit any need for adjustments in final claims at the end of an ESF project.

### ***Verification visits***

48. As agreed with the Scottish Government at the outset of the project, SFC conducted verification visits to colleges between April and September 2011 to check their documentation of participants. Prior to each visit the college was given a sample of students (the larger of 20% or 30 ESF students<sup>12</sup>) whose documents would be examined. At the visits, SFC checked enrolment forms, attendance records, student support applications and payments and any documentation related to extended learning support<sup>13</sup>. Each college was visited once in the year with visits lasting at least one day.
49. Following submission of each progress report claim on Eurosys, the Scottish Government conducted a verification visit to the SFC offices to confirm the running costs recorded.

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<sup>12</sup> Or all students, if there were fewer than 30

<sup>13</sup> Extended learning support provided in respect of students on mainstream courses who have additional support needs for learning.

***Audit and compliance***

50. SFC recently commissioned its internal auditors to examine the Priority 1 ESF project. Key findings were consistent with this evaluation: concern at the mismatch between the WSUMs target which was the basis of funding and the headcount measure which was the basis of reporting; ensuring that full declarations of student eligibility are held for the required period; and suggesting that all ESF data requirements should be fully built into FES.
51. Audit through the Managing Authority has tended to assume the traditional model of ESF funding rather than adapting to the new model piloted in this project where, by SFC acting as a co-ordinating body, an established unit cost funding mechanism may offer administrative efficiencies. Auditors' enquiries, for example, have assumed that SFC will hold participants' data, whereas this is held by the colleges. This suggests that the full ESF process within Scotland has not understood and not yet been adapted to reflect the approach which was being taken for the first time in this project, and that there is a need for further learning and development within the Managing Authority to take account of the process which was agreed and adopted. A different model of audit may be required for projects which see national co-ordination of many participating bodies, using a unit-cost approach than is appropriate for smaller, on-the-ground projects dealing with individuals and 'real' costs.
52. There may also be a need to consider the scope of the audit undertaken for the Managing Authority. The funding relationship is between SFC and ESF and arguably this should be the main focus of enquiry. The degree to which enquiry goes beyond SFC transactions with colleges into the detail of college activity – as in a 'traditional' ESF project – may counteract achievement of some of the efficiency aims of the new approach.

## Outcomes (Outputs and results)

### Were the outputs achieved?

#### *National target: WSUMs*

53. The national target that SFC was asked to deliver with ESF funding was an additional 58,632 WSUMs. This target was delivered and exceeded. The ESF WSUMs were separate from and additional to the core WSUMs funded by SFC.

54. At the start of the project, the participating colleges identified and 'flagged' a greater number of ESF-eligible students than required by the agreed target. These students met the criteria for the ESF scheme and were informed that they were being supported in this way. The flagged students achieved 82,724 WSUMs. However, as the project progressed various of these students ceased to meet the criteria to be counted for ESF-funding, resulting in a lower final level of ESF-associated delivery, although still greater than the national target.

55. After adjustment to ensure that the basic core<sup>14</sup> WSUMs target, which was funded by SFC, was delivered for each college<sup>15</sup>, the participating colleges as a group delivered 73,835 WSUMs associated with ESF-eligible students, which is 15,203 WSUMs (25.9%) above the national target. (The headline national figure for ESF WSUMs delivery was 75,314.)

56. The additional WSUMs achieved relate to 4,022 individual students.

#### *Key outputs and results*

57. The target outputs and results set out in the proposal and reported at the end of the project were as in table 3 below.

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<sup>14</sup> Each college was notified of a headline target with 2% leeway on delivery. For this group of colleges, the basic SFC-funded WSUMs target was 1,801,608. Delivery above this level was eligible for ESF funding (provided the participants recruited met ESF Priority 1 core target group characteristics and were informed that their course received European funding) and could contribute to achievement of the national target.

<sup>15</sup> This adjustment was required for only one college. Even after this adjustment, the college still exceeded its ESF target by over 1,000 WSUMs.

Table 3

Indicator	Number of participants (headcount) ...	Project Target	Final	% of target achieved
Output	- receiving support	4100	4,022	98.1%
Output	- with multiple deprivations	1680	1,534	91.3%
Output	- in the NEET group	2920	<b>2,883<sup>16</sup></b>	98.7%
Output	- with disabilities or health difficulties	120	555	462.5%
Result	- entering employment	600	91 <sup>17</sup>	15.2%
Result	- entering education or training	1800	2,547	141.5%
Result	- gaining a full or partial qualification	3690	<b>3,785<sup>18</sup></b>	102.6%
Result	- in employment 6 months after leaving	400	Not recorded	Not recorded

Note: Combining the targets and results for those *in education or training* with those *in employment*, to give the traditional 'Positive Destination' measure, shows that against a target of 2,400, a final figure of 2,638 (109.1%) was reported.

### ***Did this support reach additional people?***

58. Having met their SFC-funded targets the colleges clearly used the ESF funds to bring additional people into learning.

59. The funding through ESF for 58,632 additional WSUMs allowed the participating colleges to recruit an additional 4,022 young people, all of whom were registered unemployed or workless immediately prior to enrolment.

<sup>16</sup> The figure actually reported to Eurosysis was 4,022. This followed advice from the Scottish Government verification officer that *all* participants should be classed as NEET. However, to reflect the standard definition (ie 16-19 year olds not in education, employment or training), this figure should be revised down to 2,883.

<sup>17</sup> The employment figure relates only to those that we had evidence for, i.e. 91 based on data on 16-19 year olds provided by Skills Development Scotland.

<sup>18</sup> The claim figure reported to Eurosysis was 3,903 (105.8%). This figure is generated from FES.

***Were the right people reached?***

60. The 'outputs' in terms of target groups by headcount were largely achieved, all exceeding 91% of the target figure (see table 3 above). The planned target groups were reached effectively with this funding.
61. Table 4 provides more detail on the participant characteristics that fed into the output indicators. The table shows that all participants were under-25, as intended. Although numbers 19 years old and younger were similar to target, there were fewer 15 to 17<sup>19</sup> year olds than anticipated in the proposal and more 18 to 19 year olds, both by headcount and share of the cohort.
62. As required, all of the participants were workless or formally unemployed before joining their course. However, the balance was significantly more towards 'workless' (82.6%) than 'unemployed' (17.4%) than had been anticipated in the proposal (where the proposed balance was 46.9% 'workless' to 53.1% 'unemployed'). Also, just under a third of those who were categorised as 'workless' (1,029 of 3,323) had previously been in education or training, something which had not been explicitly anticipated in the proposal.

*Table 4*

Indicator	Project Target	Final
Number of participants	4,100	4,022
Aged 15-17 years old	1,784	1,259
Aged 18-19 years old	1,136	1,624
Aged 20-24 years old	1,180	1,139
Registered unemployed	2,176	699
Workless	1,924	3,323

***Was the result of this activity what was hoped?***

63. The funding had aimed to get unemployed young people into employment – although the targets set aimed for three times as many entering education or training (as a step towards employment) as going directly into employment.
64. As shown in table 3, the numbers (headcount) of students entering education or training after their courses were *exceeded* significantly (141.5%). Those for whom an employment destination was recorded were significantly *fewer* than the target (15.2%). Taken together as a traditional

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<sup>19</sup> This may reflect an increased tendency to stay on at school noted by the Scottish Government <http://www.scotland.gov.uk/Publications/2010/11/30144422/3> "This reflects the challenging economic environment that school leavers currently face"

‘positive destination’ however, the combined target was exceeded on a lesser scale (109.1%).

65. In a situation where overall unemployment remained high, remaining in education or training is a more constructive, and presumably more attractive, outcome than unemployment for young people. The numbers who came into the project from education or training reinforce this idea<sup>20</sup>.

### ***Employment destination figures***

66. In considering the employment destination figures, it should also be noted that there is reason to believe there was significant under-reporting on students entering employment. Colleges were asked to conduct follow-up surveys with participants and to return this data to SFC. This did not work well in practice, with poor return rates both to and from colleges, and the data returned was insufficient to record in Eurosys claims.
67. For more commentary on destination figures, and relevant recommendations, see pages 33-35 below.

