



Review of the Higher National Project Board

A report to the Higher National Project Board by
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Preface by the HN Project Board

Higher National qualifications have a key role to play in Scotland's education system. HNCs and HNDs are offered by colleges, some universities and many private training providers, and attract over 33,000 candidates a year to study across 23 diverse subject groups. They are designed to meet the needs of employers both locally and nationally, and they can also lead to direct articulation into the second or third year of degree courses at Scottish universities.

As the following report notes, there were a number of reasons indicating a need for a modernised and rationalised HN 'offer', including economic and technological changes, new HN design criteria, and a proliferation of Group Awards.

The modernisation process overseen by the Board achieved the objectives set for it, including substantial rationalisation of the HN catalogue, significant modernisation of remaining Group Awards, and it worked both to time and within budget.

Looking to the future, there will remain a central role for HNs in supporting a cohesive post-school learning system. They will help Scotland to maintain and develop its skills base both for those in, or seeking, employment and for those who use HNs as a means of progressing to degree level study, and in some cases beyond.

HN Project Board
July 2008

Executive Summary

1 Introduction

GEN and Walter Patterson were commissioned in November 2007 to carry out a review of the Work of the Higher National Project Board (HNPB) on behalf of the HNPB.

The report was commissioned to explore:

- ◆ the operation of the HNPB and stakeholder views on its operation
- ◆ the extent to which the process funded and secured colleges involvement in the Higher National Modernisation Project
- ◆ the contribution that the HNPB made to the modernisation and rationalisation of the HN catalogue
- ◆ the factors that contributed to the success of the Board
- ◆ potential lessons for the future deployment of a Board model

2 The need for modernisation

There were four important drivers that led to the need for urgent and radical modernisation and rationalisation of the HN catalogue:

- ◆ **Technological change:** The advance of wider economic and technological change meant the content of many HNs had become outdated.
- ◆ **Change to HN design criteria:** Design principles updated in 2003 meant that HN content had to be updated to reflect these.
- ◆ **Proliferation of Group Awards:** the proliferation of HN Group Awards meant that modernisation of the HN portfolio was going to be a major undertaking.
- ◆ **Internal difficulties within SQA:** The merger that established SQA; the introduction of Higher Still; and difficulties with the 2000 National Qualifications Certification results meant that the modernisation of HN frameworks had assumed a lower priority than otherwise would have been the case.

These factors led to strong and shared recognition that urgent and concerted action was needed to ensure that the entire HN framework was updated and fit for purpose. Close and effective working across the college sector would be important to achieving this.

3 Why establish a Board model?

The principles that led to the establishment of the Board can be traced through a series of letters and exchanges between the then Scottish Executive, Scottish Further Education Funding Council (SFEFC) and Anniesland College. The issues in these exchanges included the recognition that:

- ◆ HN modernisation was seen as a shared challenge for the sector and there was a common interest in achieving a successful outcome. Any model for achieving modernisation would need to involve all parts of the sector
- ◆ colleges had different needs and could make different contributions to the modernisation process — traditional formula based funding models were unlikely to be best suited for this purpose
- ◆ any model adopted would need to ensure that modernisation monies were allocated in a way that was proportionate to the burden that fell on colleges
- ◆ finally and crucially, establishing a transparent and accountable means of allocating money was an essential prerequisite to generating buy-in from the sector

Following further discussions between the Scottish Executive, SFEFC and the sector, there was agreement that a Board, consisting of senior College Principals, SQA and SFEFC (subsequently SFC) was the only way of ensuring these principles were met. The Scottish Executive (subsequently the Scottish Government) and the Association of Scotland's Colleges (ASC) were invited to be observers on the Board.

4 Functions of the Board

The Board's functions were framed by the nine Funding Principles it established to govern the allocation of resources (see 2.5.2). The Board also annually reviewed Cost Models that determined the amount of funding that each college, collaboration or consortium would receive for the development of Group Awards.

The Funding Principles ensured that: priority was given to those Group Awards that were used by the most colleges; funding would reflect the benefit that modernisation of a Group Award would have to the Scottish economy; and priority would be given to developments that promoted rationalisation and collaboration.

The Cost Models ensured that different levels of funding would be allocated to developments undertaken by individual colleges (single centre Group Awards), by small groups of colleges (specialist

collaborative developments) and for nationally significant Group Awards (consortium developments). The Board's operations were characterised by:

- ◆ standing agenda items to monitor progress and spend
- ◆ quarterly reports by the Principal of Anniesland College to the ASC Principals' Forum and the HN Key Partners' Group
- ◆ consensual decision making and avoidance of vote taking
- ◆ concerted effort to build support for modernisation within the sector

5 What successes did the Board achieve?

The Board fully achieved its original objectives, including:

- ◆ **Rationalisation** of the HN Portfolio, from 800 Group Awards to 265. This has reduced duplication and overlap and led to a more coherent set of nationally recognisable Group Awards.
- ◆ **Modernisation** of HN Group Awards. Evidence suggests that colleges undertook significant activity during the modernisation process, which has led to a large number of out-of-date Group Awards being replaced.
- ◆ **Achievement on time and within budget.** The Board's core objectives of rationalisation and modernisation will be achieved by December 2008 and at less cost than had originally been anticipated.

