

### **3: The "Inspections" of SCOTVEC and the SEB**

Since the mid-1980s, all Non-Departmental Public Bodies (NDPBs) had had to undergo a review of their work every five years. Both SCOTVEC and the SEB fell into this category.

SCOTVEC, which was set up in 1985 as a merger of The Scottish Business Education Council (SCOTBEC) and the Scottish Technical Education Council (SCOTEC), faced its first Policy and Financial Management Review in 1991. It was carried out by Alastair Wallace of the Vocational Education, Sports and Leisure Division of the SOED from 28 January to 26 July 1991. His report, which was never officially published, strongly commended SCOTVEC for all that it had achieved in the short time of its existence. The next three pages provide a summary of some of his main observations and recommendations.

South of the border, the National Council for Vocational Qualifications (NCVQ) had been established in October 1986 to reform and rationalise vocational qualifications in England and Wales by bringing them within a single national framework leading to a single qualification — the National Vocational Qualification (NVQ). The NCVQ made no awards itself: these continued to be made to students by such bodies as the City and Guilds London Institute, the Royal Society of Arts and the Business Technical Education Council (BTEC). NCVQ's own function was to accredit these awards, i.e. to put a stamp of approval on them, attesting to their quality.

SCOTVEC had been established 1½ years earlier, following the proposals of the 1983 Action Plan (**Note 6**), to eliminate the fragmentation of Scottish vocational qualifications awarded by a large number of different bodies. By 1986, most of the non-advanced vocational qualifications of SCOTEC and SCOTBEC had been modularised and brought within the National Certificate. The speed with which SCOTVEC had carried out this rationalisation, and the fact that advanced vocational courses in Scotland were offered almost exclusively by SCOTVEC, meant that the reform of vocational qualifications in Scotland was well ahead (two years, according to some) of the rest of the UK. Therefore, when the NCVQ was set up, the Scottish Education Department carried out a consultation of interested parties and it was decided not to extend the NCVQ's remit to Scotland. The finding of Wallace's Policy Review was that this had been a wise decision. Using its position as both an awarding and an accrediting body, SCOTVEC had been singularly successful in fulfilling its remit. Not only was this dual function more cost-effective than the two-tier system which operated in the rest of the UK, but its greater flexibility made it easier for SCOTVEC to respond rapidly to the needs of industry by approving new qualifications. Scottish industry also benefited from having only one body overseeing all vocational qualifications. It was important, however, for SCOTVEC to keep its awarding and accrediting functions separate, and so it was recommended that an Accrediting Committee (made up mainly of outsiders) should be established with delegated powers to make decisions on the accreditation of Scottish Vocational Qualifications (SVQs).

Whereas SCOTVEC's predecessors, as awarding bodies, had directly controlled assessment, a major part of SCOTVEC's work had become the quality assurance of work carried out in an ever growing number of centres. With eventually over 1.2 million enrolments for Higher National Certificate modules in some 800 centres, and around 15,500 enrolments for Higher National Certificates and Diplomas, it was inevitable that most of the direct assessment would be carried out by the centres themselves. This led to some criticisms of the way in which SCOTVEC went

about assuring standards; but these criticisms came mainly from school teachers who did not have a background of competence-based qualifications, their experience of certification being limited almost entirely to externally assessed examinations. The Policy Review certainly spoke highly of the scheme of quality assurance which SCOTVEC had established.

SVQs, for example, had to be designed according to standards of occupational competence laid down by employer “lead bodies” and accredited by SCOTVEC. Proposals for other national vocational qualifications had to be “validated” by SCOTVEC. Validation usually involved a review carried out by a panel of members drawn from centres, professional bodies and employers. A centre could not enrol candidates for SCOTVEC awards until it had been “approved” by SCOTVEC, i.e. it had to prove that it already had the staff, resources and assessment material necessary to operate valid and reliable assessment according to the descriptors laid down. Before candidates could be submitted for certification, a “verification” visit was paid by SCOTVEC-appointed verifiers to ensure that assessments were internally consistent and followed SCOTVEC procedures. Finally, SCOTVEC carried out a “quality audit” of all centres over a five-year period, i.e. an appraisal of each centre’s quality assurance procedures and of its track record over that period. High quality centres were offered the opportunity to take greater responsibility for the running of their SCOTVEC qualifications.

