



Learning+Skills Council

Quality and Standards Directorate

LSC BRIEFING DOCUMENT ON REVIEWING THE PERFORMANCE OF COLLEGES AND PROVIDERS

EDITION THREE: MARCH 2003

This briefing sets out the LSC's approach to reviewing the performance of colleges and providers. It describes the framework and arrangements for conducting reviews. It is to be read in conjunction with Circular 02/19 entitled 'Performance Review: Refined Arrangements for Colleges and Providers'

Edition Three: March 2003

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FOREWORD

1 This third edition of the performance review briefing document outlines the performance review process in order that colleges and providers can supplement the information contained in Circular 02/19.

2 Performance review is one of the LSC's major strategies to deliver its key responsibility to raise standards in post-16 learning.

3 Performance review must focus on assessments and drawing on these to agree targeted action and support so that quality improvement activity makes a real difference to the quality of education and training being provided for learners. It is expected that an outcome will be that a significant number of colleges and providers improve to become strong or excellent.

4 The purposes of performance review are to:

- help drive up standards and quality
- identify and share good practice
- identify areas of weaker performance, as well as colleges and providers experiencing difficulty
- help plan effective follow-up to tackle problem areas swiftly, before they become serious
- help focus the LSC's finite resources where they are best used to support colleges and providers appropriately
- inform LSC strategic planning and purchasing of post-16 provision, and
- have proper monitoring and reporting processes which can show progress across the sector, while minimising bureaucracy.

5 Guiding principles which underpin the purposes, are that performance review:

- is objective (evidence-based), systematic (determined by agreed procedure), reports regularly (every six months) and rigorous (fit for purpose)
- draws on the views of staff involved in all relevant functions of the local LSCs, and where relevant National Contracts Service (NCS), and so enables a comprehensive assessment of each college and provider's performance to be made
- has a clear focus on targeting areas for quality improvement
- works best when both the reviewer and the reviewed value the process
- colleges and providers should not normally supply evidence/data, which is additional to that already held by the LSC or gathered

through the normal pattern of visits. Requests for additional evidence should be avoided as far as possible for the purpose of the review so as not to place unreasonable burdens on colleges and providers.

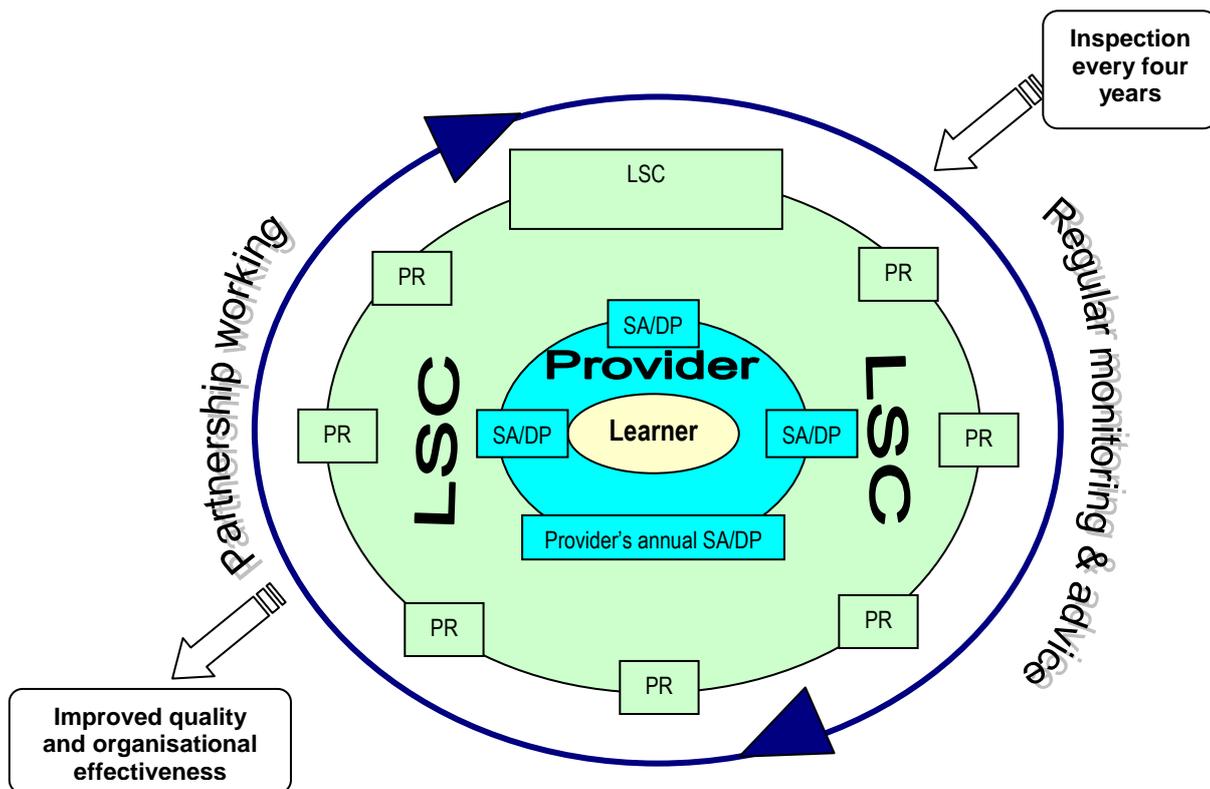
6 The roles of the LSC, the inspectorates, colleges and providers are complementary in the shared endeavour to raise standards. The LSC, in partnership with colleges and providers, focuses on continuous improvement in order to ensure that all learners receive high quality education and training.

Partnership working to improve quality

7 The LSC with partner organisations, colleges and providers, have made significant progress in developing working relationships since April 2001. We recognise that we need to continue to strengthen how we work together with colleges and providers. Local LSCs should work with colleges and providers in the spirit of *Trust in FE*. In *Trust in FE* the Council confirmed its commitment to respond fully to the Bureaucracy Task Force's recommendations, particularly in the development of a planning-led approach based on trust and shared responsibility thus minimising unnecessary bureaucracy.

8 The LSC is guided by the principle of intervention in 'inverse proportion to success' and therefore devotes more attention to colleges and providers where there are concerns. The LSC's approach to strengthening poor provision and intervention is set out in Circular 02/06. The LSC is also committed to helping to improve those assessments that are 'acceptable' to become 'strong performers' and then 'excellent'.

9 The diagram overleaf illustrates the four-year cycle of monitoring and quality improvement resulting from partnership working:



- SA Self-Assessment
- DP Development Plan
- PR Performance Review

Figure 1: Four year cycle of monitoring and quality improvement

Success for All

10 Circulars 03/01 and 03/02 present the LSC's proposals for creating a framework for quality and success through a new planning, funding and accountability system. (03/02 is specifically for providers of work – based learning only) It is essential that staff who are involved in the performance review process are conversant with both Circulars. The key proposals in the circulars relate to: three-year development plans; the setting and agreeing of headline improvement targets; performance assessment; different funding rates linked to performance; three-year funding agreements; floor targets for success rates; and the development of partnership and trust as described in *Trust in the Future* and *Trust in FE*. Both circulars published in January 2003, are for information and consultation. Consultation responses are required by 25th April 2003.

11 Performance review assessments will be the basis for determining whether or not to enter into a three-year funding agreement with a college or other provider and, from 2004/05, for different rates of funding linked to performance for colleges and other providers of further education. Those colleges and providers giving cause for serious concern will not normally be eligible for three-year funding.

12 There is currently further work being undertaken on how the assessments will be undertaken of providers not currently in the scope of performance review, for example, Higher Education Institutions with further education provision, LEAs' adult learning services.

13 In order for a college or other provider to enter into a three-year funding agreement they are required to agree with their local LSC a three-year development plan.

14 The performance review process will be the main means by which local LSCs, working in partnership with colleges and providers, will assess the effectiveness of the implementation of the development plan.

15 Both circulars make it clear that the initial three-year development plan will be a high-level document and that no changes are needed at this stage to colleges' and providers' usual planning activities. Colleges and providers should continue to send their annual self-assessment reports and linked annual development plans, completed in their usual form, to their local LSC. For further education colleges, adult and community learning providers, and independent specialist residential colleges for learners with learning difficulties and/or disabilities, there has been a working assumption that their annual self-assessment reports and linked annual development plans would be required in January or February 2003. Those colleges and providers that have not sent in their reports and plans should be required to do so as a matter of urgency, and this should be no later than the middle of March. For WBL providers, current annual cycles of self-assessment and linked annual development planning should continue.

