**For action**

**Responses by
31 March 2000**

Circular **00/01**

# Quality Improvement

## Target-setting in 1999-2000

**Summary**

This circular requests information from sector colleges on targets
for retention and achievement for 1999-2000.  It sets out the
format in which targets should be sent and provides guidance on
target-setting.  In addition, information is provided about actual
retention and achievement rates in 1998-99 and an analysis of
the targets that colleges set for 1998-1999.

# Target-setting in 1999-2000

## Introduction

1    The process of setting and achieving annual targets for student retention and the achievement of qualifications should be central to each college's strategy for raising standards. This circular provides guidance to colleges on setting targets to improve levels of  retention and achievement for 1999-2000.  Responses are requested by 31 March 2000.

### Background

2    In October 1998, the Council consulted colleges in Circular 98/35 on setting, monitoring and reporting on annual targets for levels of retention and achievement.  The arrangements were confirmed in Circular 99/08 in February 1999.

3    Special arrangements were put in place for the first year of target-setting, in 1998-99. These allowed colleges more time to ensure that their corporation was fully involved by asking colleges to forward targets for 1998-99 to the Council by the end of May 1999.

4    Following recommendations from the Council's external institutions review group, arrangements for target-setting in external institutions are currently being explored, along with those for independent specialist colleges. Specific guidance on target-setting will be issued separately for these institutions in spring 2000.

## Targets for 1999-2000

5    For 1999-2000, the original timetable set out in annex A of Circular 99/08 applies.  By the end of March 2000, colleges are requested to send finalised achievements for 1998-99 and agreed targets for 1999-2000 to the Council.

The format is unchanged from 1998-99 and is set out in annex B to this circular.  Colleges are asked to send their targets electronically on the form available on the Council's website (www.fefc.ac.uk).

6    In order to assist colleges, the following information is provided:

- annex A sets out guidance on setting targets for student retention and achievement for 1999-2000
- annex B sets out the format in which targets should be sent
- annex C provides an analysis of the levels of improvement between 1996-97 and 1997-98 achieved by colleges and the targets colleges set for 1998-99.

7    Annexes A and B contain additional guidance in response to feedback from colleges which set targets in 1998-99.

8    The Council expects colleges to set challenging targets but not to neglect the initiatives that they have undertaken to widen participation and increase access.  There should be no narrowing of opportunities for students. Nevertheless, the Council expects the sector to respond purposefully to government priorities. Significant improvements in retention and achievement are vital if the sector is to demonstrate that it is contributing as much as possible to the achievement of national learning targets.  In particular, colleges may wish to use the opportunity of setting targets to tackle specific areas which need improvement, such as basic skills.

## Advice and Support

9    The Council's website holds the following information which is intended to help colleges:

- analysis of targets set for 1998-99
- form for entering targets for 1999-2000
- list of suppliers of kitemarked software.

These will be found under 'data' and then 'analysis and benchmarking'.

10    Colleges needing further advice on target-setting should, in the first instance, contact their college inspector on matters concerned with the target-setting process or the targets themselves, or the Council's research and statistics helpdesk on 024 7686 3224 for help with technical matters.

David Melville

# Guidance

## Introduction

1    The following guidance sets out requirements for colleges to set and report on targets for levels of student retention and the achievement of qualifications in 1999-2000. These apply to all colleges in the further education sector. The guidance refers to *Benchmarking Data 1995-96 to 1997-98: Retention and achievement rates in further education colleges in England,* published by the Council in September 1999.

### Principles

2    The following principles recommended by a working group and approved by the Council underpin the guidance. They are unchanged from 1998-99:

a.    targets should be set annually for all programmes offered by a college at departmental or sectional level, whichever is more appropriate, and these should be aggregated to form targets for the college as a whole;

b.    the targets should specify levels of retention and the achievement of qualifications;

c.    the format of the targets should match that of the national benchmarking data published by the Council;

d.    target-setting and reporting on performance should, as far as possible, fit in with the normal cycle of college business;

e.    each college corporation should have responsibility for approving targets set by the college managers and for monitoring performance against the targets;

f.    targets should reflect the objective of raising levels of student retention and achievement each year, or maintaining them at a very high level;

g.    colleges should be asked to share proposed targets with the college inspector before their consideration by the corporation;

h.    targets for 1998-99 should be shared with the Council by the end of May and,

thereafter, targets and performance against previous targets should be considered by the corporation and shared with the Council by the end of March of each year;

i.    the primary instrument for recording progress against targets should be the individualised student record (ISR);

j.    each year the Council should analyse and publish individual college targets and performance, and sector aggregates, based on data provided by colleges.