The Board model, and the modernisation process, was felt by stakeholders to have brought a range of wider benefits. For example, evidence from the evaluation demonstrates that the process opened up curriculum development to a wider range of partners than had previously been the case. It was also felt that involving a wide range of college staff in the rewriting of HN Units increased capacity in the sector, and strengthened the spirit of collaboration amongst colleges.

6 What were the factors that contributed to this success?

Factors that contributed to the Board's success can be split into three areas: **Board membership; Board decision making** and building on **strong foundations**.

The **membership** of the Board was crucial to its success. It brought together an appropriate mix of partners and included individuals who had enough influence within their organisations to drive through

decisions and commitments made by the Board. Secondly, the College Principals were widely known and respected in the sector, which helped to generate buy-in. Thirdly, the appointment of an independent Chair gave the Board added credibility in the sector.

In terms of **decision making**, the Board was seen as very effective. In establishing Funding Principles, which rewarded those who had greatest involvement, it encouraged a wide range of people to contribute to the process whilst at the same time creating a transparent funding model. Prioritising Group Awards according to their take-up and impact on the economy was also seen as a key success. Crucially, decisions were underpinned by an effective and widespread canvassing of wider sector opinion.

The Board was also able to build on the **strong foundations** begun by the HN Key Partners' Group (HNKPG), which had focused on the HN Modernisation Project for 18 months before the inception of the Board. Instead of commencing from a standing start, the Board was able to refine the existing plan for delivering modernisation, whilst tapping into the goodwill that the HNKPG had generated amongst the sector.

7 Lessons for the future

This study identified a number of conditions that contributed to success of the Board and which partners should seek to replicate. In the future, a Board model should be considered where:

- ◆ there is a clear need for partnership/collaboration working
- ◆ the need is shared across the sector
- ◆ funding needs to be distributed in a non-formulaic way
- ◆ there is not a competition between colleges for funding
- ◆ the task is time limited and discrete
- ◆ the Board takes time to build support externally
- ◆ the Board communicates its priorities and operations clearly and consistently
- ◆ external conditions are in its favour

1 Introduction

GEN and Walter Patterson were commissioned in November 2007 to carry out a review of the Work of the Higher National Project Board (HNPB) on behalf of the HNPB. Our brief was to carry out a short, focused study which identified the achievements of the Board, areas of potential learning and assessed the applicability of the Board model in other circumstances.

1.1 Study objectives

The brief for the study set out a number of key objectives. These included:

- ◆ Identify the factors that led to the appointment of the Board as opposed to more traditional funding models.
- ◆ Review the operation of the Board and gather stakeholders' views on the Board's operation.
- ◆ Consider how effectively the process funded and secured college involvement in the Higher National Modernisation Project.
- ◆ Consider how the project resourced the involvement of the Sector's central support agencies for staff development; for learning materials; and that of the SQA.
- ◆ Comment on the contribution that the Board's work has made to both the modernisation and rationalisation of the HN catalogue.
- ◆ Identify any ways in which the work of the Board could have been strengthened.

1.2 Approach

The main body of our work was carried out over a five-week period. In that time we have:

- ◆ reviewed background papers which described the need and rationale for establishing the Board, along with the business case for the HN Modernisation Project
- ◆ reviewed the minutes of the HNPB meetings to build an understanding of the Board's operation
- ◆ carried out face-to-face consultations with Board Members and Observers to gather views on the operation of the Board
- ◆ carried out consultations with staff at 10 colleges (including Principals and/or Assistant Principals, Senior Managers and Curriculum Managers) to gather their views on the Board

- ◆ consulted with wider stakeholders including SQA; the Scottish Further Education Unit (SFEU) and the Colleges Open Learning Exchange Group (COLEG)
- ◆ met with the Board to review the emerging findings from the study

1.3 **Report structure**

This short report constitutes the final report for the study and is structured as follows:

- ◆ Section 2 provides a review of the key stages in the Board's development, based on our review of the minutes and our initial discussions with the Board Members. Most of the rationale and detail behind the key decisions taken by the Board is not fully captured in the minutes but are detailed in Board papers.
- ◆ Sections 3 and 4 examine the views and perceptions of stakeholders to establish the stakeholder views on the rationale for the Board's operations, key successes to date and some lessons for the future.
- ◆ Annex 1 is a record of the membership of the Higher National Project Board.

2 The Development of the Higher National Project Board

2.1 Introduction

2.1.1 This section provides context for the remainder of the report by setting out some brief background to:

- ◆ why the need to modernise HN qualifications emerged
- ◆ the process leading to establishment of the Board
- ◆ the discussion at the first meeting of Board
- ◆ the principles established by the Board to distribute funding
- ◆ the operation of the Board at future meetings
- ◆ a summary timeline of the Board's development and operation

2.1.2 In the following chapters we explore and provide comment on stakeholders' and consultees' views on the rationale for the Board and on the operations and effectiveness of the Board.