The Review noted that the use of modules in schools, which had begun mainly under the influence of the Technical and Vocational Education Initiative (TVEI) (**Note 7**) had developed more quickly than anticipated, and that had brought problems. One of these was the problem highlighted by the Howie Report, viz. the lack of coherence in the programmes of modules selected by pupils. It was recognised, however, that discrete modules could be profitably used to give pupils taster courses in new areas of study or to fill gaps in their curriculum. As yet, the standing of National Certificate modules was not high in the eyes of pupils, parents and employers. This was due partly to the fact that modules were used, initially at least, mainly as timetable fillers, particularly for less able pupils; but another reason was the lack of the necessary “industrial” equipment and facilities in schools to prepare pupils adequately to work in industry or to proceed to an FE college. It was hoped that the new General SVQs would tackle these problems to some extent, but thought would have to be given to the considerable overlap which existed between the National Certificate modules and the short courses promoted by the SEB, since this was bound to be a source of confusion for users.

One major recommendation concerned the size and composition of the SCOTVEC Board. At the time of the 1991 Review, there were 27 members, most of them nominated from lists submitted by trades unions and professional and technical bodies. The Secretary of State appointed four members plus the Chairman. The report recommended that the Board should play a more active rôle and that its size should therefore be reduced to 15, all appointed directly by the Secretary of State so that they would have no conflict of loyalty between SCOTVEC and the bodies which had nominated them. The poor attendance of some members was noted, as was also the high turnover of personnel, especially in the Sector Boards which had oversight of SCOTVEC’s qualifications in specific occupational sectors. The Board should concentrate more on formulating broad policy and on monitoring and reviewing SCOTVEC’s activities, and it should delegate substantial functions to its committees which, in turn, should delegate functions to their chairmen and to SCOTVEC officers to ensure a speedy response to observed needs. SCOTVEC’s delegation of certain functions to centres, subject to successful quality audit outcomes, was welcomed as being in line with the general trend of giving educational institutions

more control over their own activities.

On financial matters, the Review concluded that SCOTVEC was run much more efficiently than either of its predecessors, whose accounting systems were described as weak. 89% of SCOTVEC's income came from candidate fees, with a relatively small subvention from COSLA which would disappear altogether from 1 April 1993 when further education colleges were to be removed from local authority control and become directly accountable to the Scottish Office. COSLA would then cease to have any say in the approval of financial estimates, leaving this responsibility solely with the Secretary of State. However, SCOTVEC should not come under the control of the Scottish Office but remain an independent body which was responsive to the views of industry and education in Scotland.

Despite pressure from COSLA for a merger of SCOTVEC and the SEB on the grounds of cost and a desire to remove the barrier between academic and vocational qualifications, it was recommended that no decision should be taken on whether or not there should be a merger until decisions had been taken on the Howie Report and a cost/benefit analysis had been made to see if significant savings in overheads would result from a merger. Consideration would also have to be given to the different educational philosophies of the two bodies, to their different modes of operation and different types of qualifications, and to what extent these could be integrated. The SEB was an awarding (not an accrediting) body and, in the event of a merger, special arrangements would have to be made to preserve SCOTVEC's accrediting function. Note would also have to be taken of the extent to which academic and vocational qualifications were being integrated outwith the schools, and care would have to be taken that the valuable links which SCOTVEC had established with industry and enterprise bodies were not lost. An alternative to merger would be to redefine the respective spheres of interest of the two bodies, for example, in relation to SEB short courses and SCOTVEC's general qualifications. In the meantime, the two bodies should look for ways of extending co-operation.

Two statements of the Review summarised its overall satisfaction with SCOTVEC:

*“Scotvec is in general a well run and well regarded organisation which has many achievements to its credit, and which continues to fulfil a useful function.”*

*“SCOTVEC has greatly expanded the availability of vocational qualifications in Scotland and made many innovations in vocational qualifications and their assessment in response to Government policy. This is a very substantial achievement.”*

Dr Peter Clarke, who had as Chairman seen SCOTVEC through the first six years of its existence, and Tom McCool, its Chief Executive, had every reason to be pleased with the outcome of the Review. Mr David Miller, Personnel Director of Coats Viyella and Chairman of Stirling University Court, took over as Chairman of SCOTVEC at the beginning of 1992.