16 Local LSCs will need to start discussions with colleges, WBL providers and other providers, about those parts of their annual self-assessment and linked annual development plans, as well as other key strategic planning documents, which may inform the content of the short high-level new three-year development plan as set out in Annex C of Circulars 03/01 and 03/02. However, the three-year development plans should not be firmed up until after the consultation period ends and final guidance is issued by the LSC in May 2003. The circulars state that colleges and providers should agree their initial three-year development plan with their local LSC by no later than 31 July 2003.

17 After July 2003 a college or provider of further education that has poor performance, and/or is failing to deliver against their three-year development plan as a whole and whose performance is significantly below each of its milestones and targets will be assessed as 'serious concerns'.

18 It is proposed that a college or provider categorised by the Spring 2003 performance review panels as 'serious concerns' will not normally be offered a three-year funding agreement.

19 It is proposed that an improvement in a college or provider's position will enable it to receive a longer term funding agreement. Any college or provider which moves out of the category of serious concerns by the spring 2004 review, will become eligible for a funding agreement covering years 2004/05 and 2005/06 of the three year cycle. Further guidance will be issued at the end of May for colleges and providers, as well as local LSCs, on how to put into practice the arrangements for three-year funding and from spring 2004/05 decisions about the practical aspects of funding linked to performance.

20 It is proposed that if a college or provider with a three-year funding agreement moves into serious concerns, consideration should be given whether it is appropriate to continue with the longer term funding agreement or if the concerns are serious enough to revert to funding on an annual basis.

21 New providers will be entering into contracts with the Council at various points in the three-year funding cycle. A new provider will become eligible for a funding agreement covering the remainder of the three-year cycle (see para 119 of Circular 03/02). New providers will usually not be required to receive a performance review assessment before becoming eligible for three-year funding, as they will already have gone through the initial assessment process. Providers with contracts for specific areas of new activity, may however, enter into one-year funding agreements with the LSC in order to enable the provider a chance to establish a satisfactory track record in the area concerned.

22 It is proposed that colleges and other providers of further education that have been categorised as consistently excellent by performance review panels will be funded at a premium funding rate from 2004/05. (see page 1 of 03/01). Differential rates of funding linked to performance apply only to further education provision. A college or provider of further education judged to be

strong, acceptable or having some concerns and making progress in implementing its agreed development plan and the headline improvement targets in the plan will receive the standard rate of funding for 2004/05. A college or provider of further education which has poor performance, and /or is failing to deliver against the development plan as a whole and whose performance is significantly below each of its milestones and targets will be assessed as 'serious concerns' and will be funded at the inflation-only rate from 2004/05, and until their performance improves and they move out of serious concerns.

TIMESCALE	ACTIVITY	PERFORMANCE REVIEW
February 2003 To May 2003	Local LSC liaison and discussion of headline targets and draft initial development plan with colleges and providers Local and regional consultation events	Spring 2003 panel assessment
25 April 2003	End of consultation period	Continuous monitoring
May 2003	Funding allocations for 2003 – 04 agreed	Continuous monitoring
31 May 2003	Publication of results of consultation	Continuous monitoring
May – end July 2003	Agree three-year development plan 2003/4 – 2005/6 with local LSC	
May – June 2003	Agree headline improvement targets with local LSC	Performance review panels report. Assessments (June

		6 th) will identify those colleges and providers eligible for three-year funding agreements
June/July 2003	Three-year development plan agreed by governors or boards of management, and the local LSC	Continuous monitoring
30 June 2003	WBL provider deadline for formal agreement of the three-year development plan with the LSC	Continuous monitoring
31 July 2003	FE college deadline for formal agreement of the three-year development plan with the LSC	Continuous monitoring
August 2003	Those colleges and providers in scope for three-year funding will receive a firm allocation for 2004/05 and 2005/06, which will take account of any agreed growth targets.	Continuous monitoring

SECTION ONE: BACKGROUND

- Responsibilities
- Role of the Quality and Standards directorate, national office
- Responsibilities of local LSCs or National Contracts Service

SECTION ONE: BACKGROUND

Responsibilities

23 Performance review is a continuous process within which there is twice-yearly reporting at both national and local level. To enable this reporting, local performance review panel meetings are held twice a year to assess the evidence collected during the previous six months.

24 Performance review panel meetings are the comprehensive, regular, and formal assessment of the quality of training and education offered by LSC-funded colleges and providers currently in scope. The review panel meeting outcome is:

- **four** assessments - an assessment of each of the three key areas and an **overall** assessment of the performance of **each** college and other provider, made by LSC staff
- identification of progress and further priorities for quality improvement
- recommendations on the actions that need to be agreed with each college and other providers in order to achieve continuous improvement.

The Quality and Standards directorate, national office

25 The national office:

- reviews and develops the performance review framework, policy and procedures in discussion with LSC staff and other directorates in the national office
- works with key national stakeholders (for example, AoC, ALP, the ALI, OfSTED, NATSPEC and NIACE) to seek their views and commitment to performance review becoming effective
- reviews and develops national performance review moderation arrangements and procedures, in discussion with LSC staff
- will assist LSC staff to arrange development opportunities/support as appropriate to meet staff development needs
- analyses the assessments made at review panels, in order to provide information at a national level on the quality of provision being purchased by the LSC
- keeps under scrutiny the overall numbers in each of the categories to which colleges and providers are assigned by performance review panels and analyses the action being taken across the country to improve and progress quality improvement in provision and rectify identified weaknesses. The current policy is that the assessments made through performance review will not be

published at either college/provider or local office level.

The local Learning and Skills Councils or National Contracts Service (NCS)

- 26 Each local LSC or the NCS has the responsibility to:
- monitor performance and gather evidence, as part of usual partnership working with colleges and providers
 - make arrangements to review the performance of each of its colleges and providers
 - work with colleges and providers to improve the quality of their provision by addressing weaknesses identified through the performance review process
 - explain to colleges and providers the aims and purpose of the performance review process and how they will be conducted and to engage their support and commitment to making performance review fully effective and valuable
 - enable colleges and providers to make representations, where appropriate, regarding assessments
 - work to ensure consistency of assessments
 - moderate assessments made by the first stage panels
 - ensure feedback is confirmed in writing within a prompt timescale to each college and provider on the result of their performance review panel and the main issues that need to be addressed in order to improve quality
 - inform the national office, by entering information on PPQI, of the assessments made at each performance review panel by the specified deadline
 - annually evaluate internal procedures and assessments and produce evaluation reports on their own effectiveness with action plans for improvement to their approach to performance review
 - share the findings of evaluations and planned action with the Quality and Standards directorate, national office, within agreed timescales as requested
 - work with the Quality and Standards directorate as appropriate to help strengthen performance review arrangements across the country.

SECTION TWO: ARRANGEMENTS FOR PERFORMANCE REVIEW

- Assessing colleges' and providers' performance
- The scope of reviews of colleges' and providers' performance
- Briefing colleges and providers on developments within performance review
- Table 1a: The LSC's performance review framework from October 2002
- Table 1b: The LSC's performance review framework: illustrative targets and evidence from October 2002

SECTION TWO: REFINED ARRANGEMENTS FOR PERFORMANCE REVIEW

Assessing colleges' and providers' performance

27 The performance review framework is shown in tables' 1a and b.

28 Within the performance review framework, the performance of colleges and providers is assessed in the three key performance areas. These are:

1. Participation and recruitment;
2. Learner experience and performance;
3. Management (underpins key areas 1 and 2).

29 Appropriate, up-to-date evidence should be collated and analysed to enable an overall assessment to be made of each college and provider (arising from an assessment of each of the three key performance areas). Data provided at national level should be supplemented by evidence gathered during routine monitoring activity.

30 At the first stage performance review panel meeting each college and provider's performance is firstly assigned a category for each of the three key performance areas detailed in the framework, and these are then used to inform the one overall category of performance for the college and provider. A second stage panel then moderates these decisions. The decision about which category is most appropriate arises from consideration of all the available evidence, in relation to the category quality statements and relies on the professional judgement of local office and NCS staff.

31 A college or provider may deliver more than one type of provision, e.g. WBL provision within a general FE college. Should there be concerns about an area of provision which is a relatively small part of the LSC-funded provision, this might not, necessarily, affect the overall categorisation but these concerns should be reflected/included in feedback to the college or provider, and for them to include in planning actions for improvement. Although WBL is important it is the size of the provision in relation to the rest of the college that is the most important consideration. For example, if it is considered that the FE college provision, excluding the WBL element, is 'strong' and if the poorer quality WBL provision accounted for approximately 10 per cent or less of ALL learners in the college, then it is unlikely to impact on the overall categorisation of 'strong performance'. Concerns, feedback and quality improvement targets should focus on the concerns about the WBL aspect of the contract. However, if the concerns are not subsequently addressed, they might inform future assessment more significantly as it is an indication of how effectively the institution is managed.