### ***Efficiency***

68. In total, the participants completed 73,835 additional WSUMs. The colleges were paid for delivering their targets (58,632) but not the cost of excess delivery (15,203 WSUMs).
69. The additional learning provided through ESF was provided at *lower costs*. The ESF funding per target WSUM was £170.56. The ESF funding per WSUM *delivered* was £135.44, or 79.4% of the planned cost.
70. The core SFC funding per target WSUM was allocated at £207.80. The core SFC-funded provision across the participating colleges was *delivered* at £204.70 per WSUM. The ESF funding per WSUM *delivered* (£135.44) was therefore 66.2% of the delivery costs of SFC core-funded WSUMs.
71. The additional student cohorts supported by ESF funding benefited from economies of scale derived from the existing provision.

### ***Participants’ progress***

72. The proposal intended to recruit all students at ‘level 1’<sup>21</sup>, intending to progress 47.5% to ‘level 2’<sup>22</sup> and 42.5% to ‘level 3’<sup>23</sup>.

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<sup>20</sup> Note that 25.8% of the whole cohort came into the ESF project out of the ‘worklessness’ category of ‘in education or training’ (see also previous footnote)

<sup>21</sup> Described as “standard grades” – SCQF levels 3-5

<sup>22</sup> Described as “NC” – SCQF levels 3-6

<sup>23</sup> Described as “HNC” – SCQF level 7

73. Figures reported to Eurosyst show that the cohort that was recruited had a broader range of qualifications *on entry* than had been anticipated.

*Table 5*

Qualification levels	Level of <b>existing</b> qualification on <b>entry</b>		
	Male	Female	Combined %
None	405	466	21.66%
1	266	342	15.12%
2	842	663	37.42%
3	384	399	19.47%
4	110	116	5.62%
5	8	19	0.67%
6	2	0	0.05%
	2017	2005	

74. A larger number of students achieved *new qualifications* at each of levels 2-5 than entered with them, suggesting progress across the cohort<sup>24</sup>.

*Table 6*

Qualification levels	Level of <b>new</b> qualification on <b>exit</b>		
	Male	Female	Combined %
None	55	64	2.96%
1	7	7	0.35%
2	1250	1059	57.41%
3	355	561	22.77%
4	127	173	7.46%
5	223	141	9.05%
6	0	0	0.00%
	2017	2005	

75. In relation to the targets for the cohort, 57.4% left with level 2 qualifications (above target) and 39.3% left with level 3 or above (below target). 16.5% left with qualifications above the target levels.

### **Full and partial qualifications**

76. The application expected:

- 10% dropout (410)
- 67.6% to receive a full qualification (2,770)
- 22.4% to receive a partial qualification<sup>25</sup> (920)

<sup>24</sup> It should be noted that the figures in table 6 relate to the qualifications studied on the project only, not the students' full portfolio of qualifications.

<sup>25</sup> At least one unit of a course. One unit, or SCQF credit, is broadly equivalent to 40 hours of learning.

77. SFC reported to Eurosys that

- 2.96% dropped out (119)
- 60% received a full qualification (2,413)
- 37% achieve a partial qualification (1,490)

78. Overall, more students (3,903, 97% of the actual cohort) received a full or partial qualification than had been expected in the proposal (3,690, 90% of the anticipated cohort). The balance however was more towards partial qualifications than had been anticipated – 1,490 (37%) as opposed to the anticipated 920 (22.4%).

79. Fewer students than anticipated left with no qualification.

### ***Full qualifications***

80. Targets for full qualifications were 35.9% of the cohort to receive level 2 and 31.7% to receive level 3. The outcome was that 37.1% received level 2 and 15.3% received level 3. Taking into account the broader range of qualifications achieved than were anticipated, 37.4% received level 2 or level 1 and 22.6% received level 3 or above.

*Table 7*

<b>Full qualifications – % of cohort</b>	Level 2	Level 3	Level 1 or 2	Level 3 or 3+
Target	35.9%	31.7%		-
Achieved	37.1%	15.3%	37.4%	22.6%

### ***Partial qualifications***

81. Targets for partial qualifications were 11.6% of the cohort to receive level 2 and 10.8% to receive level 3. The outcome was that 20.3% received level 2 and 7.5% received level 3. Taking into account the broader range of qualifications achieved than were anticipated, no-one received a level 1 partial qualification and 16.7% received level 3 or above.

*Table 8*

<b>Partial qualifications – % of cohort</b>	Level 2	Level 3	Level 1 or 2	Level 3 or 3+
Target	11.6%	10.8%		
Achieved	20.3%	7.5%	20.3%	16.7%

### ***Data issues***

82. The figures in the two sections above are drawn from reports made to Eurosys. It is possible to derive slightly different figures on qualifications

from the FES system (see annex 4). This suggests that definitions have not been explicit for this data.

### ***Richer learning experience than proposed***

83. In comparison with what was anticipated in the proposal:

- These young people completed on average 18.34 WSUMs against a target of 14.3 WSUMs i.e. broadly, they studied longer courses
- A larger number of them received a full qualification
- Over 600 students received higher-level qualifications than it was proposed to deliver.

84. Although not specified in the proposal targets, the 4,022 students were mostly studying full-time (3,348 or 83%).

### ***Contribution to identified priority sectors***

85. The project sought to provide courses relevant to sectors which had been forecast for growth, such as construction, care, service sector, retail, food & drink, security, call centre and asset management. These would include modules and units in computing, construction, hospitality and tourism, business, and care.

86. The sectors and courses delivering additional ESF WSUMs were determined on a college-by-college basis through discussions with the relevant Community Planning Partnerships. Some ESF places were focused on sectors where a specific local need had arisen and some on sectors with jobs that were more accessible to the targeted client group.

87. Chart 1 and table 9 show the share of ESF places used in each subject grouping in the targeted colleges. Over half of the ESF-eligible participants enrolled for courses in subjects relevant to sectors forecast for growth. It should be noted that there is not necessarily a clear mapping between an industry sector and a subject area, as subject skills (eg accountancy) may be relevant to several industry sectors.

Chart 1

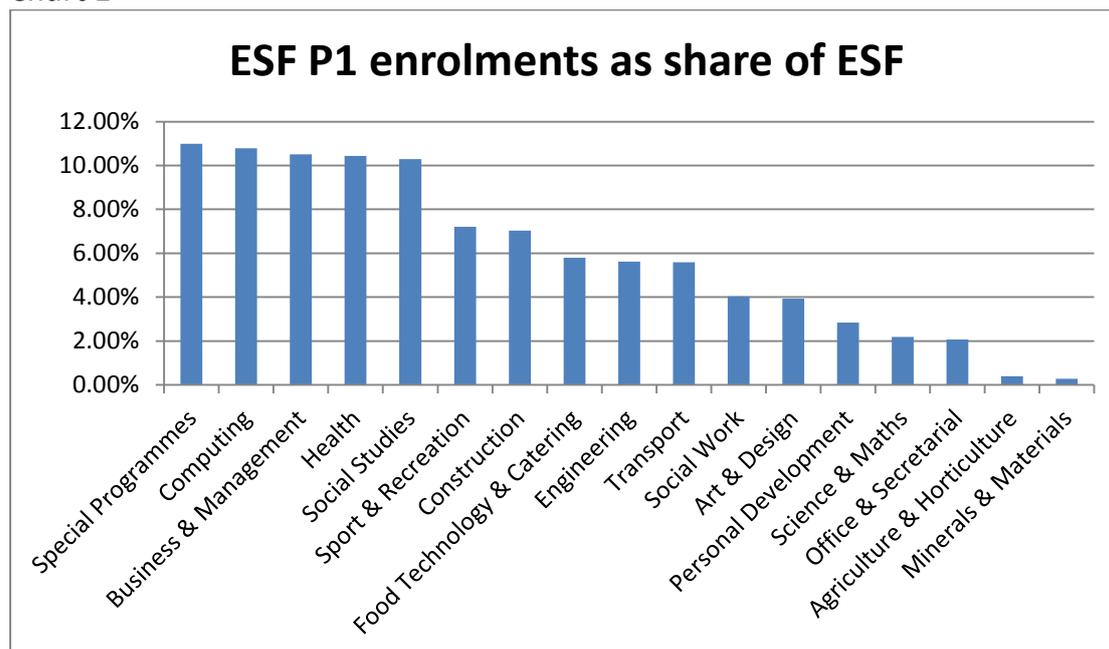
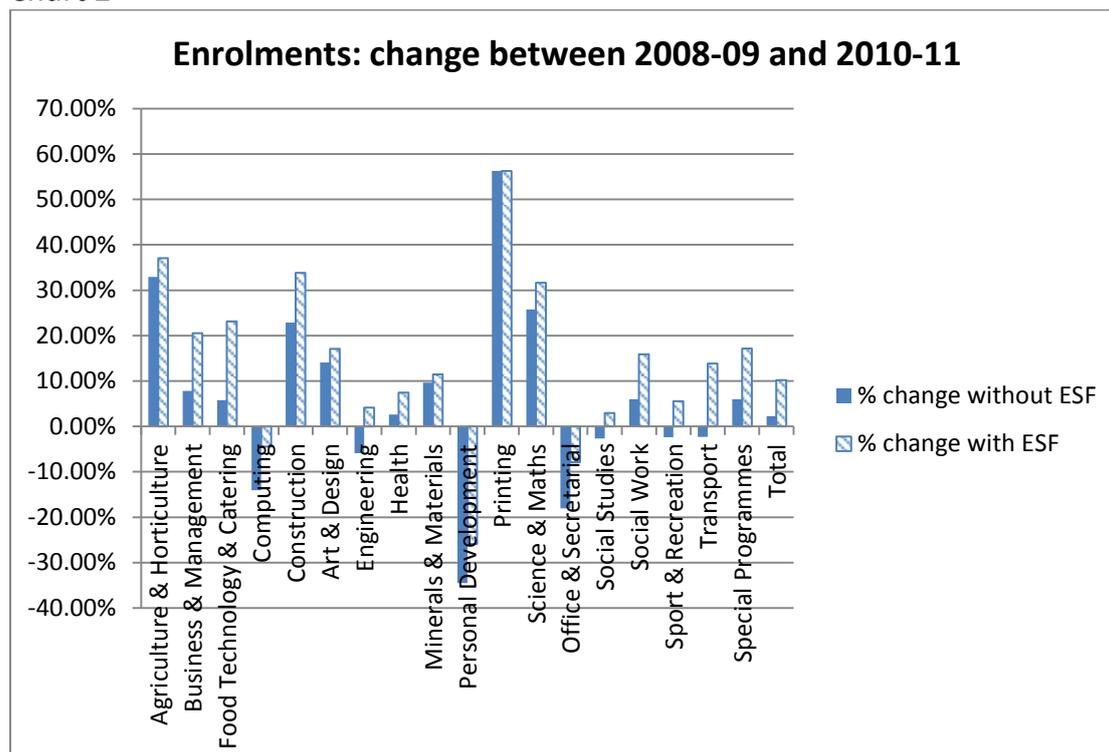