The Government accepted the main thrust of the recommendation regarding the size and composition of the Board but opted for a maximum membership of 20. The first meeting of the reconstituted Board was held in May 1993. The Chairman and thirteen of its members were appointed directly by the Secretary of State - six from industry and commerce, and one each from the CBI, the STUC, Local Authorities, Directors of Education, Further Education, Higher Education and the secondary school sector. In addition to these fourteen, there were four co-

opted members representing industry and commerce and one from FE.

SCOTVEC implemented the other main recommendations, the most important of these being the creation of a separate Accreditation Committee with delegated powers, on-going efforts to extend the range of SVQs and to keep improving the procedures for quality assurance, and the continuing development of general SVQs and other group awards to respond to Howie's criticism of lack of coherence in the use of modules.

The SEB had already undergone Reviews in 1981 and 1986. It faced its third between August and December 1992 when a Policy Review and Financial Management Survey was undertaken by Mark O'Sullivan of Division 2B of the SOED, helped by an officer from the Scottish Office Accountancy Services Branch and an HM Inspector of Schools. The remit was *"to review the size, composition and financing of the SEB and its working relationships with SCOTVEC in the light of current developments in assessment and certification in Scottish secondary schools, and to make recommendations."*

On the whole, the SEB came through the Review with flying colours. *"Our general conclusions are that SEB is a success. It performs its functions efficiently and to high standards, and has improved spontaneously in recent years; its management is headed in the right direction."*

However, there were a number of areas where change was needed. One of these areas related to the size, composition and functioning of the Board itself. With 37 members, plus a Chairman, meeting only twice per year, *"it is too large, meets too seldom and does too little; it fails to inspire the commitment of too many of its members."* COSLA representatives came in for particular criticism for their poor attendance, but this criticism could equally have been levelled at others. To increase commitment, therefore, and to involve the Board more in the decision-making process, it was recommended that the number of members should be reduced to a maximum of 20; it should meet four times each year and deal directly with some of the business which historically it delegated to committees.

There was some criticism, too, of the Board's structural support for planning, where there was a need to adopt Next Step principles. *"The SEB appear long to have been a tightly-managed organisation. Management techniques in SEB, however - as perhaps befits an organisation where accuracy and consistency will always be preferable to a hunger for the latest management fashions - have not always been at the cutting edge of contemporary business practice."* Although the SEB's management had made important strides in recent years and there was commendation for the staffing re-structuring that was already under way, the Review claimed that a simple corporate plan, which set specific performance indicators for different parts of the organisation, would prove beneficial and would help the Board in its financial negotiations with COSLA. For example, the Annual Report was a report on the examination system rather than on the SEB's own performance.

Relations with COSLA, which was effectively the paymaster of the SEB on behalf of its member local authorities, had become particularly difficult because of financial pressures (see Chapter 4). In the Board's eyes, COSLA's cost-cutting demands were insufficiently informed and capable of damaging the whole examination system; in COSLA's eyes, the Board seemed to think that it alone of public bodies should be exempt from financial cuts. And so, to ensure on-going contact between COSLA and the Board, especially over the budget, it was recommended that COSLA

should be permitted to appoint officer Assessors to the Board in the same way as the Scottish Education Department had been from the inception of the Board.