32 The existing suite of national performance indicators is an important means of assessing the performance of colleges and providers. It is expected that a more comprehensive set of fit for purpose performance indicators

covering the range and delivery methods of post-16 providers will be available by 2004.

33 It is not intended that the framework should be used in a formulaic way. Rather, each college and provider should be considered holistically and with reference to relevant national benchmarks where available.

34 To help ensure similar rigour and standards up and down the country, a process of moderation will take place following each round of performance review panel meetings. However, the moderation process will not delay LSC staff giving feedback to colleges and providers following panel meetings.

The scope of reviews of colleges' and providers' performance

35 Performance reviews are broadly based. They take into account evidence derived from the various functions of the LSC along with relevant evidence provided by external bodies. Reviews take account of the extent to which contracted volumes and recruitment targets are being achieved as well as the key consideration of the quality of learning and learners' achievements.

36 There are significant differences between the various types of colleges and providers not currently within the scope of performance review. These differences include:

- nature and purpose of provision
- organisational structure of colleges and providers
- accountability
- arrangements for quality assurance
- recording systems
- data collected and returns made
- data definitions.

37 Currently in scope for performance review are colleges and work-based learning providers, all Ufi hubs, the group of independent EIs (non-LEA adult and community learning providers, formerly reviewed by the FEFC) and specialist designated institutions.

38 LEA-funded ACL provision and LEA former EIs will become part of the scope of performance review during 2003 via a phased opt-in model. Approximately 25 LEAs' adult learning services will be reviewed as part of the spring review process with the remainder participating in autumn 2003.

39 During 2003-04 it is also intended to undertake a range of pilot activity including the performance review of Information Advice and Guidance for Adults (IAG).

Spring 2003 onwards

40 We intend to extend the scope of performance review to more LSC-funded providers during 2002 to 2004. Development work is being undertaken in liaison with other providers including: the Small Business Service; Education Business Links and further education in higher education institutions.

Briefing colleges and providers on developments within performance review

- a. each local office or NCS must, where appropriate, either:
 - update existing colleges and providers that are in scope for each review on key changes and issues, or
 - conduct briefings for colleges and providers that are newly in scope for each review;
- b. the briefings should cover:
 - the rationale and purposes of the performance review process
 - the importance and status of the review
 - the continuous nature of the review process and its key role in quality improvement
 - the range of existing evidence that is considered in performance review
 - that colleges/providers are not normally expected to contribute additional evidence to local office or NCS reviews
 - the assessment of the college's/provider's performance
 - the possible assessments resulting from the review and that the review will determine priorities for improvements, and appropriate rewards and sanctions, according to the LSC arrangements for these;
- c. how the review will inform future planning and contracting.

Table 1a: The LSC's performance review framework from October 2002

Key Performance Areas and Key Overall Questions	PERFORMANCE CATEGORIES				
	<u>Excellent Performance</u> <i>May be able to provide support for others</i>	<u>Strong Performance</u> <i>Requires little or no support</i>	<u>Acceptable Performance</u> <i>May need support to move to 'strong performance'</i>	<u>Some concerns</u> <i>Needs support and possibly intervention to improve</i>	<u>Serious concerns</u> <i>Needs significant support/intervention to improve</i>
	Quality Statements				
Participation and Recruitment <i>How well is the college/provider widening and increasing participation?</i>	Consistently achieving critical strategic priorities for LSC funded provision. Consistently setting and achieving demanding targets. Demonstrating good practice, innovation and exceeding expectations of prospective learner/customer.	Achieving critical strategic priorities for LSC funded provision. Setting and achieving most agreed demanding targets.	Achieving most critical strategic priorities for LSC funded provision, but some targets achieved may not be sufficiently demanding.	Under achieving against some critical strategic priorities for LSC funded provision.	Significant trend of under-achieving against critical strategic priorities for LSC funded provision.
Learner Experience and Performance <i>How well is the college/provider ensuring a positive learner experience and high performance?</i>	Consistently achieving critical strategic priorities for LSC funded provision. Consistently setting and achieving demanding targets. High levels of learner performance. Demonstrating good practice, innovation, and exceeding expectations of learner.	Achieving critical strategic priorities for LSC funded provision. Achieving most agreed demanding targets. Good levels of learner performance.	Achieving most critical strategic priorities for LSC funded provision, but some targets may not be sufficiently demanding. Overall, acceptable levels of learner performance, no significant areas of poor learner performance. No significant risk to learner experience.	Under achieving against some critical strategic priorities for LSC funded provision. Overall, some areas of poor learner performance. Indications show that 'improvements' can be achieved to the minimum 'acceptable' level.	Significant trend of under-achieving against critical strategic priorities for LSC funded provision. Significant level of poor learner performance. Significant threat to learner experience.
Management <i>How well is the college/provider managing quality and sustaining organisational viability and stability?</i>	Supported by at least Excellent and/or Strong Performance in both the above Key Performance Areas.		Delivery of planned targets, creating improvement in some key areas. No significant areas of poor performance. Provision is viable.	Failure to plan effectively and/or to deliver some planned activity, which may threaten the viability of the provision and/or LSC funds. Some areas have poor performance.	Failure to plan and failure to deliver the planned activity, to an extent which threatens the viability of provision and/or LSC funds. Significant areas have poor performance.
	Delivery of planned targets, maintaining a trend of quality and improvement across the organisation. Demonstrating good practice, innovation and exceeding expectations of customer (i.e. employers/local community)	Delivery of planned targets, creating and developing quality improvement across the organisation.			

Glossary of Terms

- 1 **Consistently:** evidence of a trend, informed by the reports from at least two previous performance review panels
- 2 **Demanding targets:** agreed targets that aim to lead to step-changes and significant quality improvement
- 3 **Maintaining:** informed by the reports from at least two previous performance review panels
- 4 **Strategic priorities:** agreed with the local LSC

Table 1b: The LSC's performance review framework: illustrative targets and evidence from October 2002

	Key Performance Area		
	Participation and Recruitment <i>This key area encompasses the 'first phase' of the learner pathway i.e. from the first point of contact to enrolment/start</i>	Learner Experience and Performance <i>This key area encompasses the 'second phase' of the learner pathway i.e. from induction to completion/achievement</i>	Management <i>This key area relates to the systems, procedures and processes underpinning delivery of the provision</i>
Examples of targets to be considered (where applicable)	Relevant key targets expressed in the self-assessment report and development plan and business/strategic plan: <ul style="list-style-type: none"> enrolments/starts widening participation recruitment targets equality and diversity recruitment targets recruitment targets relating to local and national LSC initiatives e.g. Local Intervention and Development Fund Activities (LID) projects, Bite Size initial guidance 	Relevant key targets expressed in the self-assessment report and development plan and business/strategic plan: <ul style="list-style-type: none"> retention rates achievement rates learner health & safety and induction and safe learner equality and diversity progression/destination learner satisfaction employer satisfaction take up by learners and effectiveness of learning support, e.g. basic skills take up of practical learner support, eg access funds, transport teacher/trainer qualifications and continuing professional developments 	Management of targets expressed in the business/strategic plan and self-assessment report/development plan: <ul style="list-style-type: none"> financial targets relating to LSC funding staffing curriculum range statutory duties: <ul style="list-style-type: none"> equality and diversity learner health and safety
Examples of evidence to be considered (where available)	<ul style="list-style-type: none"> evidence relating to impartial guidance given to learners evidence relating to initial assessment of learners' and their support needs recruitment and enrolment data against targets evidence of achieving widening participation and equality and diversity recruitment targets current inspection reports evidence cited in self assessment/development plans community surveys & their analysis summaries of individual learning plans 	<ul style="list-style-type: none"> reports evaluating the support given to learners reports analysing patterns in learners' attendance learner retention data achievement data, including results of public examinations, where available value added data as available progression and destination data current inspection reports evidence cited in self assessment/development plans learner satisfaction surveys outcome of lesson observations employer satisfaction surveys monitoring reports on the qualifications and expertise of staff staff training and development reports evaluation of induction evaluations of learner health and safety patterns of learners' experience, retention and achievements according to age, sex, ethnicity, disability 	<ul style="list-style-type: none"> business/strategic plan LSC contract & monitoring meeting minutes LSC funding agreement/financial memorandum Management information Current inspection reports evidence of effective planning and target-setting evidence of policies and procedures and their effective implementation (especially to meet statutory responsibilities, eg: <i>Race Relations Amendment Act</i>) evidence of sound financial management and viability evidence of continuous improvement evidence of awareness of the local environment evidence of internal training and development for staff financial health assessments monitoring of workforce profile self-assessment reports & their assessments records of complaints and action taken

SECTION FOUR: PERFORMANCE REVIEW PROCESS

- Mechanisms for conducting performance reviews
- Quality improvement monitoring and advisory activity
- Evidence
- Using Evidence
- Inputs to the performance review panel meetings
- Twice-yearly panel meetings to assess college and provider performance
- The composition of performance review panel meetings
- First stage performance review panel meeting
- Second stage performance review panel meeting

SECTION FOUR: THE PERFORMANCE REVIEW PROCESS

Mechanisms for conducting performance reviews

41 The mechanisms for reviewing colleges' and providers' performance comprise:

- regular visits by local LSC staff to monitor the quality of provision
- regular meetings between staff from relevant teams to enable continuous monitoring of colleges and providers
- consideration of data returns and other information
- twice-yearly performance review panel meetings
- feedback to colleges and providers.