Table 9

Subject group	ESF enrolments	
Agriculture & Horticulture	16	0.40%
<b>Business &amp; Management</b>	<b>423</b>	<b>10.52%</b>
<b>Food Technology &amp; Catering</b>	<b>233</b>	<b>5.79%</b>
<b>Computing</b>	<b>434</b>	<b>10.79%</b>
<b>Construction</b>	<b>283</b>	<b>7.04%</b>
Art & Design	158	3.93%
Engineering	226	5.62%
<b>Health</b>	<b>420</b>	<b>10.44%</b>
Minerals & Materials	11	0.27%
Personal Development	114	2.83%
Science & Maths	88	2.19%
<b>Office &amp; Secretarial</b>	<b>83</b>	<b>2.06%</b>
Social Studies	414	10.29%
Social Work	162	4.03%
<b>Sport &amp; Recreation</b>	<b>290</b>	<b>7.21%</b>
Transport	225	5.59%
Special Programmes	442	10.99%
	4,022	

88. The chart below shows that overall enrolments for targeted colleges in most of the priority subjects increased in comparison with two years before. Where there was no increase (eg computing) the reduction was significantly mitigated by the ESF support. The total target college enrolment increased by 2% without ESF and by 10% with ESF in the same period.

Chart 2



### Use of funds

89. The intended level of funds was spent on provision for students. Less was spent on student support and childcare than had been anticipated and more on teaching costs and fees. This reflected the experience of demand in the colleges.
90. There was an underspend on the running costs, both in total and in each identified budget line. Nearly half of the underspend reflects planned consultancy which was not commissioned; over a quarter of it reflects reduced salary spend. The reduced salary spend is likely to reflect ESF-related work being undertaken by a larger than anticipated number of SFC staff, giving time-commitments below those which could be claimed from the project. These costs, including Finance staff and senior management time, were therefore not fully reimbursed and were met from core SFC running costs.
91. The costs claimed for the project against the budget outlined in the original application are shown below.

Table 10: Use of funds

Costs	Bid £	Claimed £
SFC Running costs	188,927	100,930
Salaries	117,603	93,333
Consultancy	42,615	0
Travel	8,000	2,436
Premises	14,280	5,161
Marketing	6,129	0
Depreciation	300	0
Teaching (WSUMs) and Fee waiver	12,952,304	13,166,022
Teaching		10,000,360
Fees FE		2,492,571
Fees HE		673,091
Bursary and Discretionary funds	1,933,737	1,851,287
Bursary		1,837,575
Discretionary		13,713
Childcare	197,759	66,492
FESS total	2,131,496	1,917,779
<b>Total College</b>	<b>15,083,800</b>	<b>15,083,801</b>
<b>Total Spend</b>	<b>15,272,727</b>	<b>15,184,731</b>

### Were the aims achieved?

#### *Additional relevant college activity*

92. SFC's stated aims in the allocation of targeted additional support for colleges were:

- to help Scotland's colleges respond to the needs of individuals and businesses during the economic downturn; and
- to support colleges in taking on more young students aged 16 to 24 to meet the increased demand caused by the economic downturn.

93. The paragraphs above demonstrate that the colleges delivered additional student places, to the targeted groups of young people, in sectors/disciplines identified as having growth potential and which delivered relevant qualifications.

#### *Mitigation of effect of downturn*

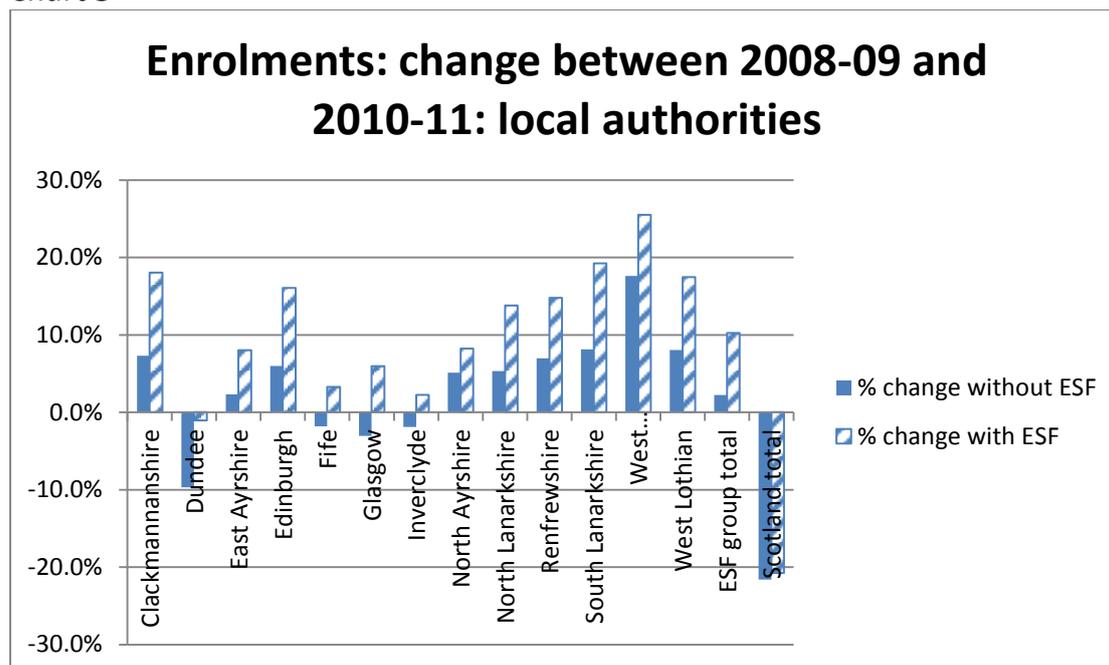
94. The Scottish Government's stated aim was

- to mitigate the impact of the recession on young people at risk of unemployment

95. LUPS areas had been selected as being at particular risk from the economic downturn.

96. The following graph shows that additional student places were available in each local authority due to provision of funding for additional WSUMs through the ESF Priority 1 project. The graph shows the level of change in the number of enrolments by targeted local authority for the 2008-09 as a baseline year against delivery in 2010-11.