## Setting Targets

3    The Council wishes to see year-on-year improvements in student retention and achievement rates as a result of each college setting and achieving challenging targets. These should take into account the national benchmarking data published by the Council. Colleges will be expected, in particular, to focus their attention on those programmes and aspects of provision which contribute to performance falling significantly below national averages.

4    In this context, each college should examine levels of retention and achievement for all programmes as part of its annual cycle of quality assurance. This examination should be based on an analysis of the ISR data held by the college and should inform self-assessments undertaken by teaching teams, and departmental and college managers. The aim should be to establish a regular regime of target-setting, monitoring and reporting on performance, leading to actions which remedy weaknesses in provision and consistently raise levels of student achievement. The Council expects target-setting to be a process which fully involves teachers and support staff, as well as college managers and governors.

5    The Council will not require colleges routinely to inform it of the detail of programme level target-setting, although colleges will wish to keep full records of their activity in order to demonstrate the effectiveness of their quality assurance when provision is inspected.

6    Colleges will not be expected to confirm their targets to the Council until March 2000 following the sending of ISR16.  It is expected that colleges will already have set provisional targets for 1999-2000 using kitemarked software.  Colleges will be able to revise these provisional targets in the light of information on student enrolment and achievement before they are confirmed and forwarded to the Council in March 2000.

# Role of the College Inspector

7    The development of appropriate targets for levels of retention and the achievement of qualifications is the responsibility of each college.  Nevertheless, the Council wishes to support colleges during the process of target-setting.  Colleges are therefore requested to keep college inspectors regularly informed of their progress and to take note of any feedback given about the appropriateness of the college's procedures for drawing up targets or the targets themselves, before they are considered by the college corporation.  With reference to national benchmarking data, college inspectors will pay special attention to any targets which do not address poor performance.  To ensure that they are adequately informed, college inspectors will want to assure themselves that:

- targets for retention and achievement are set annually for college programmes
- the college has focused attention on those programmes which have performed poorly
- a wide range of staff are involved in setting targets
- the college has taken account of previous rates of retention and achievement and national benchmarking data and has set targets designed to improve levels of retention and achievement or maintain them at a high level.

# Consideration by the College Corporation

8    The Council considers that college corporations, as part of their duties in respect of college performance and strategic planning, should have an influential role in agreeing targets and in monitoring their college's progress towards achieving them.  Consequently, before sending targets to the Council, college corporations are asked formally to consider and approve targets for the current year.  The Council expects corporations to explore thoroughly the proposed targets and the implications of acting to achieve them.   In particular, corporations should satisfy themselves that appropriate attention has been paid to setting targets for areas of poor performance and that adequate resources have been assigned to support their achievement.

# Format of Targets

1    The format for the target information requested by the Council is shown in table 1. It is unchanged from 1998-99. The form will be made available to colleges electronically by the end of December 1999. Nearly three-quarters of colleges returned their targets electronically for 1998-99. All colleges should do this in 1999-2000. A number of improvements are being made to the electronic form for 1999-2000 to address issues raised by colleges.

In summary, the improvements on the electronic form will include:

- a password for accessing the form; this will be sent to college principals when the form is available
- an automatic reply confirming receipt of targets and the targets themselves
- additional notes to assist completion of the form
- the facility for a college to send an updated version of their targets.

**Table 1.  Targets for 1999-2000**

| *Qualification type* | *Level* | | *16–18* 1998-99 outcomes | *16–18* 1999-2000 targets | *19+* 1998-99 outcomes | *19+* 1999-2000 targets |
|---|---|---|---|---|---|---|
| **Long** | 1 | No. of starters | | | | |
| | | of which level X | | | | |
| | | Retention rate (%) | | | | |
| | | Achievement rate (%) | | | | |
| | 2 | No. of starters | | | | |
| | | of which level X | | | | |
| | | Retention rate (%) | | | | |
| | | Achievement rate (%) | | | | |
| | 3 | No. of starters | | | | |
| | | of which level X | | | | |
| | | Retention rate (%) | | | | |
| | | Achievement rate (%) | | | | |
| | H | No. of starters | | | | |
| | | of which level X | | | | |
| | | Retention rate (%) | | | | |
| | | Achievement rate (%) | | | | |
| | X | No. of starters | | | | |
| | | Retention rate (%) | | | | |
| | | Achievement rate (%) | | | | |
| **Short** | All levels | No. of starters | | | | |
| | | of which level X | | | | |
| | | Retention rate (%) | | | | |
| | | Achievement rate (%) | | | | |