Quality improvement monitoring and advisory activity

42 Advisory and monitoring activity is key to the performance review process without which, local LSCs will be unable to reach objective and considered decisions. Advisory and monitoring functions cover a range of activity:

- review of evidence, data, action and recovery plans
- recorded visits and/or telephone calls to the college or provider
- consideration of the views of the college or provider
- discussions with national and local office colleagues, as appropriate
- identification of priority areas for improvement and discussion with the college or provider about how actions could best be taken
- suggestions to the college or provider about sources of support or more specialist advice that might be useful.

Evidence

43 Colleges and providers will not be expected to supply evidence to the LSC that it already possesses. The table overleaf is an illustrative list of evidence that may be available, as appropriate to each type of provider and is generated as part of normal business activity:

Illustrative List of Evidence
Validated data relating to retention and achievement
Data on retention and where possible achievement in non-accredited learning
Self-assessment reports
Quality Improvement Annual Development Plans linked to annual self-assessments
<i>Success For All</i> Initial Three-Year Development Plan
Local office assessment of annual development plans linked to self-assessment and of the high level three-year development plans as these come into force from August 2003
Monitoring of a provider's progress in implementing annual development plans linked to self-assessment and the high three-year development plans
Inspection reports
Post-inspection action plans
Monitoring of progress made against post-inspection action plans
Re-inspection reports/visit reports
Re-inspection visit feedback
Previous performance review assessments on the college or provider
Provider's strategic plans as appropriate
Provider's business plan as appropriate
Standards fund progress reports
Records/notes of advisory and monitoring visits
Recovery plan, if appropriate
Awarding body reports
Provider records as appropriate: <ul style="list-style-type: none"> • senior management team minutes and papers • discussions with staff • staff development plans • target setting procedures • MIS reports governance minutes and reports
Records relating to learners (as listed in table 1b)
Customer satisfaction information from learners, employers and communities
Information on customer complaints and feedback

Illustrative List of Evidence
Contract compliance audit reports
Learner health and safety reports
Equality and diversity reports
Provider financial assurance reports (local and national)
Other audit reports (eg external)
External body information, eg reports from awarding bodies, Investors in People, Business Excellence
Property planning and strategy documents
Annual reports
WBL provider monthly reports
CoVE proposals and their outcomes.

Note:

- a. The above list is not exhaustive and other items may be relevant. Neither will all items be essential in all circumstances;
- b. Colleges and providers will not be expected to supply evidence to the LSC that it already possesses;
- c. Wherever possible, evidence should be considered with respect to relevant benchmarks.

Using Evidence

44 Performance review draws on a range of information and data returns from existing activities. It is important that:

- a. LSC and colleges and providers agree key sources of evidence to be considered on the principle of the provider supplying accurate and timely evidence without creating an unnecessary burden of bureaucracy on the provider. Where data is not in existence, the assumption should be made that the provider is meeting its targets and the LSC should plan with the provider a timetable for submission and preparations of essential evidence sources. (An example may be E&D monitoring data as the public policy context changes);
- b. Existing Quality Improvement tools should be used as much as possible. Consideration of existing self-assessment reports (SARs) and annual development plan linked to self-assessment should be prioritised. Where evidence does not exist in this format it should be identified as a weakness in the SAR and a target in the annual

development plan linked to self-assessment. Colleges and providers will be expected to amend their cycle of monitoring of progress in achieving the improvements required in the annual development plan linked to self-assessment to provide timely data for the performance review cycle;

- c. all relevant evidence (including updates) is collated in time to enable consideration in preparation for the review;
- d. it is recognised that evidence can be used as a basis for judgement to inform more than one key area. What is important is that methods of analysis and interpretation should be applied consistently;
- e. all evidence should contribute to a comprehensive and succinct overview of a college's and/or provider's performance that is readily usable by the local office or NCS and, as appropriate, by the national office.

Inputs to the performance review panel meetings

45 The guiding principles for inputs to the performance review panel meeting are:

- a. Staff are clear about the requirements for their input into the review;
- b. Colleges and providers will not be expected to supply evidence to the LSC that it already possesses;
- c. Colleges and providers contribute evidence as part of the regular cycle of performance review and receive feedback after them. Colleges and providers are not present at review panels; performance review is an internal review process. Colleges and providers will know what evidence is being used beforehand following routine monitoring visits by local office staff and therefore any assessment and categorisation should not come as a surprise to a college/provider.

Twice-yearly panel meetings to assess college and provider performance

46 Summary reports are prepared for the first stage panel meetings. These reports are a distillation of the key issues emerging from the evidence available. Other papers necessary for the meeting include: notes from the previous review meeting; the agenda for the forthcoming meeting and any other relevant correspondence. Papers should be circulated two weeks before the panel meeting.

47 A summary report for the first stage panel meeting should include the following:

- the overall category of performance given
- key reasons for the overall category
- recommendations for actions to be taken by the college/provider - rewards/ support and intervention/sanctions

- the actions agreed with the college/provider and/or the LSC
- the persons responsible for the actions
- deadlines and timescales.

48 Performance review panel meetings are internal events. Colleges and providers contribute evidence prior to reviews and receive feedback after them but are not present at review panel meetings. During routine monitoring visits, colleges and providers should have been made aware of the evidence being used to inform the LSC's judgements. Colleges and providers should be given adequate opportunity to make representations and if they so wish, provide additional or more up-to-date evidence for consideration.

49 As performance review panel meetings are an internal LSC process, it will not be usual to have representation from the inspectorates in attendance. The inspectorates contribute evidence to review assessments, but are not expected to attend panel meetings.

50 Review panel meetings are conducted at six-monthly intervals and the national office provides a reporting deadline. LSC staff hold their panel meetings before these given deadlines to enable the national office to report at a national level on the assessments and issues arising from local office performance review panels.

51 Performance review panel meetings need to be carefully planned, carried out thoroughly, followed up with colleges and providers promptly and confirmed in writing so that they take well-considered action to bring about further improvements. The process needs to be carried out consistently for all colleges and providers, but appropriately to suit the size and complexity of each college/provider and applying the principle of lighter touch where colleges/providers are strong or excellent performers. Within ACL for example there are several different models for securing provision for adult learners. Although different providers in an area may have similarities (eg in the type of organisation) but different approaches to providing learning opportunities.

The composition of review panels and meetings

52 Meetings are an internal LSC stock-taking of evidence supplied by colleges and providers, and issues already discussed with them. There should be two levels of local performance review meetings, first and second stage.

53 Membership of the first stage performance review panel meetings is a matter for each local office or NCS to determine, however the panel must involve all of the key disciplines. Staff involved in the meetings must have the appropriate level of authority and be knowledgeable about the different types of college and provider being reviewed.

54 The panel should be skilled in making sound, balanced and professional judgements. Assessments must be based on evidence and the

panel members should be aware that they must make defensible and consistent decisions on actions required and be clear about their accountability. All members of the panel must be familiar with the performance review process and have read this edition of the internal staff handbook.

55 The first stage review panel should include staff with responsibility for:

- quality improvement
- operations/services
- provider/partner management
- 'contract' management
- finance
- learner health and safety
- equality and diversity
- other functions as appropriate.

First stage review panel meeting

56 The guiding principles of the first stage performance review panel meetings are:

- a. Good, comprehensive planning and preparation with sufficient lead-in times are essential to the success of the review;
- b. All involved are clear about their roles and responsibilities;
- c. Carefully considered and relevant evidence is fundamental to the review;
- d. Co-operation is displayed between all staff involved;
- e. Meetings are organised to ensure the best use of time and resources;
- f. All appropriate teams within the local office or NCS are clear about the importance and status of the performance review panel meetings and abide by decisions made following each review;
- g. Sufficient time is given to enable an assessment to be reached on each college's and provider's performance and agree actions;
- h. The number of people attending should be sufficient to cover the necessary functions and areas of experience – all attendees have a duty to fully participate;
- i. The format of the review meeting is clear to all members of the panel;
- j. The basis for agreeing assessments and priorities for action to help bring about improvements is clear to all members of the panel;

- k. All colleges and providers will be assessed in a rigorous, fair, transparent and consistent way;
- l. Decisions (and the basis for them) along with actions agreed and the names of those responsible for these actions should all be recorded during the meetings.