The SEB was commended for its policy of seeking the most cost-effective way of providing services, including contracting-out to the private sector. However, there were some audit matters which required attention, and the creation of an Audit Committee was recommended to focus more on the internal monitoring of expenditure by individual departments. Nevertheless, it was admitted that the tough round of negotiations over the 1991 budget had already made the Board more cost-conscious and had *"led to a significant and immediate change in the Board's attitude. The change took them beyond a point of economies at which they had always stopped in the past and obliged them to consider a reduction in the level of service."*

A contrast was drawn between the complete commercial freedom which SCOTVEC enjoyed and the tight external control over SEB's finances. Budgets had to be drawn up on a yearly basis, which prevented long-term planning, and the fact that the Board was permitted to carry forward only £0.3 million as working capital at the end of each financial year, meant that it occasionally had to resort to overdrafts to meet expenditure of up to £2 million in the first three months of the new year until instalments came through from the local authorities. The Review recommended that the SEB be permitted to carry forward a surplus of up to 5% of turnover, which in 1991 would have amounted to almost £0.5 million. The absence of borrowing powers also caused the SEB difficulties in financing capital expenditure on equipment. For example, since 1982, the Board had been obliged to resort to finance leasing from Strathclyde Regional Council for the purchase of computer equipment. The SEB had reimbursed Strathclyde over five-year periods with principal, interest and expenses, and the equipment now belonged to the Board. However, this equipment was now not coping adequately with the greatly increased demands of new examinations, and it was doubtful if COSLA would be able to make funds available for a replacement.

No other changes were recommended in funding arrangements. The main source of income should continue to be the fees charged for examination presentations, and the Board should continue its successful policy of supplementing this income through its expanding consultancy work.

The Review examined six different options for the future administration of the Board:

- (a) Returning the administration to the SOED.
- (b) Transferring it to the private sector.
- (c) Handing over the administration to education authorities, as happened in Wales.
- (d) Handing over the administration to higher education institutions, as happened in England.
- (e) Amalgamating it with another body such as the SCCC or SCOTVEC.
- (f) The status quo.

The first of these was rejected for two reasons: the Examination Board had been set up in 1965 because the Inspectorate was unable to cope with the explosion in presentations following the introduction of "O" Grade; and it was against Government policy to increase Departmental responsibilities. The next three did not find favour because it was clear that the SEB provided very good value for money when compared with other examining Boards in the UK, including private sector Boards, and it was educationally superior to these models which were themselves

in need of review. Even the appeal system was not expensive when one considered how highly it was valued and how SEB had introduced economies in its implementation without affecting quality. The new structures of the SCCC needed time to bed down and, besides, it was preferable not to allow consideration of curricular approaches to be constrained by examination issues.

Amalgamation of the SEB and SCOTVEC might produce some savings, but the idea was rejected as premature. Both the character of SCOTVEC's activities and its whole philosophy were quite different from those of the SEB. SCOTVEC did not conduct external examinations, whereas external assessment and external moderation remained indispensable to the examinations run by the SEB. The SEB's policy and practice in examinations had certainly changed considerably in recent years and it now used internal assessment much more, but its approach to internal assessment was quite different from SCOTVEC's. Although SCOTVEC now had a fairly firm footing in schools, its main market was in vocational training, and it had no experience of the more academic approaches to education. It was also unreasonable to expect the SEB to make major changes in its structure with the Howie Report in the offing. Nevertheless, there was a growing body of opinion that a country as small as Scotland could not justify the existence of two expensive examining bodies. COSLA had, in fact, established a working party to investigate the possibilities of a merger; and the SEB and SCOTVEC were actively looking at ways in which they could cooperate more closely.

The above account summarises the areas where some improvement might be possible. Overall, however, the tenor of the Review was highly complimentary to the Board. Particular attention was drawn to the happy atmosphere of co-operation which pervaded the whole organisation, including the permanent staff and the hundreds of teachers involved in the preparation and marking of the examinations. *"The quality control and quality assurance procedures built into SEB's operations are extremely impressive. At every stage in the examination process, and especially through the final appeal system, they provide a virtual guarantee that students' attainment is accurately and fairly measured. Few observers, seeing this battery of checks and the devotion of those who operate them, could doubt the effectiveness of SEB's operation."*

The Review was available within the SOED in December 1992. A whole year passed before it was officially released, as the Scottish Office had other pressing educational matters to deal with. However, its findings were available to the SEB and, as will be seen in the next chapter, they took on board what had been recommended.

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**Note 6:** The introduction of the Action Plan is described in detail in *The Higher Tradition*, page 182.

**Note 7:** For more information about TVEI, see *The Higher Tradition*, pages 181-2.