Chart 3



97. Scotland as a whole saw a 20.8% decrease in enrolments whereas the ESF group saw a 10.2% increase including the ESF support (2.2% if ESF is not included).<sup>26</sup>

98. We have assumed that claimant and employment rates might reflect achievement of the Scottish Government aim. Measures were not defined as part of the interactions between SFC and the Scottish Government.

99. Scottish Government data gives some indications that the rate of NEET and of unemployment in many of the targeted local authorities may have reduced during and following this initiative and that this was different from non-targeted areas. However, these should be treated with caution as the data cover different age ranges from the ESF Priority 1 funding and no direct link can be made to this intervention (or to any other). In addition, the figures are for a period very close to the funding we are

<sup>26</sup> Despite the decrease in enrolments during this period, WSUMs as a whole increased by 2%. The steep decline in enrolments reflects an increased emphasis on full-time study.

considering and a slightly longer delay might normally be expected before impact could be shown.

100. However, with these health warnings, and without going into spurious detail:

- The number and rate of NEET in LUPS areas decreased between 2009 and 2011:
- The number of NEET in LUPS areas decreased by a greater amount than in Scotland as a whole and than in non-LUPS areas;
- The rate of NEET in LUPS areas decreased by the same number of % points in Scotland as a whole, whereas in non-LUPS areas the rate increased over the same period.

101. Figures on youth claimants provided by NOMIS appear to show reduced figures for LUPS areas in comparison with non-LUPS areas during the period of the project, *possibly* reflecting the additional study. However, it is not clear that that there was a continuing impact beyond the period of funded activity.

102. See also the section on destinations below.

### ***Simplification of approach***

103. The evaluation of the aim:

- **to** simplify the management and administration of the project

has primarily been addressed through the survey and interviews with participants described below. In broad terms, from the perspective of the colleges and the relevant Scottish Government staff, simplification of process and funding has been achieved.

## Destinations

104. The core indicators and targets for the project included participants' destinations. Specifically, the number of participants:

- Entering employment (target 600 or 14.6%)
- Entering education or training (target 1800 or 43.9%)
- In employment six months after leaving (target 400 or 9.8%)

### ***Project returns on employment destinations***

105. Colleges were asked to conduct follow-up surveys with participants and to return this data to SFC. This did not work well in practice and the data returned was insufficient to record in Eurosys claims.

106. SFC made an additional request to colleges in August 2012 to provide early figures on ESF students' destinations. Just under one-third of colleges (8/27) provided information on employment destinations. Taken as a group, these 8 colleges had a 44.8% response rate to their collections.

107. 4.6% of the group's ESF students were reported as entering employment (ranging from 25.9% to 0.0% in individual colleges). 7.7% were reported as being in employment after six months (ranging from 38.2% to 0.0% in individual colleges). If applied to the national number of participants (4,022) this would suggest that the number entering employment might be 183 (30.5% of target) and those in employment after six months might be 308 (77% of target).

### ***Other available information***

108. SFC does not normally collect detailed information on student destinations. Unlike other categories of outcome, additional information from SFC sources on destinations is limited.

109. SFC has a data collection for post-course success ratio information for *all* full-time students in Scotland's colleges six months after qualifying. However, as well as excluding non-full time students, this data includes both SQA and non-SQA awards, and the categories of employment and advanced study or training are not distinguished. Also returns to this collection are limited. Nevertheless, this figure might provide an *estimate* of successful outcomes. Underlying work in the colleges in relation to the return may also mean that additional information could usefully be requested. Information on 2010-11 students was due to be returned to SFC in November 2012. The returns made were insufficiently complete to contribute to ESF destination results.

110. SFC also collects information on the final destinations of full-time HN graduates from Scottish colleges in the December following course completion. Again, this dataset does not entirely overlap with the ESF cohort, but may provide an indication of likely success rates for a portion of them. For 2010-11 students, across the sector as a whole, 16% of full-time HN graduates were in employment, and 46% had gone on to further study. Applied to ESF HE-level participants<sup>27</sup> as recorded in FES (624), this would indicate 100 and 287 graduates respectively.

### ***Additional work***

111. More recently further work has been undertaken, using and matching existing datasets held by SFC and Skills Development Scotland (SDS). This has allowed reconciliation of data held by both bodies for 16-19 year-olds but does not cover the full ESF age range.

112. This suggests (as reported to Eurosyst) that 91 students entered employment. However, this should be treated with some care as 28% of the participants in the Priority 1 programme were aged 20-24 years and not included in this matching process, the figures represent only a proportion of all participants. Simple scaling up would suggest a figure of around 127 entering employment.

113. Although these separate perspectives may support the contention that employment figures were under-reported, none of the above sets of information suggest a significant contribution to the original **target** of 600 students or 14.6% entering employment.

### ***Future developments***

114. The Change Team of the Scottish Government and SFC is committed to exploring a further education level college student destination survey. A working group is underway, led by SFC with college and Scottish Government Analytical Services Division input, to review methods and good practice. It is intended that a survey will be introduced in 2015-16 and included in college outcome agreements with SFC.

115. SFC has begun work to improve the destination response from colleges for full-time successful HE students. As above, SFC also wants to create a national survey collection that will include FE students so that a national measure of successful completing students going into a positive destination can be found. However, current plans will still not encompass students on short full-time and other, part-time, modes of attendance

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<sup>27</sup> Not necessarily graduates, so numbers might be lower

116. SFC has drafted a leaver destination survey for its ESF Priority 5 project and will coordinate its circulation to participants.

**2010-11 cohort recommendations (spring 2013):**

- If there is sufficient confidence in the outputs of the dataset matching, these figures should continue to be used as the, limited, record of 2010-11 destinations; or
- If sufficient priority is given to refining this measure and if a budget is available, that a targeted destination survey be done of 2010-11 ESF participants, commissioned from an external survey firm (subject to data protection issues).

**General recommendations**

- That existing data collections which could inform this element of ESF targets should be reviewed, reinforced and co-ordinated to ensure that their potential to contribute to this measure is maximised
- That the feasibility of extending these collections to categories of student not currently covered, is examined
- That SFC co-ordinates leaver destination surveys for future ESF projects, including ensuring completion of a 6 month follow up survey, to ensure more comprehensive provision of data for the employment indicators

## Survey

117. We conducted a survey of college staff involved in administering the ESF Priority 1 Funds.

*“...asking college staff about your experience of the administration of the ESF funds that SFC distributed under the new model and how it compared with your experience of dealing with any earlier ESF grants. We are also interested in how this project compared with your normal dealings with the college's recurrent core funding from SFC and the reporting associated with that.”*

118. A copy of the survey, administered using SurveyMonkey, is attached at Annex 5.

## Response rate

119. 37 college contacts were approached at the 27 colleges receiving this funding. 20 individuals responded – a 54% response rate. We did not request identification by college. At 20, numbers are small but give indications of the responses to the revised approach to ESF funding among the participating colleges.

## History with ESF

120. All but one of the respondents' colleges had previous experience of ESF projects. 16 reported experience of managing projects (10 leading a partnership, 6 without partners). 3 reported experience only as a partner college.

## Expectations

121. We asked about respondents' expectations of the project, measured against previous experience of (a) other ESF projects and of (b) SFC funding. 19 responded.

(a) Most (12 or 63%) had expected the new scheme to be simpler than previous ESF funding and about one-third (6 or 32%) expected it to be the same.

(b) Half had expected the new ESF scheme to be more complicated than SFC funding (10 or 53%) and slightly fewer (8 or 42%) thought it would be the same as SFC funding.

## Experience

122. We then asked about the actual experience of the project, measured against previous experience of (a) other ESF projects and of (b) SFC funding.

123. Generally the expectation had been that the P1 project would be more complicated than SFC funding, and less complicated than previous ESF funding. This was borne out by experience both for the use of unit cost<sup>28</sup> and for the delivery process as a whole. Also, it was not as much more complicated than SFC as had been feared.

### *Experience in comparison with previous ESF*

- 12 (or 63% of 19<sup>29</sup> respondents) had expected the new scheme to be simpler than ESF:
- 14 found it simpler than ESF, both in terms of the unit cost (74% of 19) and of the effectiveness of the delivery process (70% of 20).