Note: Given the scale and importance of the exercise and where a local office or NCS has many colleges and providers, reviews are likely to take a significant amount of time to complete. The resource commitment is commensurate with the importance performance review has in underpinning the LSC's key objective to improve quality, and the LSC's responsibility to monitor performance and report on progress.

57 The first stage review panels will:

- a. assess performance and make judgements in order to arrive at four categorisations of performance. Performance is categorised in each of the three key performance areas and finally an overall assessment for each college/provider;
- b. make recommendations and agree the actions needed to be taken to resolve identified issues and facilitate quality improvement. These recommendations should be SMART¹ and the responsibility for monitoring their implementation and progress should be allocated to a named individual.

58 Consideration should be given as to who is most appropriate to chair the first stage review panel meetings.

Second stage performance review panel meeting

59 All local LSCs must hold a second stage panel meeting. The second stage review meetings are crucially important as they moderate and have the authority to consider representations from colleges and providers. They should ratify, confirm, or over-ride key decisions and recommended actions of the first stage review panel meetings.

60 The second stage panel meeting should:

- a. be chaired by the executive director;
- b. comprise senior managers, including, wherever possible, an executive director or their senior representative from a local LSC in another region;
- c. contain at least one member of staff who attended the first stage panel. This person can then link back to the first panel, giving further explanations/evidence as required on that panel's considerations;

¹ Specific, measurable, achievable, realistic and time-bound

d. take account of key issues and cover:

- matters relating to exceptional circumstances
- confirmation of overall categorisations, following assessment at the first stage panel meetings
- as a minimum, the moderation of colleges and providers' where their overall categorisation is excellent or serious concerns, together with any college/provider that has experienced a change in overall categorisation since the last performance review panel meeting
- assessment of the appropriateness of the actions for improvement recommended by the first stage panel
- proposal of additional remedies and areas of good practice to be disseminated, if appropriate
- recommendations to inform a revised plan or confirmation of the existing recommendations
- assurance that all decisions have been clearly supported by evidence
- ensure the rigour of the performance review process.

SECTION FIVE: MAKING JUDGEMENTS

- Success and learners' achievements
- Recognising and recording progress and achievement (RARPA) in non-accredited learning
- Targets
- Guidance on assessing equality and diversity
- Guidance on assessing learner health and safety

SECTION FIVE: MAKING JUDGEMENTS

61 It is the responsibility of local LSCs to consistently implement the performance review process. Should any local office consider that there are truly exceptional circumstances that mean they need to depart from the published guidance the executive director must be fully informed and support this decision. A decision to depart from the published guidance must be supported by robust evidence and a record of the panel assessment decisions in case of a complaint being lodged by a college or provider.

Success rates

62 *Success for All* establishes the principle of measuring success rates. Circulars 03/01 and 03/02 set out the basis for calculating success rates and include success rate percentiles and calculations (03/01: paras. 103, 104 and Annex F; 03/02: para. 88 and Annex F). Local LSCs will need to consider success rates, supported by retention and achievement data, to make assessments and to identify priority areas for improvements eg: top priority to improve retention rates if achievement rates are already in the upper quartile.

63 The basis for calculating WBL success rates remains unchanged for 2002/03, and work is continuing to assess the stability of WBL successful completion for the current year. A statement on analysis using 2002/03 data will be included in the Communications Bulletin

Recognising and recording progress and achievement (RARPA) in non-accredited learning

64 The Council is working with NIACE and LSDA to develop an appropriate system for recognising and recording progress and achievement (RARPA) in non-accredited learning. In this context, non-accredited learning is defined as that which is not externally validated by an awarding body or by the Qualification and Curriculum Authority (QCA). It is anticipated that this system, which will be trialled in a number of demonstration projects in 2003/04 and 2003/05, will be rolled out to all providers offering non-accredited learning by the beginning of 2005/06.

65 Exemplar materials and guidance will be produced in the Spring 2003 for use by providers taking part in the demonstration projects. Other providers offering non-accredited learning may also wish to use these materials to help them evidence learners' achievements.

66 Further details of the RARPA in non-accredited learning project are available in the LSC position paper available from http://www.lsc.gov.uk/news_docs/Achievement_Non-accredited_Learning.doc

Targets

67 The local LSCs or NCS will consider the extent to which targets are challenging and realistic, and the extent to which targets are being met in order to decide on the categories of performance being achieved.

68 Colleges and providers have a range of targets that they set for themselves, as well as some that are agreed with their local office or NCS. The range of targets is likely to include participation targets, retention and achievement targets/success rate targets, MA framework and NVQ successful completion targets, equality and diversity targets and basic skills targets.

69 *Success for All* in theme four gives priority to colleges and providers setting quality improvement targets and for those that fall below the national floor target, a plan of action should bring about swift improvements. As arrangements are developed for these by the LSC in the light of feedback to the consultation Circulars 03/01 and 03/02 by 25 April, evidence relating to both floor targets and improvement targets will be considered in reviews. This guidance will be updated as needed in the third edition of the staff handbook in July 2003.

70 It is an expectation that all colleges and providers are aware of the Government's commitments to Skills for Life: the National Strategy for Improving Adult Literacy and Numeracy Skills. This is a post-16 policy covering all students and trainees in all learning environments. The strategy covers discreet provision and other provision embedded into vocational, academic and adult and community learning. It is recommended that you are familiar with the document 'Success in Adult Literacy and Numeracy and ESOL provision' which can be found on www.dfes.gov.uk/readwriteplus. These guidelines have been produced to support the common inspection framework and to give everyone involved with the delivery of Basic Skills an understanding of quality and what structures should be in place to deliver an effective service.

Guidance on assessing equality and diversity

71 The LSC has statutory duties under the Learning and Skills Act 2000 (section 14) to promote equality of opportunity:

- between men and women
- between those with and those without disability
- between people from different racial groups.

72 It has expectations that all colleges and providers in receipt of public funds will strive for the highest standards in providing equality of opportunity for learners and in maximising the benefits of diversity.

73 The LSC has drawn up a national strategy on equality and diversity to enable it to meet its statutory obligations. In embedding equality and diversity into all its policies, programmes and actions, the LSC is committed to “work with providers and employers to help them adopt relevant standards, promote equality of opportunity and take systematic steps, including positive action to participate in, and benefit from, LSC programmes and initiatives.”

74 The LSC must have confidence that all colleges and providers comply with the legal requirements placed on them, as well as support the LSC in the achievement of the objectives outlined in the National Strategy for Equality and Diversity. Performance review assessments seek to ensure that providers are compliant with current legislation, in particular recent Equality and Diversity Acts.

75 Colleges and providers are also directly covered by the following equality legislation:

- The Human Rights Act 1998
- The Race Relations Act 1976
- the Race Relations (Amendment) Act 2000 (RR(A)A)
- the Disability Discrimination Act 1995 (DDA) and part 4, September 2002
- the Sex Discrimination Act 1975.

76 The comprehensive nature of the performance review process offers an appropriate context for LSC staff to assess the performance of colleges and providers in relation to equality and diversity.

77 The Race Relations (Amendment) Act 2000 places duties on the LSC to promote race equality. The LSC will ensure that those in receipt of LSC funding are acting in a way, which ensures that the LSC's duties are being met. For FE colleges this will mean compliance with the duties placed on them under the Act. For work based learning providers, the LSC will develop contracts which ensure that they contribute towards meeting the duties places on the LSC.

Evidence

78 All of the evidence sources detailed at section 4 are likely to have relevance to equality and diversity, either directly or indirectly. In addition, the following documents should also be considered:

- equal opportunities policies
- disability statements
- race equality policies (for colleges)
- equality and diversity impact measures
- complaints procedures
- prospectus and publicity materials.

Assessing performance: Participation and recruitment (Key performance area 1)

79 Colleges and providers should be in a position to demonstrate how the promotion of equality and diversity is built into all aspects of all their programmes. Learners should have equality of opportunity to participate, which may require arrangements for differential treatment. Diversity in the learner population should be encouraged.

80 Evidence should be considered for the following activities which shows how the provider is complying with the legal requirements of the RR(A)A 2000 and the DDA:

- within planning, there should be evidence of actively seeking recruits from all relevant sections of society, within the range of their contract; strategies to attract underrepresented groups; and mechanisms for consultation and needs analysis
- the images and messages contained in publicity and marketing underpin the commitment to equality and diversity
- the regular monitoring of participation in provision on the basis of race, gender, age and disability to identify gaps or deficiencies which require review and further planning
- a strategy for making learners aware of the college and/or other provider's commitment and their rights for support and fair treatment
- access to information, advice and guidance which takes account of individual preferences and needs.