2.2 The need for modernisation of Higher National qualifications

2.2.1 The need to modernise the HN qualifications portfolio had been identified several years prior to the establishment of the Board, and as such is not explored in any detail in the Board minutes. However, discussions with the Board members and key stakeholders and a review of the business case developed by SQA (discussed later) identified a number of inter-related factors which together created an urgent and critical need for modernisation and rationalisation of the HN catalogue:

- ◆ **Technological change** — Wider economic and technological change also created the need for significant change in the content of many HN Group Awards. For example, elements of many HN Group Awards in Administration had become outdated by the introduction of new Information and Communication Technologies.
- ◆ **Changes to design criteria** — Higher National qualifications had been changed to unitised, internally assessed courses from 1988 to meet the needs of employers and learners. The original design criteria devised at that point were then updated and revised as design principles in 2003. This created part of the need to modernise the HN Group Awards.
- ◆ **Proliferation of Group Awards** — Changes in the system had meant a move away from Group Awards only being developed by SQA, to one where devolved authority meant that individual or

groups of colleges could meet wider economic and technological change, and learner demand, by introducing new Group Awards or rewriting elements of existing Group Awards. This led to:

- a strong sense of ownership of HN qualifications in colleges as well as in SQA
 - many more HN Group Awards being available — it was estimated that the entire HN catalogue had increased from around 200, to over 800 active Group Awards
 - the development of a range of Group Awards in different colleges with the same name, similar content but different product codes and divergent elements
 - the proliferation of core plus options Group Awards in different colleges, eg Administration and IT; Administration and Business; Administration and Business Management; Administration and IT and Management
- ◆ **Internal difficulties within SQA** — SQA had been formed from the merger of the Scottish Exam Board and Scottish Vocational Educational Council (SCOTVEC) in 1997. In addition to dealing with the challenges of the merger, the organisation was also seeking to introduce Higher Still in a very short space of time. Thereafter came the difficulties of publishing the National Qualification results in 2000. In light of these three issues and their impact on staff resources it was decided to pilot the design rules and move forward in consultation, but at a slower pace than first envisaged. This led to the new principles not being agreed until 2003. One consequence of this was a low priority being given to the modernisation of the HN frameworks.

2.2.2 As a result, there was a strong and shared recognition that the existing system needed a significant overhaul to ensure that a modernised framework of Higher National Qualifications was in place, and that concerted action was needed. The pace and capacity of colleges to undertake the necessary modernisation and the finance needed were further considerations.

2.2.3 This led to a business plan drawn up by SQA and Scottish colleges, and a subsequent set of discussions amongst the sector's stakeholders which laid the foundations for the Board's work. The nature of these discussions and reasons for some key decisions are set out in the next Section (which draws on individual accounts rather than minuted evidence) but in short led to the establishment of the Board.

2.3 Establishment of the Board

2.3.1 The formal establishment of the Board can be traced through a series of letters and exchanges between the Scottish Executive, SFEFC and Anniesland College. The initial money was offered in a letter in July 2004 from the Scottish Executive to the Scottish Funding Council. This asked the Scottish Funding Council to advise on how they envisaged the money being distributed. The response to the July 2004 letter from the Executive by SFEFC made a number of key points which identify the emergence of the Board idea. These included:

- ◆ A group (later to become the HNPB) would be established by the Association of Scotland's Colleges (ASC) and the HN Key Partners' Group to manage the distribution of the funds.
- ◆ This group would be well placed to maintain an overview of all aspects of the HN review.
- ◆ Anniesland College would administer the funds on behalf of the Group, and make quarterly reports to the Scottish Funding Council.

2.3.2 That letter also began to identify some of the Principles that would shape the future Board's operations:

- ◆ The group would seek to distribute funding in a way that was 'proportionate to the burden that fell on each College', and in effect be directed to those which are most actively involved in the review.
- ◆ Where there was an appropriate role for SFEU or COLEG, the Group would enter into a direct contract.

2.3.3 These points were amplified in the letter sent from SFEFC to Anniesland College in December 2004. The letter re-iterated the principle of targeting funding for colleges in relation to effort and:

- ◆ stressed that funding should be applied where it can promote earlier and fuller modernisation of the HN portfolio
- ◆ suggested an outline membership for the group
- ◆ asked the group to agree a schedule of work for the coming year and in that clearly set out the role that SQA would play in the modernisation process

2.4 First meeting of the Board

2.4.1 The HNPB first met formally in March 2005. At this meeting three key procedural issues were discussed:

- ◆ The terms of reference for the Group.

- ◆ The appointment of an Independent Chair and the confirmation of whether some of the attendees were members of the group, or attending in an observer status.
- ◆ The need to develop a set of clear operating principles and their implications for costing.

2.4.2 The last of these issues led to SQA being asked to develop a set of papers for discussion for the next Board meeting. See Section 2.5 below.

2.4.3 The Board meeting also addressed one key operational issue at its first meeting, namely whether some of the work that had been undertaken by colleges and SQA to prepare for and support modernisation throughout 2004/05 could be funded retrospectively. Clarification was sought from SFEFC on this issue, and subsequently it was agreed that any work undertaken in that year, but prior to the Board's formal establishment, was eligible for financial support.