*Table 11: Experience of unit cost in comparison with previous ESF*

<b>Unit cost</b>	<b>Experience</b>				
<b>Expectation</b>	Simpler	Same	More	Other	<b>Total</b>
Simpler	10	2			<b>12</b>
Same	4	1	1		<b>6</b>
More Complicated				1	<b>1</b>
Other		1			<b>1</b>
<b>Total</b>	<b>14</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>20</b>

*Table 12: Experience of delivery in comparison with previous ESF*

<b>Delivery</b>	<b>Experience</b>				
<b>Expectation</b>	Simpler	Same	More	Other	<b>Total</b>
Simpler	9	3			12
Same	5	1			6
More Complicated			1		1
Other		1			1
<b>Total</b>	<b>14</b>	<b>5</b>	<b>1</b>		<b>20</b>

124. Looking at individual rather than group experience:

- 3 found it more complicated than **they** had expected
- 5 found it even simpler than **they** had expected

<sup>28</sup> Or 'flat rate' in the survey

<sup>29</sup> In response to each of the questions about expectations, one of the 20 respondents did not express an expectation.

### ***Experience in comparison with standard SFC***

- 10 expected the new scheme to be more complicated than SFC funding:
- 10 found it more complicated in terms of the effectiveness of the delivery process but only 6 found the unit cost more complicated.
- 8 expected the scheme to be the same to manage as SFC funding; 9 found the effectiveness of the scheme the same; 12 found the unit cost to be the same to manage as SFC funding.

*Table 13: Experience of unit cost in comparison with standard SFC*

<b>Unit cost</b>	<b>Experience</b>				
<b>Expectation</b>	Simpler	Same	More	Other	<b>Total</b>
Simpler		1			<b>1</b>
Same	1	7			<b>8</b>
More Complicated		4	6		<b>10</b>
Other				1	<b>1</b>
<b>Total</b>	<b>1</b>	<b>12</b>	<b>6</b>	<b>1</b>	<b>20</b>

*Table 14: Experience of unit cost in comparison with standard SFC*

<b>Delivery</b>	<b>Experience</b>				
<b>Expectation</b>	Simpler	Same	More	Other	<b>Total</b>
Simpler		1			<b>1</b>
Same		4	4		<b>8</b>
More Complicated		4	6		<b>10</b>
Other				1	<b>1</b>
<b>Total</b>	<b>0</b>	<b>9</b>	<b>10</b>	<b>1</b>	<b>20</b>

125. Looking at individual rather than group experience:

- 5 found it more complicated than **they** had expected (for delivery)
- 4 found it even simpler than **they** had expected (for delivery)

### **Other questions**

126. In the following sections, the small numbers involved should be borne in mind.

### ***Would you have been involved without SFC?***

127. Those whose colleges **had not** led ESF projects were less likely (only 25% of 4) to say that their college would have sought ESF support had SFC not been involved, than those whose colleges **had** previously led ESF projects (63% of 16).

128. This suggests that SFC involvement drew more colleges into ESF funding than another arrangement might have done. (This was borne out by interviews – see below.)

129. Of the 9 comments provided, 6 refer to potential partnerships with public sector bodies including CPPs and other colleges which might have been taken up if SFC had not been involved. Two refer to the changed funding model having prevented this sort of participation.

### **Community Planning Partnerships**

130. Those whose colleges **had not** led ESF projects were likely to report CPPs having a larger (some/large) on-going role in monitoring and steering the project (3 out of 4 – 75%) than those whose colleges **had previously** led ESF projects (3 of 16 – 18.75% - some or large role in monitoring; 6 out of 16 – 37.5% - some or large role in steering).

131. Colleges which previously **had not** led partnerships seemed to see a more active role for CPPs, both in monitoring and steering. However, 75% of both those who had and had not led projects saw **some** role for CPPs in steering the project.

Table 15

	Leaders		Partners	
Is it likely that your college would have sought ESF support ... if SFC had not taken on the co-ordination of these funds?	Yes	10	Yes	1
	No	3	No	2
	Don't know	3	Don't know	1
Did the CPP play an ongoing role in helping to monitor this project..?	Yes, large	2	Yes, large	0
	Yes, some	1	Yes, some	3
	Yes, a little	4	Yes, a little	0
	No	9	No	1
Did the CPP play an ongoing role in helping to ... steer it towards its objectives?	Yes, large	2	Yes, large	1
	Yes, some	4	Yes, some	2
	Yes, a little	6	Yes, a little	0
	No	4	No	1

132. The few comments provided suggest greater CPP involvement in earlier projects, with some reported lack of understanding of the funding model and its purpose by the CPP.

### Survey comments on detail of process

133. Comments provided in the survey responses reflect various aspects of the experience of the Priority 1 support, in addition to those quantified above.

#### *Information and flows*

134. The growth curve involved for SFC as well as for colleges getting to grips with a new approach

- More detailed guidance notes and standardised pro formas from the outset would have helped.
- ... it was clear that there was a lack of initial knowledge on the management of European projects by the lead partner [SFC]. This lack of knowledge was reduced over the months that followed.
- SFC were very helpful and supportive throughout the delivery and monitoring of this project

#### *Simpler*

135. Aspects which were highlighted as helping make this a simpler process included:

136. The reporting mechanisms

- The fact that the reporting requirements were built into the existing framework for student activity reporting made the new model easy to manage.
- SFC funding was more straightforward to monitor. Through use of existing FES data, tracking and tagging was very simple.
- Simpler data collection process tied into FES returns made things simpler than previous ESF returns.

137. The reduced information requirements

- Did not have to monitor real costs which saved on administration time
- No transaction lists, verification was simple and straightforward.
- Unit cost model and the reduction in evidence requirements
- Funding model, significant reduction in admin time
- Easier than the traditional ESF reporting

138. And more generally –

- At the start I would have rated this more complicated ... but over the life of the project it is probably simpler than other ESF projects.

- Compared to previous ESF models the new approach was much simpler as we had an agreed "price" upfront and thereafter our focus was on delivery and successful outcomes.

139. Less positive comments were:

- ... [there was an] additional workload associated with quarterly FES returns
- The amount of work involved in ensuring documentation for this group of students was ring fenced. Ensuring all students had supporting paperwork, were informed they were ESF funded students and basically following SFC guidelines via their checklist. We had to employ a dedicated member of staff to implement the new model
- The WSUMs required date does not apply to ESF activity therefore it was challenging to calculate pro-rata WSUMs achieved by withdrawn students on the P1 project.

#### ***Funding levels – and admin support***

- The expectations gap at the start of the project was not managed well. The Colleges were facing a significant funding shortfall and this was seen as a way of making up some of the difference.
- The SFC bid and the new approach to ESF had an enormous impact on the College in terms of generating alternative income. In effect our ESF was cut in half overnight and the expertise, flexibility and range of activities we could undertake was removed

#### ***Advice for others***

140. Participants were asked for their advice for any other scheme adopting a similar or new approach.

- Clear, regular communication (formal and informal)
  - Clear communication, key contact and regular updates
  - Meet face-to-face with other partners frequently at the project development stage and ensure all partners are clear about their responsibilities prior to the start of the project. Undertake regular monitoring visits at the start of the project to ensure compliance with project specification and ESF funding rules.
  - Good and continuous communication with all partners.
  - Communication is key both formal and informal as it keeps the relationship and project moving in the right direction (hopefully)
- Adopt a partnership working approach

- Clear communication and partnership working is essential and must be in place.
  - Partner liaisons to discuss progress towards targets
  - Form a steering group. Form an operational group which meets regularly. Ensure buy in from all partners and don't be precious.
  - We had extensive ESF experience but it may prove to be quite a steep learning curve for any new entrants to this, some guidance from experienced organisations might be helpful
  - take advice from experienced ESF practitioners and keep in regular contact with partners
- 
- A need for clear and up-front advice and guidance, targets and monitoring
    - Ensure that administration and reporting requirements are clearly stated at the start of the project. Continue to monitor the project outcomes throughout and as early as possible.
    - Provide up-front clear advice.
    - Ensure absolute clarity and ensure all partners are recording the same information and in the same format which makes it easier to collate for the lead partner.
    - Make sure the operating guidelines and expectations are absolutely clear to participating partners.
    - Provide clearer guidance notes from outset.
    - Support partners throughout the process, with clear targets and monitoring processes in place.
    - More detailed guidance notes and standardised proformas from the outset would have helped.
- 
- Ensure consistency in records
    - Ensure all partners are recording the same information and in the same format which makes it easier to collate for the lead partner.
    - Standard evidence and reporting proformas.
    - Staff with knowledge of ESF funded project management and procedures.
    - Maintain good records
    - Focus on full time courses.