Assessing performance: Learner experience and performance (Key performance area 2)

81 Evidence should be considered for the following activities which show how the provider is complying with the legal requirements of the RR(A)A and the DDA:

- assessment procedures which are tailored to individuals' learning needs
- support for basic skills and ESOL needs
- additional learning support, provided either in house or contracted out
- screening materials and activities for stereotypical or offensive content
- willingness to offer flexible forms of delivery
- learner satisfaction rates, do not include pockets of lower satisfaction amongst different groups including by ethnicity, sex and learning difficulties and/or disabilities.

Assessing performance: Management (Key performance area 3)

82 Evidence should be considered for the following activities which show how the college and/or providers are complying with the legal requirements of the RR(A)A and the DDA:

- planning activity for equality and diversity
- staff training for equality
- involvement and commitment at top level
- consultation with the local community
- active involvement in the process of developing equality and diversity impact measures
- a programme of staff training to contribute to equality and diversity. Support for staff to deliver provision in a way that meets individual needs. Training for staff to tackle harassment and discrimination
- Complaints procedure, which supports learners through the process
- setting of targets and monitoring in respect of participation, retention and achievement for all groups of learners.

Assessing performance: Race equality legislation

83 In addition to assessing a provider on the three key performance areas it will also be necessary to confirm compliance with current race equality legislation. The LSC is required to report on compliance with race equality legislation in the post-16 sector as follows:

- full compliance with race equality legislation
- outstanding promotion of race equality
- support needed to achieve compliance with race equality legislation
- insufficient evidence.

Effective use of relevant data

84 Evidence of colleges and providers' analysis and use of data on their learner cohort by age, race, sex and disability to identify differences in participation, retention and achievement rates and use the results to attract and target underrepresented groups of people should be considered.

85 From consideration of available data, it should be possible to assess the extent to which a college or provider has taken seriously the legal requirements of the RR(A) A and the DDA. Where concerns emerge indicating that insufficient attention is paid to this area, further discussions should be held with the provider to assist in clarifying the legal requirements.

86 This guidance on equality and diversity is suggested as appropriate for use in preparation for performance review panel meetings. It does not encompass all the regular activities and exchanges that will routinely take place between colleges and providers and local office staff. It assumes that detailed support, training and discussion will occur between colleges and providers and equality and diversity staff in pursuit of raising standards and the development of improved practice.

Guidance on assessing learner health and safety

Background

87 The LSC policy statement on learner health and safety takes account of statutory obligations and 'duties of care'. In addition, it confirms the LSC's belief that safe learning is essential for learners to maximise their experience and achievement. The policy statement, which applies to all types of provision and provider, makes it clear that the LSC:

- expects providers to meet fully their statutory obligations and duty of care to learners
- expects learning to take place in a safe, healthy and supportive environment
- will seek assurance accordingly.

Key performance areas

88 Performance review is an important mechanism for seeking assurance that providers have suitable and sufficient arrangements for the health and safety of learners. The provider's approach will be assessed in two of the three key performance areas:

- learner experience and performance
- management.

89 The primary assessment is in key performance area 3: management. This is about how effectively the provider's management process ensures the health and safety of learners on an ongoing basis. The assessment in key performance area 2 is a test of the effectiveness of this management process - the learner should become a 'safe learner' through their learning experience, and through it taking place in a safe, healthy and supportive environment.

Characteristics

90 In both key performance areas, for performance to be categorised as 'acceptable performance', providers will be expected to confirm compliance with statutory obligations and associated good practice; in particular, those endorsed by the Health and Safety Executive (HSE).

91 To align with established good practice and minimise bureaucracy, the key HSE standard HSG65 'Successful Health and Safety Management' will be used as a benchmark.

92 'Strong' and 'excellent performance' will be characterised by providers adding value to learners' experience by the development of safe learners.

Evidence

93 Category assessments will draw in particular on evidence from:

- the health and safety content of self-assessment and development planning
- accident and complaint data
- learner feedback
- information/reports/investigations from the Inspectorates and other bodies.

94 Key question 3 of the Common Inspection Framework includes reference to health and safety. Further guidance is contained in 'Raising Standards in Post-16 Learning – Self Assessment and Development Plans' (March 2001).

SECTION SIX: ACTION FOLLOWING REVIEW PANEL MEETINGS

- Local office/National Contract Service actions
- Communicating and reporting on performance review panel assessments to colleges and providers
- Reporting to local Councils or NCS Advisory Board
- Sharing assessments with the inspectorates and other organisations
- Changes in categorisation
- Arrangements for dealing with disagreements

SECTION SIX: ACTION FOLLOWING PERFORMANCE REVIEW PANEL MEETINGS

95 Guidance on raising standards of post-16 achievement states that the support or corrective action provided by a local LSC is to be determined by the level of risk involved, will be timely, effective and in inverse proportion to success.

96 Colleges and providers about which there is an area of some concern receive more support, advice and frequent monitoring from LSC staff. It is envisaged that local LSCs or NCS will have dedicated resources to enable them to support colleges and providers in achieving improvements. Local LSCs or NCS need to identify key priorities in the support that is to be arranged.

97 Where there is major concern about a college or provider, it may be necessary for special monitoring and support to be organised. The performance review process is the key platform for identifying circumstances in which the threshold between the final stage of the normal partnership approach and the initial stages of the intervention approach has been reached.

98 When warranted, sanctions may be imposed, including the suspension of funds. In colleges, powers may be exercised to appoint governors and managers. In these circumstances it may be appropriate for support to be provided to the local office by the national office's quality improvement team. Details of the LSC's intervention strategy can be found in Circular 02/06: *Intervention to Improve the Performance of Providers*.

99 The LSC Local Intervention and Development (LID) Fund may be used to support quality improvement in colleges and other providers, at the discretion of the local LSC.

Local LSC/National Contract Service actions

100 Following the second stage performance review panel meeting, each local office or NCS should:

- a. analyse the aggregate results of the review to assess the collective impact on the provision across the local office and considers the possible impact of overall categorisation on priorities, eg widening participation in the local office, concentrations of poor colleges and providers in a particular local area, etc;
- b. analyse trends according to length of stay in each category and direction of movement between categories;
- c. identify good practice for dissemination;
- d. consider implications for the Local Intervention and Development Fund

(LID);

- e. consider implications for colleges and providers with strong/excellent overall performance, in particular the sharing of good practice to help other colleges/providers;
- f. consider implications with regard to colleges and providers causing serious concerns, eg a proposed change of governors;
- g. take the necessary actions to enable quality improvement.

Communicating and reporting on performance review panel assessments to colleges and providers

101 Following the second stage performance review panel meeting:

- a. The local office or NCS must inform ALL colleges and providers in writing, of the overall category agreed at the second stage performance review panel meeting, together with the reasons for the decision. For all colleges and providers categorised as serious concerns this must be done within 5 working days of the second stage panel for all others this must be done within 10 working days of the second stage panel meeting;
- b. Colleges and providers categorised as serious concerns should usually be invited to attend a feedback meeting. The purpose of this meeting is to give the college or provider the opportunity to make any representations on the outcome of the performance review, to give further feedback and discuss actions to make improvements. The LSC staff member conducting the feedback meeting should be of an appropriate level of seniority to enable them to properly consider any representations that the college/provider may make and to act on them if appropriate;
- c. ALL colleges/providers however, should be offered the opportunity to receive verbal feedback;
- d. The actions to bring about quality improvement including monitoring and support arrangements, must be agreed with the college/provider during the feedback meeting and must be further confirmed in writing. It should be noted that feedback letters sent to the college principal, the chief executive/lead senior manager must be copied to the chair of governors² and feedback letters sent to colleges and providers must be copied to the board of directors/management committee;
- e. where concerns are serious, intervention may be required. Details of the LSC's intervention strategy can be found in *Circular 02/06: Intervention to Improve the Performance of Providers*.

² This results from a commitment made by the FEFC to the Public Accounts Committee

Reporting to local Councils or NCS Advisory Board

102 Once the local LSC has completed its performance review panel meetings, overview reports will be provided to local Councils or the NCS Advisory Board.

103 It is recommended that performance review reports to local Councils or the NCS Advisory Board contain the following information:

- a summary of the aggregated performance review results
- the proportion of each type of college/provider within each of the five performance review categories
- an overview of trends in performance review assessments over time
- a summary of significant progress made overall, and of areas where there are major challenges or problems
- the length of time colleges and providers are remaining in serious concerns before moving to some concerns, or acceptable performance
- a summary of actions for making improvements, particularly for colleges and providers about which there are serious concerns and where there are some concerns but indications of a further decline.