2.5 Establishment of operating principles

2.5.1 The operating principles for the Board were discussed and refined over the two subsequent meetings of the Board. Over that time the Board agreed a statement of Funding Principles which would be used to communicate to stakeholders how the Board would reach decisions on the allocation of modernisation funding; and a set of Cost Models which would be used to agree a consistent and equitable basis for resourcing modernisation work.

2.5.2 The Board agreed on nine Funding Principles that would guide their allocation of resources. These were:

- ◆ Funding priority will be allocated to those HN Group Awards that have widest benefit to the sector (ie used by the largest number of colleges).
- ◆ Funding will only be given to support the development of HN SCQF level 7 and level 8 Group Awards and to those HN Units and support materials which contribute to these Group Awards.
- ◆ Funding for specialist developments will reflect the benefit to the sector and the Scottish economy.
- ◆ The outcomes of any development receiving funding support given by the HN Project Board to a Group Award or component of a Group Award should be available to any SFC funded FE college.
- ◆ A proportion of funding available will be allocated to colleges to support staff development associated with the implementation of the revised/new HN Group Awards.

- ◆ If required, funding will be available to support agencies such as COLEG and SFEU in sector wide initiatives that support the HN programme.
- ◆ Any funding for SQA will be for those developments contributing additional value to the HN Development programme. There will be no core costs supported.
- ◆ Within the HN Development Framework where COLEG/SFEU are unable to provide support services, submissions from other consortium/bodies will be considered. Advice will be sought from the HN Key Partners' Group.
- ◆ Priority will be given to developments which contribute to rationalisation and collaboration.

2.5.3 The Board also agreed a core set of Cost Models which were reviewed annually but remained in place through the remainder of the period. These Cost Models related to:

- ◆ Contributions to facilitate college participation in the re-design of particular HN Group Awards, with differential funding regimes being set for:
 - consortium developments: for Group Awards that were or had the market potential to be used on a national basis
 - specialist collaborative developments: where a small number of colleges offered similar specialist awards and there was potential to develop a new shared specialist Group Award
 - single centre Group Awards: where the Group Award was used and developed by only one college
- ◆ Contributions to core college costs — every college was given an allocation to meet the costs of staff adapting to the changes of any new developments.
- ◆ Funding for qualification development support for specialist collaboration and single centre HNC/HNDs in the form of the HN partnership team in SQA, and editorial support for specialist Units.
- ◆ Funding to support the development of centrally produced Assessment Exemplars.
- ◆ A contribution to the management costs incurred by Anniesland College to distribute funding.

2.5.4 A description of the funding allocations made for each of these Cost Models is given on the table below.

Cost Models agreed by Board

Description	Consortium Developments	Specialist Collaborative	Single Centre Group Awards
Contribution to college costs of participating in Group Award re-design	Staff release funded at £185 per day	Staff release funded at £185 per day, plus £10,000 for deliverables to be shared by participating colleges	£10,000 for deliverables
Core college costs	Allocation to colleges for capacity building		
Management costs (SQA)	£100,000 per annum to meet additional management costs		
Management costs (Anniesland College)	£20,000 per annum		

2.5.5 There was further thought behind the methods chosen, in particular that:

- ◆ the £10,000 would be paid in stages and backloaded to ensure delivery
- ◆ the allocation to individual colleges would be based on a flat rate plus a variable amount set in accordance with the number of HN courses delivered as it was thought that courses were a better proxy for the adaptation work involved than the number of learners (which is the more traditional method of allocation in the sector)
- ◆ the payments were recognised as ‘contributory’, ie they were not intended to meet the full costs of development

2.6 Operation of the Board in future meetings

2.6.1 The Board met on a quarterly basis over the next two years and has continued to do so. A review of the minutes of the Board meetings highlighted a number of key points about the operation of the Board:

- ◆ There were a series of standing items to monitor progress and spend. Given the size and timescale of the task this was important to ensure delivery.
- ◆ There was ongoing consideration of how the college sector would view decisions, and significant work undertaken to build these linkages.

- ◆ The quarterly reports made by the Principal of Anniesland College to the ASC Principals' Forum and the HN Key Partners' Group also played an important role in building support with the College sector for the Board's decisions.
- ◆ The parallel discussions and work taking place at the HN Key Partners' Group were used to inform the Board's decision making.
- ◆ SQA was often asked to undertake work on behalf of the Board, particularly to develop papers and options on which the group could take decisions.
- ◆ The Board took care to focus spending on areas covered in the remit letter, as can be seen from recent discussions of support for Professional Development Awards (PDAs) which were seen to be outside the original task.
- ◆ There was no record on any occasion of the Board needing to 'vote' on particular issues. Rather the emphasis was on reaching decisions based on consensus, with the independent Chair of the Board playing an important role in facilitating this management style.