***“Advice” comments from elsewhere in the survey***

- “As highlighted above, the College has had significant success across a range of Programmes and Priorities with a range of public and voluntary partners which has taken years to establish and would have continued if the model had not changed. This is not an issue with SFC, it is an issue with inflexibility of the revised model”

## **Interviews**

141. We interviewed six people involved with the management of the Priority 1 ESF project, based at four of the participating colleges. We also spoke to a representative of the relevant Scottish Government team and to key staff within SFC. Similar ground was covered to the survey, but there was opportunity for wider-ranging discussion and for broader issues to be raised.

### ***Initial reactions***

142. There were mixed reactions to the proposal that SFC take on the ESF funding, with some seeing it as a new opportunity and others concerned about the potential loss of existing, effective partnerships. Judgement on how smoothly things would run was reserved until more detailed guidance was available and the way things would work was clearer. For some colleges, the changed programme meant that a reduction in ESF funds had to be managed at the same time as reductions in core funding, which had an impact on their perceptions of the change. They saw reductions in staff and in available student places. For other colleges, this was new and additional activity.

### ***Differences***

143. Those whose colleges had run previous ESF projects highlighted the differences in their experience.

144. The SFC-scheme was simpler to administer and operate. There was a clear allocation of places and links to vocational areas and groups. The ESF students were incorporated into the standard college offer, allowing access to a wider range of courses and existing progression routes. They had a normal student experience and the colleges had fewer additional arrangements to make.

145. However, the being in with the 'ordinary' students meant that ESF students under this scheme did not have access to the sort of tailored courses and enhanced support activity which had been available (and funded) under previous ESF schemes. There was also a bias towards full-time courses which were not necessarily the most suitable for the ESF cohort.

146. The Priority 1 funding provided for more of standard core college activities, rather than additional or enhanced activity, which had been the case in previous schemes. Under previous schemes it had been possible to use SFC core funding to match ESF funding and therefore provide

additional leverage and extra activity. As there was less funding involved, fewer students benefited.

147. Because the Priority 1 funds were allocated with reference to particular vocational areas, delivery was seen as being less at the behest of the Community Planning Partnerships' priorities – other than as these informed the general direction of the colleges. Some reported frustration at being less able to respond flexibly to very local needs, which was disappointing for local partners.
148. Because estimates of ESF activity were made before enrolment, there was a challenge for colleges in matching up eligible students coming through standard recruitment to the required targets. This was manageable but might have been difficult if they had formed a larger cohort within the college.
149. This funding covered only one year. A longer time frame would have been more efficient as it would have required fewer year to year adjustments.

### ***Scottish Government***

150. The Scottish Government saw this as less complicated than previous schemes. Previously there would have been many projects (up to 4-5 per college) but this was operated as a single strategic project. SFC dealt with the detail and the Managing Authority monitored to ensure fit to ESF priorities. Although a 'massive' single project, it was seen as reaching the right levels. Despite their apparent removal from the detail of the project, the Managing Authority staff felt more involved as a result of this change, meeting and making connections with the colleges, developing a greater understanding of the activity and being able to address problems more quickly.
151. The drive to reduce the number of projects had come from the EC, where there was a desire for greater streamlining. This approach allowed colleges to continue to participate in ESF despite the loss of opportunity to make their own applications. It was acknowledged that the colleges still had compliance and information requirements and audit liability.

### ***SFC staff perspective***

152. Issues raised in discussion with SFC staff working on the ESF project included the following.
153. There was a significant amount of learning about each other's systems required of both SFC and the Scottish Government European Structural

Funds Division. SFC staff had found adapting to the pay-and-claim process challenging, but were now comfortable with it.

154. There had been a great deal of preparation required for the implementation of this approach to ESF funding. New contacts had to be established with the sector to build working relationships and to ensure that there was appropriate consultation, briefing and co-ordination. Work which took place during 2009-10, such as the seminar held in Stirling, was not covered by the ESF grant and the costs were borne by SFC.
155. The established ESF reporting system (Eurosys), being designed for claims-based projects, was not seen as well-suited for the unit cost approach of this project. The SFC's activity-based (WSUMs) approach – which was a key element of the change to a unit cost approach – did not fit into the standard reports sought by Eurosys.
156. Although there was a reduction in administrative demands on the colleges, the additional administrative load on SFC was greater than had been expected.

### ***Workload***

157. Colleges felt that life was – eventually – simpler with the SFC-managed scheme.
158. The preparatory workload for the colleges and SFC had been large, and had not always been as straightforward as might have been hoped. Exploration of the scheme requirements and their fit to the SFC model meant that some effort was later revealed as redundant. Colleges suggested that greater feedback to them, and more reflection on the process, would have been useful. It was noted with regret that, if the funding stopped, the efficient working system which had been developed would be redundant in future.
159. The previous ESF system was characterised as cumbersome and bureaucratic. The revised system was acknowledged to have reduced a previously substantial administrative burden. The removal of staff timesheets, not having to conduct a scheme-specific student recruitment and not having to deal with external databases were given as examples of reduced workload. However, there were administrative requirements in the SFC-scheme which were additional to those of core SFC funding, and the funding offered was not seen as covering these. In the context of other funding reductions and staff changes, these had a greater impact than might have been anticipated. For example, the ESF students were not dealt with separately from other college students, but had to be identified differently, which meant several different departments taking on new

tasks – and that not all the data on ESF students was held in one office. This shows elements of simplification and of increased complexity.

160. Where colleges had continuing funding from previous ESF schemes, the administrative requirements from these had to continue to be met, as well as those of the SFC-scheme. Where it had been possible to retain an ESF officer, the workload had not been seen as overly increased.
161. Discussion of a hypothetical case of another central organisation taking on a co-ordinating role similar to SFC's – to consider advice on undertaking this kind of role – led to expressions of concern that a new organisation would have its own administrative and reporting requirements and therefore bring additional administrative and preparation overheads.

### ***Price versus spend***

162. Despite initial uncertainty among the colleges, this approach is now understood and seen as easier than the old system. Colleges feel better able to demonstrate additionality in the use of funds allocated in this way.
163. There is a general concern that the Priority 1 provides less funding than previous ESF schemes, and that it requires more activity for a WSUM price than in core SFC funding, but “we coped”.

### ***CPP relationship***

164. Colleges emphasised that work with the CPPs was business-as-usual for them. Early communication of the change had helped to avoid any major impact on the general working relationship.
165. Some minor stresses were reported where work already agreed with SFC was assumed to be subject to CCP/local authority sign-off but these had been resolved.
166. There were associated concerns that the scheme limited college participation in CPP ESF partnerships, because it would not be funded, and that local authorities' abilities to draw down ESF funding was diminished by being unable to use college funding as match funding.

### **Outstanding issues**

167. We asked colleges about outstanding issues which needed to be considered. Some of these were practical, operational issues. Others were more strategic.

**Operational**

168. In the move between 2010-11 (Priority 1) and 2011-12 (Priority 5), the target groups to be addressed by the colleges changed. Greater notice of the changed priorities would have made planning easier for the colleges.
169. If an ESF student drops out, the college only gets funding to that point. A vacancy can only be filled up to a certain stage on course, after that empty seats are cost to the college which is not met. This may affect colleges' recruitment choices and limit the impact of ESF funding on hard-to-reach groups.
170. The target groups of students were described as 'finite' and some are seen to be 'running out'. This may suggest a more explicit consideration of local need should be built into the allocation method.
171. The retrospective audit requirements with ESF will continue to incur costs for several years. This is a cost to the colleges which is not met either in the 'live' ESF WSUMs allocation or in subsequent years.
172. Practical issues highlighted by the Scottish Government staff included recognition that claim checking procedures can have a significant effect on cash flow from Government to SFC, and that SFC core resources might effectively be used to bankroll ESF payments to colleges in such situations. Another co-ordinating body might not have the capacity to facilitate this. It was also recognised that that audit process, although it verifies the operation of the scheme, does not necessarily demonstrate the outcomes and benefits of the scheme.