104 Reports to local LSCs or NCS Advisory Board need to be clearly marked “Confidential, not to be circulated or quoted” as this information is not in the public domain. Members of the national and local LSCs are bound by the document *Code of conduct for Council Members*, which reinforces the need for confidentiality³, particularly in relation to the performance of individual colleges or providers.

105 All LSC staff involved in the performance review process must be familiar with and abide by the LSC’s *Code of Conduct* and in particular the section *Access to Information*.

Sharing assessments with the inspectorates and other organisations

106 In line with its commitment to the concordat agreement in 2002/03, the LSC intends to share the names of colleges and providers categorised as ‘excellent performance’ and ‘serious concerns’ with OfSTED and the ALI, on a confidential basis, to assist them with the planning of their inspection programme.

³ This states: “Although any legal proceedings initiated by a third party are likely to be brought against the Council, in exceptional cases proceedings may be brought against the chair or other individual members. For example, a member may be personally liable if he or she were to make a fraudulent or negligent statement, which resulted in loss to a third party. A member who misuses information gained by virtue of his or her position may be liable for breach of confidence under common law or under insider dealing legislation. Members who act honestly, reasonably and in good faith should not normally incur any liability in an individual capacity.”

107 It is envisaged that the assessments made at performance review panel meetings may also be shared with other government bodies contracting with a particular provider, for example, Jobcentre Plus. It will be made clear that assessments relate to LSC funded provision.

Changes in categorisation

108 In some exceptional circumstances eg following an inspection, it may be necessary to amend the overall categorisation of a college or other provider between performance review national reporting dates. Where this is the case LSC staff should notify the college/provider and email details of the revised overall categorisation to the Quality and Standards directorate performance monitoring team who track such issues on a monthly basis.

Arrangements for dealing with disagreements

109 Performance review assessments are carried out in accordance with an agreed national policy framework. When conducting performance reviews, local LSCs take account of all relevant evidence and involve senior members of staff in the moderation of judgements.

110 Local LSCs provide opportunities for colleges and providers to discuss assessment decisions and, if appropriate, ask for them to be reviewed and provide supplementary evidence. In Circular 03/01 and 03/02 views are sought about a procedure for dealing with disagreements. Once responses to these circulars have been analysed, this section of the handbook may be updated.

SECTION SEVEN: EVALUATION OF THE PERFORMANCE REVIEW PROCESS

- Local Office/National Contract Service monitoring of consistency of the review process

SECTION SEVEN: EVALUATION OF THE PERFORMANCE REVIEW PROCESS

Local LSC/National Contracts Service monitoring of consistency of the review process

111 To monitor the consistency of the performance review process, the local LSC or NCS is required to:

- a. put in place procedures for evaluating the effectiveness of the review process, including:
 - monitoring how effectively the purposes of performance review have been met
 - monitoring how effectively the national guidance on performance review, set out in this internal handbook, and the commitments made in Circular 02/19, have been implemented at local level (essential for helping to ensure national consistency)
 - assessing the impact of performance reviews in raising standards
 - testing the rigour of the performance review process
 - consulting with colleges and providers on ways to improve the process
 - considering feedback from performance review panel members
 - identifying ways of working with the national office to improve the process
 - determining specific actions to improve the effectiveness of reviews to bring about greater national consistency and rigour, and to help raise standards;
- b. conduct annually, a full evaluation of the effectiveness of their local review process;
- c. consider its staffing arrangements to support the performance review process;
- d. evaluate its staff development programme to ensure it properly supports the performance review process;
- e. share good practice in review with the neighbouring LSCs in regional quality groups with the national office;
- f. highlight what works well and prepare an action plan for further improvements that need to be made.

112 Currently, a national evaluation of the revised arrangements for performance review is underway. This will not duplicate local LSCs'/NCS's

own evaluation. The final report from the national evaluation will be presented to the Performance Review Advisory Group in September 2003.

SECTION EIGHT: SPECIALIST DESIGNATED INSTITUTIONS

SECTION EIGHT: SPECIALIST DESIGNATED INSTITUTIONS

113 These are institutions, which were designated by the 1992 Act as being of particular character and often a specialised mission to provide for a particular learner group. The FEFC was charged with preserving this character and, along with funding schedule 2 provision (FE), could also fund such institutions for non-schedule 2 (that is non-accredited provision) and adult residential provision, as such institutions had always offered substantial amounts of such provision. These are:

- The City Literary Institute
- The Co-operative College
- Fircroft College of Adult Education
- Hilderstone College
- Hillcroft College
- The Marine Society College of the Sea
- The Mary Ward Centre
- Morley College
- Northern College for Residential Adult Education
- Plater College
- Ruskin College
- Workers' Educational Association
- The Working Men's College.

SECTION NINE: ADULT LEARNING PROVISION

- External Institutions
- Independent EIs
- LEA Maintained Former EIs
- LEAs' adult community learning provision

SECTION NINE: ADULT LEARNING PROVISION

External Institutions

114 At 1 April 2001 there were approximately 200 external institutions (EIs) transferred from FEFC. These EIs were funded since 1994 by FEFC through the FE funding methodology under the F&HE Act 1992. From April 2001 the LSC was responsible for funding EIs through the main FE stream.

115 EIs fall into two main categories:

- LEA maintained institutions - known as 'LEA maintained former EIs'
- Voluntary organisations/businesses - known as 'Independent EIs'.

Independent EIs (formerly reviewed by the FEFC)

- comprise mainly those that applied to the FEFC as 'new providers' between 1993 and 2000
- had to demonstrate they were meeting an unmet need
- were sponsored by a local college
- were inspected by the FEFC inspectorate – results were not published but copies of reports are available
- some provided specialist provision. Others developed close relationships with particular client groups and recruited and supported underrepresented groups of students.

116 Currently they are as follows:

- ACTIVE (Association of Community Training Initiative for Vocational Education)
- Bede Education Centre
- Blackfriars Settlement
- Blake College
- Building Crafts College
- Cambridge Women's Resource Centre
- Cathedral Centre - Bradford
- Chapel Green Community Centre
- Chessington Adult Education Services Ltd
- East London Advanced Technology (ELATT)
- Elfrida Rathbone (Camden)
- The Elfrida Society

- Friends Centre for Adult Education
- The Greenbank Project
- Hampstead Garden Suburb Institute
- Hartcliffe and Withywood Ventures Ltd
- The Hartley Centre (Church Army)
- Heeley City Farm
- Linkway Community College
- London Electronics College
- Manor Training and Resource Centre Ltd
- Myrrh Ltd
- Newham Training and Education Centre
- One Love
- Open Door Adult Learning Centre
- Pier Training Shop)
- Sebert Rd Training Centre (NCRP Ltd)
- Shalom Employment Action Centre
- Sheffield Environmental Training
- Southey Training and Resource Centre Ltd
- Swarthmore Education Centre
- Women's Technology and Education Centre.

Further guidance

- External Institutions: Final Report of the Review Group (FEFC December 1999)
- FEFC Funding Guidance 2000-01
- FEFC Circular 00/03 -which gives details of convergence process for EIs
- FEFC Audit Circulars 99/34 and 99/43
- FEFC Inspection Circulars 97/12 and 97/13
- LSC Circular 01/17 – Audit of the use of funds in EIs 2000/01.

LEA Maintained Former Els

117 LEA maintained institutions:

- comprise the part of the LEA adult education service that delivered qualification-bearing courses (i.e. schedule 2 provision). The 1992 Act ensured LEAs could be funded for adult Schedule 2 work that did not take place in a college
- receive FE funding stream monies through FEI status
- were not eligible for inspection by FEFC – responsibility lay with OfSTED and transferred to ALI on 1 April 2001. Only a few inspections were carried out by OfSTED each year.

118 A number of these institutions are in the process of, or thinking about, merging with another. The list attached at appendix three relates to LEA-maintained institutions in existence as at 1 February and will be updated with each edition of this internal staff handbook.

LEAs' adult and community learning provision

119 When under the Further and Higher Education Act 1992 the FEFC assumed responsibility for funding the range of provision listed under schedule 2 of the Act, LEAs retained a statutory duty to continue to make some adult education provision for recreational and leisure purposes, i.e. provision that did not lead to a listed qualification, until the transfer of funding to LSC in April 2001.

120 The amount and type of provision in this stream varies hugely from LEA to LEA – broadly it is recreational adult learning or organised leisure activity, but some focuses strongly on widening participation and return to learning provision. The overall amount and levels of funding were left to the LEA. Decisions were made at a local level in the context of local authorities' wider policies and arrangements for the provision of education services, statutory and other.