2.6.2 Our review of the minutes of the Board highlighted a number of other issues that the Board was required to consider over the period of its operation:

Two colleges individually raised questions about the methodology adopted to distribute funding to colleges and the equity of this process. On both occasions the Board fully considered these concerns raised, re-examined and discussed the method adopted, yet concluded that it remained fair and appropriate. The Board's discussions were fed back and explained to those colleges through the Principal of Anniesland College, and the outcomes of the Board's discussions were generally accepted.

At the end of the financial year 2005–06 there was a significant underspend in modernisation monies. The Board discussed how this occurred and the minutes record three main contributing factors:

- ◆ A greater rationalisation of qualifications than anticipated in the original business plan meant fewer qualifications were modernised, as colleges were prepared to forego locally developed provision once there was evidence that modernised consortium/collaborative provision would accommodate their needs.
- ◆ Lower attendance by college staff than had been budgeted, leading to a saving on the average cost of developing a Group Award.
- ◆ The monies made available to SQA through European Social Fund (ESF) reduced their need to call on the Board money.

2.6.3 In dealing with the underspend, the Board was helped by its ability to carry funding across years. It was therefore able to roll the underspend forward to reflect what were initially described as delays in delivery, on the reasonable basis that the funding would still be used to modernise HN provision at a later date.

2.6.4 Later in the process (June 2007) the more substantive reasons for the underspend are minuted and discussion then follows about how this underspent portion of funding might be used within the remit of the Board. The Board then carried out a consultation exercise within the sector to identify ways in which the monies could be spent to support modernisation. The results of this consultation have still to be resolved, but in the meantime further support has been given to COLEG and SFEU to carry out further work in respect of materials production and staff development.

2.7 Summary timeline of decisions

The table below provides a summary of the timeline of the development of the HNPB up to the present day.

Summary timeline of Board establishment and key events

Date	Key events
2003 – early 2004	<p>Shared recognition developing amongst stakeholders of need for significant modernisation of the HN framework.</p> <p>HN Key Partners' Group formed and acts as forum for exploring problems with key stakeholders.</p> <p>Initial discussions held with Scottish Executive and emergence of early Business Plan from SQA.</p>
July 2004	<p>Scottish Executive confirms availability of £2 million funding for modernisation process and indicates a willingness to consider funding for future years. Money is routed through SFEFC.</p>
Oct 2004	<p>Response to the July letter confirms intention to establish independent group to distribute funding.</p> <p>Emergence of early principles around funding going to colleges in relation to effort.</p>
Dec 2004	<p>Letter from SFEFC to Anniesland College confirms early principles and suggests outline membership for Group.</p>
March 2005	<p>Board meets and establishes operating procedures including need to clarify statement of Principles.</p> <p>Retrospective funding agreed for 2004/05 activity.</p>
Jun – Oct 05	<p>Funding Principles and Cost Models agreed by Board and communicated to stakeholders.</p>
Ongoing	<p>Monitoring of progress and discussion of emerging issues</p> <p>Standing items on the agendas of the HN Key Partners' Group and Principals' Forum to guide, inform and build support for the Board's work.</p> <p>Quarterly reporting into Principals' Forum and HN Key Partners' Group.</p> <p>Annual reporting to the Scottish Funding Council on progress.</p> <p>Publication of HN Annual Report.</p>

3 Stakeholder views of the Board and its operation

3.1 Introduction

In this section of the report we set out the findings from the first part of the stakeholder consultations. The early part of the consultations focused on the establishment of the Board and its operations. This section is organised around a number of key questions that the consultant team explored with stakeholders including:

- ◆ What was their understanding of the rationale for establishing the HNPB to distribute funding, as opposed to more traditional funding methods?
- ◆ What key roles were the Board perceived to fulfil?
- ◆ Were the Principles set out by the Board clear, well communicated and seen to be fair?

3.2 Establishing a Board model

3.2.1 The choice of the Board model is widely seen to have emerged through a series of discussions. Our consultations highlighted a number of positive reasons that were perceived to have influenced the adoption of the Board model:

- ◆ Modernisation was a challenge that was shared between SQA and the college sector, reflecting their joint sense of ownership of HN Group Awards. Therefore, there was a mutual interest in generating a positive outcome.
- ◆ It was recognised that different colleges would be affected in very different ways and funding should reflect this rather than the more standard allocation model based on college size that was often used by the Scottish Funding Council.
- ◆ It was seen by the college sector as a way of ensuring that money would flow to those colleges who carried out the work.

3.2.2 The consultations also identified a number of issues regarding some of the other options that could have been adopted to distribute funding:

- ◆ The formula-based model of the Scottish Funding Council was not seen as sufficiently sensitive to the different needs of colleges.
- ◆ Directing funding solely through SQA was perceived to have been unlikely to be as accountable or transparent as the Board model. Transparency and accountability were expected to be key factors

that would ensure buy-in from the wider sector given the shared interest in the development.

3.2.3 The consultations also identified a number of practical issues around governance that were perceived to have influenced the development of the Board model:

- ◆ While the money for HN modernisation was sponsored by one government department which related to SFEFC, SQA was responsible to a different part of the then Scottish Executive.
- ◆ SFEFC was not able to pass monies directly to SQA because both are non-departmental public bodies (NDPBs).
- ◆ HN Key Partners' Group, while playing a key role in the direction of developments, was not a legal entity and so could not be held accountable for the money.