**Strategic**

173. The colleges were very concerned that the ESF funding might not continue. This would be a significant loss for the sector and would need to be taken into account in broader funding discussions. The change in funding, and ability to deliver student places and staffing, at college level could be greater than formally calculated, if ESF funding is excluded. In particular, the need for this to be taken into account in discussions on baseline figures for Outcome Agreements between SFC and colleges was flagged.
174. It was seen as extremely important for Scotland to be involved at an early stage in European discussions on potential future ESF schemes, and to consider ways of maximising the national impact of any funds accessed.

**Advice**

175. Colleges were asked to reflect on their experience of establishing the Priority 1 scheme, and provide advice for any – hypothetical – organisation undertaking the same process. Similar points arose to those emerging from the broader survey.

- Never underestimate the administrative time required. Balance these requirements against the additional value of the programme. Ask whether the administrative burden detracts from the benefits of the programme.
- Avoid lots of new administrative infrastructure. Use existing systems where possible.
- Need a system which is fit for purpose in terms of claims and timescales. The simpler the better.
- Good communications. Work together.
- Lots of communication between key people and organisations from an early stage. Especially between colleges, CPPs and local economic forums.
- Ensure priorities and funds allocations are defined early to allow college planning. May is too late.
- Remember colleges have a broader role than just European priorities. There is greatest value where the targets are ones which are shared by ESF and the college.
- Know how you will show a positive use of the funds.

**General**

176. Reflecting on the Priority 1 scheme, and experience since, it was positively regarded: “valuable and worthwhile” and “a very good way of getting deprived kids into the system and a cost-effective way of doing it”. There was support for continuing this sort of activity. One college representative confirmed that they would not have participated in an ESF scheme without the SFC involvement and had found it ‘mission-effective’.

177. The audit requirements were felt to be overly onerous ‘when all we are doing is trying to help’. It was also remarked that putting the burden of a successful employment outcome entirely on the college was unfair.

178. Scottish Government staff commented that very good contacts with SFC had helped the process and that they were satisfied that a good audit had been achieved.

## Conclusions

179. Overall the project achieved its aims. The majority of objectives were achieved or exceeded. The administration of the project was simpler for participating colleges than earlier projects and was efficient.
180. The project met and exceeded its target, delivering 73,835 WSUMs to 4,022 participants. SFC managed the project to ensure that delivery across a variety of locations was co-ordinated to address the agreed national targets, including people in priority categories.
181. As was appropriate for a pilot of a new approach, some operational difficulties were revealed. In most cases, these were either resolved within the timescale of the project or have informed approaches to be taken for further ESF projects.

## Lessons and recommendations

182. It is clear that there have been, and remain, some issues where the differences in the models being brought together have not been resolved. For example:
- The ESF audit approach still makes assumptions relating to delivery by individual colleges, rather than as co-ordinated by SFC – e.g. auditors assume SFC will hold detailed information on individual students and are still looking for headcount measures when what was offered were WSUMs.
  - Similarly the Eurosyst facility still seeks reports based on headcount when there is a confirmed understanding that it is WSUMs which are to be delivered. Conversion between WSUMs and headcount is possible but requires a lot of contextual understanding. If funding is offered for the delivery of WSUMs, it is WSUMs that should be reported.
183. There is scope for misunderstanding in use of definitions which may be being interpreted differently by different participants e.g. qualification level, 'student places'. There is a need for clearer testing, understanding, ownership and consistent use of shared terms from an early stage. Agreed definitions and any subsequent changes should be fully documented, as should methods which are used for any derived figures.
184. Existing systems should be utilised as much as possible. (This was an element identified by colleges as simplifying the project.) SFC's FES data collection should be extended to accommodate ESF data fully.

185. The information collected on student destinations is inadequate and completion of planned work to develop this should be given priority if this remains an objective for future ESF funding.
186. There is scope for increasing the efficiency and speed of the claim and payment process, particularly between SFC and the Managing Authority.
187. College claims should include more explicit estimates of progress towards final targets, to minimise the complexity of any reconciliation in the final months of a project.
188. The model of audit used for unit-cost projects should be reviewed to test whether it is fit for purpose.
189. Clear measures of outcome success, as well as outputs, should be established at the start of the project.
190. SFC should consider carefully their internal resource requirements for any future ESF projects, as there is some evidence of difficulty in claiming identified funds for administrative work associated with the project.

#### **Other observations**

191. There was a lot of work involved in setting up the new system. However, early issues had been resolved. Generally the method and management were simpler than previous ESF projects. Colleges felt they could show additionality more easily. The system was now understood and working. There was concern that, if there were no more funding, this effort and system would be abandoned.
192. The management and method were seen as slightly more complicated than normal SFC funding. There were additional administrative requirements which did not receive additional funding, which would have been the case in previous ESF work. Ongoing audit costs from this and previous ESF work remain, and will do after funding stops. But this method has reduced a previously substantial administrative burden for colleges (e.g. the requirement for timesheets). Some of this burden has been transferred to SFC.
193. The Scottish Government see this as an efficient approach. It allows their staff a richer involvement in the delivery of scheme objectives.
194. The colleges need earlier notice of the priorities to be addressed (and any changes to these) to allow effective planning of resources for the academic year (e.g. staff and courses). The preparation time required to deal with changes, and the associated costs, should not be underestimated.

195. The reduction in ESF funding from previous schemes (combined with other cuts) saw loss of staff and expertise in colleges. New people were dealing with the funding while also dealing with other tasks. Data management was more dispersed.
196. Priority 1 ESF activity fits to core college activity. It provided an extension of mainstream provision. It may not therefore reach hard-to-reach groups so readily as earlier ESF schemes.
197. Priority 1 ESF funding did not allow for enhanced activity for vulnerable groups. It was less easy to respond to **very** local needs.
198. There was particular value where the priorities of ESF matched the priorities of the college (and local priorities). If the ESF and college priorities did not match there were more issues for the colleges in managing the recruitment.
199. The colleges are very keen that bids for future ESF funds should be being developed. Loss of this funding would have a significant impact on the sector (in addition to other cuts).
200. Discussion, in interviews, of a hypothetical situation revealed that the colleges were concerned at any suggestion that ESF funding might instead be distributed through another central organisation. They anticipated that such a situation would mean new (additional) administrative requirements, another learning curve (for both sides) and increased costs. The SFC system is seen as efficient and scalable.
201. There was a view that, as currently designed, this may not be the most effective strategic use of ESF funds. Colleges understood that SFC core funding could not now be used as match funds by e.g. local authorities, so the potential for leverage is reduced.

## Annex 1: What are WSUMs?

WSUM stands for 'Weighted Student Unit of Measurement'. SFC uses WSUMs as the basis for recurrent grants to colleges.

An *unweighted* Student Unit of Measurement (SUM) is equivalent to 40 hours of learning. So 'SUMs' measure the time students spend on a course.

Because classes in some subjects cost more to run than classes in other subjects, SUMs are weighted to reflect these costs. This gives the WSUMs.

***For example –***

*40 hours (or 1 SUM) of engineering will make up around 1.3 WSUMs, but 40 hours (or 1 SUM) of business & management will make up around 0.9 WSUMs.*

In essence, WSUMs are (student time) x (cost weighting).

Each college's WSUMs target is multiplied by a standard price to give the basis of the recurrent grant which the college is offered<sup>30</sup>.

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<sup>30</sup> There are also other adjustments, to take account of fees which will be received and other costs associated with recruiting and supporting students

## Annex 2: Extract from allocation circular SFC/15/2010

9. These funds have been allocated on the following funding principles.
- That the allocations should target the **LA areas**:
- worst affected by the economic downturn; and
  - at greatest risk of rising youth unemployment.
- That the allocations should be targeted at **colleges**:
- who can target these groups within their local communities; and
  - who have the greatest need for funding to enable them to achieve this goal.
10. It is on this basis that we have targeted these funds to LA areas and, in turn, to the colleges that serve them. ...
11. In deciding which LA areas to target we considered both the increase in unemployment in an area and the unemployment rate for young people aged 16 to 24 in an area. We then allocated the additional funds for AY 2010-11 to the LA areas with the greatest need in proportion to the number of young people aged 16 to 24 in the area.
12. In order to reflect the intensity of the change in youth unemployment we banded the LA areas according to the increase in the number of young unemployed people as a percentage of all young people aged 16 to 24 in the area (minus those attending higher education). We then weighted the funding allocated to each LA area according to this banding. ...
13. All LA areas that are eligible for Lowlands and Uplands Scotland ESF priority 1 funding will be targeted for additional funds from the £15.3 million. ...
14. The funding to the colleges has been allocated in proportion to the number of young people aged 16 to 24 from the targeted LA areas who attend the college. We excluded colleges who delivered less than 10 per cent of their Student Units of Measurement (SUMs) to young people aged 16 to 24 from a LA area (except in Glasgow where, because of the number of colleges, the threshold was set at five per cent.)
15. This year the allocation method has an additional qualifying criterion; a college who delivers at least 50 per cent of its SUMs for 16 to 24 year olds within an ESF-qualifying LA area is considered eligible for funding. The one other change to the model from AY 2009-10 is that funds are distributed to colleges on the basis of the proportion of SUMs delivered within a LA area. In AY 2009-10 the distribution was based on enrolments.