Delivery arrangements/models

121 As a consequence of these local arrangements, volumes, the range of LEA-ACL provision, levels of funding and arrangements for delivery vary considerably. These models can be:

- Direct provision by staff employed by the LEA and led and managed centrally (often referred to as local authority provision)
- Delegated provision where the LEA secures provision through LEA education institutions (e.g schools, adult colleges, consortia of schools) whose staff are employed by the LEA (in the main – Foundation Schools employ staff directly) but where management may be devolved
- Contracted out provision, where an LEA sub-contracts to other

organisations (e.g. FE colleges, community and voluntary sector partners) and neither employs nor manages the staff. In some instances the sub-contractor is now seeking direct funding from the LSC for such provision. Conversely, some LEAs have been franchisees of FE colleges and wish to seek direct FE funding from the LSC

- A mixed model, e.g. some directly managed and delivered provision and some contracted out provision.

Funding arrangements

122 The responsibility for the funding of ACL was transferred to the LSC in April 2001 with a guarantee, from the secretary of state, of a minimum level of funding until the end of 2002/03, on condition that each LEA developed a satisfactory adult learning plan. LEAs were expected to maintain at least a similar level of provision to that offered before 2001. Allocations for 2002/03 provided an uplift to take account of inflation and to encourage a widening of and increase in participation.

123 Funding provided under the guarantee currently supports the provision of ACL across a broad spectrum. The data collection questionnaire in respect of 2000/01 sent to providers has started to provide a national information base about the costs and range of ACL provision. The LSC wishes to ensure that all activity currently funded by the ACL grant is taken into account as the new funding arrangements are introduced.

Data Gathering

124 The data collection exercise that LEAs were asked to carry out in Spring 2002 represents the first steps in the conversion of the block funding currently received from the LSC for ACL to funding according to the LSC's formula. The data gathered will establish national information base about the current funding levels and range of ACL provision.

125 It is essential, before funding the provision on a formula basis, that the effects of such a move are fully understood so that the formula as applied to ACL is fit for purpose and does not distort appropriate provision for learners. The data collection exercise has also sought to identify provision falling outside the formula and any other significant issues.

126 The highly diverse information systems for ACL used by LEAs has meant that the data returned is extremely variable. Although the exercise represented a valuable first step in obtaining a measure of the volume and nature of ACL provision, the information returned has not yielded data of sufficient consistency to enable rigorous modelling to take place.

127 Plans to introduce the Funding Formula to ACL provision have been postponed. From July 2003, LEAs will receive 90% of their previous funding subject to submission and delivery of a satisfactory Adult Learning Plan.

128 The LSC published its timetable for harmonisation of learner data collection in Circular 02/03 *Collection Arrangements on Learner Data* (paragraph 18 onwards). It is planned that individualised learner record (ILR) data from ACL providers will be collected for the first time starting in 2003/04. There will be consultation on the extent of the data to be collected and the development of specification during Autumn 2002 with a view to publishing a circular in late November 2002 consulting about the proposed specification of the ILR for 2003/04, including that for ACL.

Inspection Arrangements

129 LEA- ACL was inspected by OfSTED until April 2001 and is now under the remit of ALI. Only a few inspections a year were carried out by OfSTED. The ALI's remit for ACL includes the inspection of all adult financed wholly or partly from public funds. This means that ALI published reports refer to provision funded as ACL and as FE or WBL.

130 During 2001/02 ten pilot ACL inspections took place. These were the subject of a summary report (available from the ALI website). Published reports on LEA providers have been available from January 2003. LEA providers' work-based and JobCentre Plus funded provision is inspected by ALI and published reports are available.

131 ALI publishes Guidance for Providers of ACL, which they define widely. This guidance includes commentary on interpreting the Common Inspection Framework in the ACL context and on indicative sources of evidence. Some of these will be of relevance in the context of Performance Review.

APPENDIX ONE: SOURCES OF AUTHORITY

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132 The key sources of authority are:

- The Learning and Skills Act 2000
- Remit Letter from the Secretary of State for Education and Skills
- Grant Letter 2003/04
- Corporate Plan to 2005
- *Success for All* published in November 2002
- The LSC's Quality Improvement Strategy 2003/06.

133 The Learning and Skills Act 2000 states at section 2 that:

“The Council must secure the provision of proper facilities for (a) education, (b) training and (c) organised leisure-time occupation connected with (a) and (b)...”

134 Section 9 of the Act states that:

*“(1) The Council may develop schemes for the assessment of the performance of persons in providing post-16 education and training.
(2) The Council may take the assessments into account in deciding how to exercise its powers under section 5.
(4) The Council may take the results of the tests into account in exercising its power under section 5(1)(c)...”*

135 The Remit Letter from the then Secretary of State for Education and Employment (now Department for Education and Skills) states that the Learning and Skills Council (LSC) will:

“have the key responsibility to plan, fund, monitor and improve the quality of post-16 learning up to higher education.....”

*“establish mechanisms to ensure that... for all providers there will be common nation-wide arrangements for funding agreements, payments, audit, **monitoring**, management information and health and safety.”*

“introduce new and thorough review procedures with further education colleges and providers.”

136 The Learning and Skills Council's mission is to raise achievement and participation through securing excellence in education and training that puts learners first. The LSC is strongly committed to improving quality and raising standards through its corporate plan, one key objective is to:

“...raise the quality of education and training delivery...”

137 In addition to the statutory duty outlined above, the LSC is required to have regard to the needs of those with learning difficulties and disabilities (section 13).

138 In the remit letter to the LSC in November 2000, the Secretary of State for Education and Employment wrote:

“ I expect the Council to build equality of opportunity into all its policies, programmes and actions.”

139 The Grant letter 2002 to the LSC states:

“I expect everyone working for the Council to be visible in their support for, and delivery of the Council’s equal opportunity remit.”

140 Performance review is a key lever to help drive up quality, through assessing performance and identifying priorities for quality improvement. The LSC is developing its Quality Improvement Strategy initially for the period 2003-06, in discussion with partners and stakeholders. The strategy will include a number of generic elements that can be adapted to address the diverse parts of the learning and skills community, together with strategies that are specific to component parts of the community.

141 The LSC will continue to intervene in inverse proportion to the success of providers. Particular areas for attention will be providers that are performing relatively poorly, and improving quality in providers in the middle band of performance.

APPENDIX TWO: USEFUL DOCUMENTS AND PUBLICATIONS

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Key documents

- LSC Corporate Plan – Strategic Framework to 2004
- LSC Grant letter 2002-2003 DfES 10 DEC 2001
- Code of Conduct for Council Members
- *Success for All* – DfES
- Quality and Standards: Policies and Framework

Relevant Acts

- The Learning and Skills Act 2000
- The Race Relations (Amendment) Act 2000
- The Disability Discrimination Act 1995
- The Sex Discrimination Act 1975
- The Health and Safety at Work Act 1974

LSC Circulars

- FEFC Circular 00/28 – Target Setting: Outcomes 1999-2000
- Circular 02/05 – Reviewing Performance: Arrangements for Colleges and Providers (consultation circular)
- Circular 02/06 – Intervention to Improve the Performance of Providers
- Circular 02/10 – The Audit of the Use of Funds in ACL Establishments
- Circular 02/13 – Funding arrangements for WBL for Young People in 2002/03
- Circular 02/19: Reviewing Performance: Refined Arrangements for Colleges and Providers from October 2002
- Circulars 03/01 and 03/02

Publications

- National Equality and Diversity Strategy 2001-2004
- Local Intervention Fund Operational Guidance
- Framework for a Race Equality Policy for FE colleges – May 2002
- Race Relations (Amendment) Act 2000: Equality and Diversity Guidance 03/2002
- Mainstreaming Equal Opportunities – Guidance DfEE, April 2001

- Equality in Practice – A guide to mainstreaming
- Raising Standards in Post-16 Learning, Self Assessment and Development Plans – March 2001
- Guidance to the LSC on meeting the needs of learners with learning difficulties and/or disabilities, DfEE, April 2001
- Summary Statistics for FE institutions (LSC produce annually)
- Benchmarking Data. Retention and Achievement rates for a three year period 1997/98 – 1999/2000
- ALI – Retention & Achievement Data from WBL Inspections, May 2002
- Management of Health and Safety at Work Regulations 1999
- Quality and Standards Guidance Letter ‘Standards Fund: Investment Fund – Colleges with extremely significant weaknesses’ (9 August 2002)

Useful Websites

- www.lsc.gov.uk
- www.ali.gov.uk
- www.ofsted.gov.uk
- www.aoc.co.uk
- www.learningproviders.org.uk
- www.niace.org.uk
- www.lsda.org.uk
- www.cre.gov.uk
- www.hse.gov.uk
- www.lg.employers.gov.uk
- www.natspec.org.uk
- www.skill.org.uk
- www.Ufild.co.uk
- www.lga.gov.uk
- www.cabinet-office.gov.uk