3.2.4 In essence, it appears that no one body was able to fulfil all the expectations of the role and so a special purpose vehicle was created. As we understand it the idea of the Board flowed from the partnership approach adopted by colleges to manage European Social Funds. The idea to utilise this approach emerged from a series of discussions over the period, including a range of partners and meetings of the Principals' Forum. This consultation appears to have built support for the model chosen.

3.2.5 Having decided on the vehicle, it was then important to consider its membership. A couple of decisions were taken which are seen to have been very important:

- ◆ The appointment of an independent chair to facilitate discussion was important as it meant no-one from within the partnership could claim leadership.
- ◆ The appointment of respected college principals who would represent the sector and communicate with it helped to ensure that the sector was supportive.

3.3 Roles of the Board

3.3.1 The Board is perceived to have played a number of important roles. Firstly, it had a crucial role in agreeing the funding methodology that led to the model set out in Section 2. We understand that considerable time was spent debating the different funding options. Important in this consultation was:

- ◆ the experience that Board members could bring to bear to produce broad sector buy-in
- ◆ the role of college principals as equivalent to accountable officers for the money, who would also be able to answer any questions that arose from the sector
- ◆ linkage between the Board and the HN Key Partners' Group and the ASC Principals' Forum
- ◆ wider consultation with the college sector about the possible approach

3.3.2 These factors were also important to ensure that the Board worked with the 'grain' of sector thinking and that, where issues arose, these could be quickly addressed through peer-to-peer discussions at a senior level.

3.3.3 The Board also played an important role in being financially accountable for the distribution and management of the funding. Though responsibility for the physical distribution of the monies was vested with Anniesland College, the Board was responsible for the allocating of the money and the financial responsibility that came with this. It was achievable because the Principals on the Board were all Accountable Officers.

3.3.4 The other role the Board is widely viewed to have played is in ensuring that SQA was accountable to its partners in the college sector for monies received. This included decisions about the amount of money that should be allocated to work undertaken by colleges through SQA, and to work by SQA, as part of the modernisation. It is clear from the minutes and our consultations that care was taken to ensure that Board money was not used to cover core SQA costs.

3.3.5 Along with its financial monitoring, the Board also maintained an overview of the progress in the delivery of modernisation. There was recognition that the Board played a proactive role in requesting detailed reports on progress with modernisation, and on participation and attendance at Qualification Design Teams. It was noted that in consultations with Board members that these (often challenging) requests were met efficiently and effectively by SQA, and the responses were of high quality, and presented in an easy to understand format. At the same time, SQA also produced for the Board a standard management information report on progress, which was widely viewed as very helpful in providing an overview of progress.

3.3.6 However, while the Board took an overview of progress it is clear that the main responsibility for tracking and chasing activity rested with SQA. Moreover, in developing the strategies and approaches that were adopted it is clear that much of the work was done by SQA staff. This is apparent in the early Board minutes where tasks are allocated to SQA to develop papers for future meetings.

3.3.7 In a similar vein, it fell to SQA to develop and maintain records of attendance against which colleges could be paid. These were then passed to Anniesland College for processing.

3.4 Funding Principles

3.4.1 In Section 2 we set out the Funding Principles which the Board developed and agreed. These were developed after much consultation, which helped to secure support.

3.4.2 The Principles were seen to be very important in giving clarity of purpose and providing a basis on which to agree a process over time for modernising HN provision. In particular the focus on Group Awards first meant that:

- ◆ a wider range of colleges would be involved in early work and would receive financial support in the early stages — so building further support
- ◆ the most used parts of the curriculum would be modernised first, so if any difficulties arose with finances or elsewhere, the biggest task would have been addressed

3.4.3 This focus was broadly supported and provided a rational and defensible basis for the work of the Board going forward, which all could recognise.

3.4.4 The Funding Principles also made clear that all colleges would receive an amount of money to support capacity building. This was seen to recognise a need in the sector at a time when there was considerable pressure on college finances more generally and so built support for the Board.

4 Achievements of the Board and lessons for the future

In this section of the report we draw together views on achievements of the Board and identify some lessons for the future.

4.1 Key successes

4.1.1 In Section 2 of the report we set out some of the key challenges that faced the Board on its establishment including: a proliferation of HN Group Awards; the need to substantially modernise the existing content of the HN portfolio; and the need to deliver change effectively and quickly. Our review of the work of the Board, and the clear view from the consultations, is that in each of these areas considerable success has been achieved and the Board should be commended.

4.1.2 Overall the HN portfolio has been significantly rationalised from over 800 active Group Awards to 265. This has removed significant duplication from the system, removed a number of low-volume Group Awards and has led to the development of a more coherent set of nationally-recognised qualifications.