### **Annex 3: Scottish Funding Council European Social Funds Liaison Group Terms of reference (2010)**

To advise the executive of the Scottish Funding Council (SFC) as required on issues relating to SFC European Social Funds (ESF) projects in the college sector, including advice on:

- ☐ detailed guidance notes setting out college responsibilities in relation to delivering projects;
- ☐ information and data collection related to ESF claims;
- ☐ technical issues around criteria for student eligibility, student retention and meeting conditions of grant for ESF and SFC funding;
- ☐ delivery issues relating to the current project (*Investing in Recovery*), including changes in the profile, with the aim of keeping the project on track;
- ☐ monitoring and measuring the output of the current project (*Investing in Recovery*): growth in student places, achievement of qualifications and employment; and
- ☐ developing new SFC ESF projects from experience gained from the current project (*Investing in Recovery*).

In addition, the Group will provide the core of a network which aims to disseminate best practice across the sector in relation to SFC ESF funding and a link with other national organisations bidding for ESF funding (e.g. Community Planning Partnerships).

#### **Membership**

The Group will comprise staff covering the areas of college senior management, MIS, finance and curriculum development. Officials from Scottish Government and ESEP will attend in an advisory role. The Group will be chaired by SFC and will include SFC officers working on the ESF project and FES returns.

## Annex 4: Qualifications – alternative interpretation

This annex discusses potential alternative results for the qualifications achieved by ESF participants, and the reasons for these.

1. Examination of the targets and reported figures relating to qualification levels may have demonstrated a difficulty with the co-ordination of two funding systems designed for different purposes. The “levels” used in the application, although not specified, after enquiry are *apparently* International Standard Classification of Education (ISCED) levels which do not relate to or the Scottish Credit and Qualifications Framework (which SFC has a duty to promote and with which the college sector is familiar) or the related European Qualifications Framework.
2. Further investigation of qualifications recorded on Eurosyst against FES data has revealed discrepancies in data. By calculating the ISCED Level (the levels used on Eurosyst) from equivalent SCQF levels recorded on FES, the following table provides accurate data on the qualification level achieved by the ESF participants. The table is based on the ‘qualification level on exit’ data compiled using FES.

ISCED Qualification level achieved by participants	Aim			Final Result		
	Partial	Full	None	Partial Qualification	Full Qualification	No Qualification (did not pass any component)
1	0	0		0	14	0
2	477	1472		660	1,495	154
3	443	1298		301	676	58
4	0	0		290	218	23
5	0	0		31	100	2
<b>All</b>	<b>920</b>	<b>2770</b>	<b>410</b>	<b>1,282</b>	<b>2,503</b>	<b>237</b>
	22.4%	67.6%	10%	31.9%	62.2%	5.9%

3. The number receiving a full qualification given in this table is greater than reported to Eurosyst. On this basis:
  - 5.9% of the full cohort dropped out or finished without passing any component of the course (against a target of 10%)
  - 62.2% received a full qualification (against a target of 67.6%)
  - 31.9% achieved a partial qualification (against a target of 22.4%)
4. Using these figures, the position is still that overall, more students (3,785, 94% of the actual cohort) received a full or partial qualification than had been expected (3,690, 90% of the anticipated cohort), albeit fewer than reported. The balance was again more towards partial qualifications than had been

anticipated – 1,282 (32%) as opposed to the anticipated 920 (22.4%) – but to a lesser extent than reported

5. Targets for full qualifications were 35.9% of the cohort to receive level 2 and 31.7% to receive level 3. Using the revised figures the outcome was that 37.2% received level 2 and 16.8% received level 3. Taking into account the broader range of qualifications achieved than were anticipated, 37.5% received level 2 or level 1 and 24.7% received level 3 or above.
6. Targets for partial qualifications were 11.6% of the cohort to receive level 2 and 10.8% to receive level 3. Using the revised figures, the outcome was that 16.4% received level 2 and 7.5% received level 3. Taking into account the broader range of qualifications achieved than were anticipated, no-one received a level 1 partial qualification and 15.5% received level 3 or above.

The difference between the results reported to FES and those reported through ESF returns suggests a level of confusion caused by not making explicit the definitions being used in this context.

## Annex 5: Survey

### ESF Priority 1 funding 2010-11: evaluation by SFC

The ESF Priority 1 funds (and matched resources) distributed by SFC to Scottish colleges in 2010-11 aimed to support the colleges in taking on more young students to meet the increased demand caused by the economic downturn. This was the first project run on a 'unit-cost', or 'flat rate' model in Scotland and was based on SFC's standard funding model for the recurrent core grant to colleges. This meant that a 'price' was paid for each WSUM, rather than the 'real' costs incurred by each student being claimed.

The change in approach was intended to simplify the management and administration of ESF grants, make them more accessible and focus effort on achieving aims.

In this questionnaire, we are asking college staff about your experience of the administration of the ESF funds that SFC distributed under the new model and how it compared with your experience of dealing with any earlier ESF grants. We are also interested in how this project compared with your normal dealings with the college's recurrent core funding from SFC and the reporting associated with that.

#### 1. Did your college participate in ESF projects prior to this one?

- Yes - managing the project, no partners
- Yes - partners in project, but not the lead
- Yes - managing the project, with partners
- Yes - other (please describe below)
- No

Please use the box below to let us know about your college's role in previous ESF projects or if there were any particular reasons why your college didn't take part in ESF projects.

**2. This ESF project was organised differently from previous ones. What were your expectations of the project before it started?**

That it would be ...

	Simpler than	The same as	More complicated than	Other (please comment below)
<b>Other ESF projects</b>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Core college funding from SFC</b>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are there other points you would like to make?

**3. Previous ESF projects paid 'real costs', affected directly by what was spent on and by students. The SFC allocations of ESF funding were based on price per WSUM, very like the recurrent core SFC grant to colleges. How did the 'flat rate' price approach affect how this project was administered in-college?**

I found it ...

	Simpler than	The same as	More complicated than	Other (please comment below)
<b>Other ESF projects</b>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Core college funding from SFC</b>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are there any other comments you would like to make about the 'flat rate' approach or its impact?

**4. How effective was the delivery process for this project, in terms of dealings between the college and funders (including guidance, reporting requirements, data recording, claiming, audit etc)?**

It was...

	Simpler than	The same as	More complicated than	Other (please comment below)
Other ESF projects	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Core college funding from SFC	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Are there more detailed comments you would like to make about working with SFC to manage this project?

**5. The Community Planning Partnerships had a role in defining the local targets for this ESF project. In your college, did the CPP play an ongoing role in helping to monitor this project and steer it towards its objectives?**

	Yes, a large role	Yes, some involvement	Yes, a little	No
Monitoring	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Steering	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Do you have any other comments on the role of the CPP?

**6. Is it likely that your college would have sought ESF support for additional student activity under the traditional model for ESF funding, if SFC had not taken on the co-ordination of these funds?**

- Yes (please comment on any likely partnership)
- No
- Don't know

What are your reasons for your answer?

**7. Did any elements of the new model cause you difficulty?**

- Yes
- No

Please describe what was involved and the impact

**8. Did any elements of the new model make things easier?**

- Yes
- No

Please describe what was involved and the impact.

**9. Are there any key bits of advice which you would offer to any other organisation which has to co-ordinate multiple partners on ESF work?**

**10. Thank you for taking the time to answer this survey. It may be helpful to have more in-depth views on the colleges' experience. If you would be willing to discuss your responses, please provide your contact details below.**