

Individual Learning Accounts - the Kent Experience

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Abstract

The Individual Learning Company administered over 40,000 Individual Learning Accounts across Kent and South East England using a voucher based system. The scheme was organised on behalf of the local government sponsored Training and Enterprise Councils. The ILAs were promoted through a network of trusted intermediary organisations. Learners received a government grant of £150 (€200) against a minimum matched contribution of £25 (€35) for courses from registered providers.

Independent evaluation showed that in 80% of cases the ILA was instrumental in stimulating learning that would not otherwise have taken place. There was significantly above average participation by low skilled workers and skilled non-manual workers. 41% of learners took an IT user qualification. On average, there was matched funding of £191 (€260) generated from the individual learner and/or their employer. There was no reported fraud. Contributory success of the scheme included give providers fixed volume contracts and enabling individuals to decide how much to spend on what type of training.

Introduction

Kent is located in the South east corner of England. It has a population of 1.3 million people and is the second largest local authority in England. There is great diversity in the economic and social condition in different areas across the county. Kent Training and Enterprise Council (Kent TEC) was the local, government sponsored agency responsible for delivering the governments skills programmes as well as supporting innovative local schemes.

Based on empirical research, a Learner Motivation Model (Annex 1) was developed to inform the design and delivery of new learning initiatives. This model also identified four stages in the process of engagement in training: Awareness, Interest, Decision and Action. Research had also showed that access to finance was a major barrier for learners, particularly those who did not qualify for public funding. A number of schemes were developed including the Kent Community Learning Fund¹.

With the governments intention to introduce a national Individual Learning Account scheme it was agreed that Kent would pilot test the idea on behalf of the eight TECs in the south east of England. Initially a pilot scheme based on a real bank account was tested, through the local Kent Reliance Building Society. Due to a number of factors this approach was changed for the second phase, which was based on individuals receiving paper based vouchers with different values. This phase ran for 18 months during which 40,000 accounts were administered across the South east and eventually on behalf of 35 TECs nationally. Each TEC was able to target the scheme to meet local priorities while achieving the cost-effectiveness of a regional administrative support unit (the Individual Learning Company).

¹ The Kent Community learning Fund provides interest free loans to adults unable to access other sources of finance. Against an average loan of £1,500, evaluation shows a median increase in earnings of £4,000.

The Scheme

The Kent scheme offered individuals a grant of up to £150 provided they contributed a further £25 themselves. The scheme was open to all employed residents over the age of 18, with no restriction on prior qualifications or the type of learning to be undertaken. The scheme was promoted through a diverse range of intermediary organisations including public and private training providers, community groups and information, advice and guidance networks. Individuals were registered by a call-centre (Regional ILA Unit) and issued with an information pack containing a set of vouchers amounting to £150. These vouchers could be used in any combination with any number of providers - enabling individuals to choose how many courses, of what type, from which provider they wanted to have subsidised. The vouchers could not be used for employer specified, job specific courses.

Providers were registered with the ILA Unit through a contract spelling out the terms and conditions of the scheme and with an initial allocation of the maximum number of ILA accounts that could be redeemed. Although certain checks were made, via local TECs, providers did not have to meet the full quality inspection standards normally required for colleges and similar organisations. This encouraged participation by smaller providers. It also enabled community groups to nominate providers who did not normally take part in such government schemes. A number of individuals also “pooled” their vouchers to commission courses designed to meet their needs.

The Results

Analysis of the scheme showed that:

- 68% of participants were female
- 80% were aged between 20 and 49
- 80% were employed, the rest were economically inactive
- 46% worked in the Business and Financial Services sector
- 33% worked in the public sector

The largest number of courses taken (41%) were concerned with use of IT e.g. various Microsoft Office programmes, accounting systems and databases. The second largest group (22%) were general “school education” courses. The majority of courses seemed to be employment relevant; with over 91% of evaluation respondents saying that their course were valuable in respect of their effectiveness at work. Equally 93% of account holders said that their course also had a value to their personal development outside of work.

An evaluation was also made as to the “additionality” of the scheme i.e. to what extent did the scheme increase the level of training against would have taken place without the scheme. The analysis identified three main groups. The first group (31%) reported that the training would not have taken place and that the ILA was a direct incentive to the learning actually being undertaken. The second group (48%) said that although they would have taken some learning, the ILA was a direct incentive to making sure it did in fact occur. More detailed analysis suggests that for this group the ILC meant that learning was undertaken sooner, to a higher level and in a greater quantity. This suggests that there was at least a 79% additionality in learning due to the ILA scheme. The evaluation also suggests that there was a matched funding of £191 by the individuals and their employer. It is also interesting to note that the completion rate of 91% is significantly higher than that achieved for most publicly funded schemes for this target group.

Key Learning Points

The Kent ILA experience proved to be effective in encouraging people to engage with learning and/or to increase the level of learning undertaken. The learning undertaken was generally relevant to their employment even though this was not a requirement of the scheme. The success of the scheme was also due to some of the detailed administrative dimensions to the scheme which helped ensure that policy objectives were met in practice, as well as theory.

The issuing of contracts directly with providers ensured that they were aware of the scheme objectives and the evidence required on which to be able to make a claim. The need to produce individually signed vouchers as evidence of learner activity helped ensure rigour. This approach provided a basis for controlling the basic quality of providers without unduly restricting their participation. An important aspect was to limit the number of ILAs that could be redeemed by a provider - encouraging them to promote the scheme to people who would not otherwise enrol. This helped reduce “deadweight” and increase participation by non-learners.

Giving individuals actual paper vouchers created a high sense of ownership - since individuals clearly recognised the value of the investment being made. The fact that different combinations of vouchers could be used enabled individuals to behave more effectively as discerning customers to achieve better value for money. It also gave them the opportunity to combine with others to commission their own training - which involved a number of providers not normally involved in public schemes (some of whom have now become mainstream providers). The fact that each voucher had to be signed also helped prevent fraud.

The involvement of a network of trusted intermediary organisations assisted in targeting the scheme towards priority groups. Such groups were also able to provide pre and post course support which both improved retention rates and supported progression into qualification based learning. (Some 91% of participants already had a clear idea of the purpose and course for their learning when they registered). The intermediary organisations were also able to link participants in the ILA scheme with other local schemes relevant to the learner.

Conclusion

The Kent experience demonstrated that a voucher based ILA scheme can cost-effectively achieve a number of learning policy objectives.

Learner Group – AIDA Matrix