One of the benefits of the rationalisation is that the scale of effort that would need to be committed to future modernisation should be less than was needed in 2003. Anecdotally, a number of consultees described the beginnings of a culture of change where colleges had become more questioning of the need to develop 'bespoke' qualifications. This would play an important role in preventing any future proliferation of Group Awards, which was a characteristic of the period prior to the HN Modernisation Project.

4.1.3 In terms of modernisation of HN Group Awards there is a widespread view across the sector that Group Awards have been successfully modernised. There is clear evidence from the Board minutes and SQA records that significant activity has been undertaken to rewrite Units and develop appropriate content. It was not an aim of this evaluation to assess whether or not the new Group Awards meet the needs of learners or the economy any better, or reflect technological change any better. Nevertheless, there is strong anecdotal evidence from colleges that this is the case, with specific examples of out-of-date Units being replaced.

4.1.4 In terms of delivering change quickly and effectively it is clear that the Board has played an important role in delivering the modernisation on time and in budget. The rationalisation and modernisation of the portfolio will be complete by December 2008. This core objective has been

achieved at less cost than was originally anticipated, and the Board has had the ability to re-allocate funding to support other developments which give wider support to the sector for HN modernisation. There is a shared view that the Board has played an important role in tracking progress, and where progress has slipped, has taken action to understand the reasons for slippage and ensure corrective action was taken.

- 4.1.5 There have also been a number of other successes that were implicit in the Board's remit. A consistent theme through the evaluation has been that the Board contributed to building a more effective partnership between colleges and SQA. This represents important progress from a period prior to modernisation when there was less understanding of each others' needs. We explore the factors that contributed to this successful partnership in more detail below. At this stage, though, it is important to note this as an important success. Moreover, by promoting shared working, which is then used widely across the sector, the thrust of this activity fits well with the government agenda on efficiency.
- 4.1.6 The consultation process also highlighted some good evidence of wider benefits that have flowed from modernisation. A number of colleges noted that the process had opened up curriculum development to a wider range of partners. In the past the redesign and content of some nationally delivered Group Awards tended to be dominated by colleges delivering high volumes of those Group Awards. The emphasis on encouraging the use of funding to support those who wished to participate in redesign of Group Awards helped overcome this perceived barrier.
- 4.1.7 One college also identified a further important anticipated benefit from the redesign of the consortium Group Awards. Engagement in the redesign process had brought home to that college how poorly their locally developed offer articulated onto further study. Consistent and improved articulation routes were expected to contribute to stronger demand for those Group Awards and better articulation arrangements with higher education institutions.
- 4.1.8 Some additional benefits were also highlighted in terms of the specialist collaborative Group Awards. Where specialist Group Awards were retained, they were now based on a wider body of expertise than had previously been the case, the argument being that this would lead to improved outcomes for learners.

From the college perspective the cost-effectiveness of the partnership model for modernisation was most stark. Individual colleges would have been faced with a choice of redesigning the whole Group Award, or

ceasing to deliver, unlike a consortium Group Award, where a college could wait for a group of others to 'do the hard work'. This encouraged the development of motivated partnerships. Looking to the future, a number of these partnerships claim to be well cemented and this will play an important role in keeping the Group Awards under review.

4.1.9 Finally, a number of college staff noted that the process of modernisation will in itself have built the capacity of the sector to meet future needs. At a practical level, a large proportion of staff had no previous experience of rewriting Units — the broad engagement though this process will have helped overcome this. Other senior managers noted that the process also encouraged sharing of best practice and learning within the college, and provided a means for encouraging some insular department heads to 'look beyond the confines of their own departments'.

4.2 Factors that contributed to this success

4.2.1 The review has suggested that some key decisions taken and behaviours demonstrated by the Board contributed to its success. At the same time there were a number of important and positive external factors, the absence of which would have made the Board's job much more difficult. Looking at the membership of the Board itself, a number of factors were consistently raised throughout the consultations:

- ◆ The Board brought together the right mix of partners who would need to be involved in the modernisation process.
- ◆ The college principals involved were widely known and respected throughout the sector.
- ◆ The individuals involved in the Board had enough influence within their own organisations to drive through any commitments made at the Board in the spirit of partnership.
- ◆ The appointment of an independent and respected Chair gave the Board even greater credibility, and in practice the Chair actively worked to build consensus.

4.2.2 The Board was also perceived to have, by and large, made and endorsed good decisions. It is important to note this is a success, as it is not always the case that Boards make the correct decisions, nor indeed are always seen to!

4.2.3 Three important decisions were commonly cited as being key to the eventual success of the modernisation programme:

- ◆ The decision to, as one consultee stated, 'reward those colleges who were most actively involved in the modernisation of Group Awards'.

This, as we noted above, encouraged a broad range of people to engage in redesign and overcame some of the reluctance to release expert staff from teaching duties. Crucially, it also led to transparency, and the colleges who were seen to release staff were seen to receive the greatest financial contributions.

- ◆ The adoption of variable funding models for consortium, specialist collaborative, and single centre Group Awards. This reinforced and encouraged collaboration and rationalisation.
- ◆ The specific prioritisation of consortium Group Awards, then specialist collaborative Group Awards, and finally the single centre Group Awards. This ensured that the Group Awards that had the greatest take up and impact on the economy were modernised earliest, and in the event that the project over-ran on budget, the 'most important' Group Awards would have been dealt with first.

4.2.4 There were also a number of key factor conditions in place that assisted the Board in its work and contributed to the success of modernisation. It is important to recognise that a significant amount of work had already been undertaken prior to the establishment of the Board in October 2004. Modernisation of the HNs and how to deliver on that had been a key focus of the work of the HN Key Partners' Group for some 18 months prior to the Board's establishment. SQA and Scotland's colleges had also made a considerable effort to develop a working business case and to establish practical arrangements for delivering on the process. To an extent the membership of the Board acknowledged this early work, with the appointment of the Chair of the Key Partners' Group to the Board.

4.2.5 The consultations suggested that this early work had two crucially important implications for the Board:

- ◆ The Board was able to focus on amending and refining the implementation of a workable plan for modernisation, rather than having to develop that plan.
- ◆ There was a pre-existing shared understanding of the need for partnership working to deliver change. The Board was able to harness this goodwill, and work on maintaining the willingness to engage that was in place across the sector.

4.2.6 A significant contribution was also made by the high quality team formed from SQA staff and college secondees. A number of colleges noted that the appointment of a senior college manager to advise and support colleges on issues of rationalisation and collaboration gave colleges a sense of engagement and ownership that was important. They were also

perceived to have the credibility and understanding of colleges to help them overcome any reluctance and difficulties that emerged.

4.3 Capacity building

4.3.1 The deployment of capacity building monies to support the implementation of the HN modernisation programme was seen as an essential component of the Board's work. The Board supported capacity building by allocating funds to colleges which could then be used in whatever way seemed most appropriate for each college.

4.3.2 The consultation highlighted some excellent examples of capacity building activities within individual colleges, although not all consultees were in a position to discuss what had been delivered in their college.

4.3.3 A number of comments were made about the relatively small amounts of money available to individual colleges for capacity building. This precluded the development of large programmes of activity and making it not cost effective to establish formal mechanisms for sharing best practice and learning between colleges.

4.4 Learning lessons

4.4.1 In considering the lessons from the operation of the Board, we were asked to consider when the model might be applicable in future. The analysis in the report suggests that the Board brought a number of clear advantages in that it:

- ◆ gave focus and accountability
- ◆ demonstrated a high level commitment from senior players in the sector
- ◆ has scope to develop a funding methodology which differed from the norm
- ◆ was able to generate a sense of partnership and shared responsibility
- ◆ built support at senior levels in many places
- ◆ was given a significant amount of money to address the task set

4.4.2 It should also be recognised that a number of external conditions helped it to be successful:

- ◆ Significant preparatory work was undertaken to ease its tasks.
- ◆ Colleges and SQA both had a strong interest in the project being successful.

4.4.3 This analysis points to a number of conditions which we would suggest strongly improve the likelihood of the successful operation of a Board type model in the future:

- ◆ There is a clear need for partnership/collaboration working.
- ◆ The need is shared across the sector.
- ◆ Funding needs to be distributed in a non-formulaic way.
- ◆ There is not a competition between colleges for funding.
- ◆ The task is time limited and discrete.
- ◆ The Board takes time to build support externally.
- ◆ The Board communicates its priorities and operations clearly and consistently.
- ◆ External conditions are in its favour.

4.4.4 One final issue on which the Higher National Project Board should be commended is ensuring that sustainability of outcomes has been addressed (and is in the process of communicating an exit strategy to the sector). It is important to note, however, that this was not part of the Board's original remit. We would suggest that for any future use of the Board model, to address a short-term, time limited issue it would be good practice to explicitly include a requirement for a Board to develop a sustainable exit strategy.

Annex 1: Board Membership

Board Members

Name	Organisation	Period
Bob Kay CBE	Independent Chair	2005 – 2008
Linda McTavish CBE	Principal of Anniesland College	2005 – 2008
Tony Jakimciw	Principal of Dumfries and Galloway College	2005 – 2008
Dr Ray Harris	Principal of Edinburgh's Telford College	2005 – 2008
Dr Bill Harvey	Scottish Funding Councils	2005 – 2008
Neil Robertson	Scottish Qualifications Authority	2005
John McDonald	Scottish Qualifications Authority	2005 – 2006
John Young	Scottish Qualifications Authority	2006 – 2008
Gordon Craig	Scottish Funding Councils	2005

Board Observers/In attendance

Name	Organisation	Period
Tom Kelly	Association of Scottish Colleges	2005 – 2006
Jane Polglase	Association of Scottish Colleges	2006 – 2008
Danny McDonald	Scottish Government	2005 – 2006
Peter Beaumont	Scottish Government	2006 - 2008
Isabel Russell	Scottish Government	2006 - 2008
Anne Mearns	Scottish Qualifications Authority	2006 – 2008
Cordelia Nisbet	Clerk to HNPB, Anniesland College	2005
Eunice Robertson	Clerk to HNPB, Anniesland College	2006 – 2008
David Gilmour	Finance Director, Anniesland College	2005 - 2008