## Coverage of the targets

2    The national benchmarking data are built from individual college data on cohorts of students.  Each cohort is associated with a particular qualification being studied over the same duration and expected to end in the same teaching year at the college.  Cohorts which consist entirely of Council-funded students, or a mixture of Council-funded and non-Council-funded students are included.  Colleges should aim to replicate this approach in their target-setting.  Overall, 95% of the 'number of starters' in the benchmarking data are Council-funded students and 5% are non-Council-funded students.

3    Colleges are not required to set targets for non-schedule 2 provision as it is not currently possible to measure outcomes on non-schedule 2 courses in a systematic way.

4    Some provision is recorded in the ISR on qualifications where the notional level is not available from the qualifications database.  These are mainly qualifications which colleges have recorded using generic qualification codes.  The majority are notional level 1 qualifications, but some are at higher levels.  There are two ways of recording these qualifications on the target-setting response form.  Where the notional level of the qualification is known internally within the college, then these qualifications should be included at the appropriate notional level with the number of starters identified separately in the 'of which level X' row of the form.  Where the college is not able to reassign these qualifications to an appropriate notional level, they should be included either in 'long level X' part of the form or with all other short qualifications if they are of fewer than 24 weeks in length.

## GCSEs

5    In 1998-99, three different approaches to recording GCSE achievements were adopted:

a.    50% of colleges included only grades A* to C;

b.    27% included grades A* to G; and

c.    23% included only GCSEs where funding units had been claimed.

Colleges were asked to indicate which of these three approaches they had taken.  In order to promote a consistent approach the Council intends that only those GCSEs where achievement funding is being claimed should be included as achievements for target-setting purposes.  These will generally be A* to C, the exception being where the qualification aim is a lower grade.  The exception that the Council is aware of is where a student following a basic education programme might have grade D at GCSE mathematics or English as their qualification aim.

## Support for colleges

6    Colleges are asked to refer to the definitions set out in the Council's annual benchmarking data publication and their own results for 1995-96 to 1997-98, sent to them in November 1999, when setting their targets.  This will ensure that the approach to target-setting is consistent across the sector.

7    At the time of publication, 12 software suppliers to the sector have software kitemarked by the Council which can assist colleges with analysis of their historical ISR data.  Some suppliers are also developing tools to assist colleges when setting targets.  Following a meeting between the Council and the kitemarked software suppliers in July 1999, the Council has provided the following information to these suppliers:

- guidance on pseudocode for 1998-99 and 1999-2000
- guidance on the inclusion of individualised student record (ISR) returns
- guidance on standard reports to be produced by kitemarked software
- guidance on how to report on qualifications of unknown notional level.

The information provided to these suppliers is available on the Council's website under 'data' and then 'analysis and benchmarking' and 'kitemarked software'.

# Analysis of Target and Actual Retention and Achievement Rates 1996-97 and 1997-98

## Introduction

1    To help colleges set targets, the results of an analysis of two data sets are presented as follows in this annex:

- first, individual college benchmarking data for 1996-97 and 1997-98 produced from the individualised student record (ISR) was analysed to determine the actual levels of improvement achieved by colleges between 1996-97 and 1997-98

- second, the target levels of improvement colleges set between 1997-98 and 1998-99 have been summarised.

## Actual Improvement 1996-97 to 1997-98

2    An analysis of improvement made is set out below.  Retention and achievement data for 379 colleges were included in the analysis.  Colleges were excluded from the analysis where agreed data had not been received by the time the analysis had been carried out or where there were concerns about the credibility of the data.

3    Table 1 shows average rates of improvement in retention.  The numbers and rates of improvement shown relate to all colleges which showed improvement in retention, regardless of the corresponding changes in achievement.

4    Table 2 show the range of improvements which colleges made in achievement rates.  This includes all colleges improving achievement, regardless of the changes in retention.

**Table 1.  Colleges showing an improvement in overall retention rate, 1996-97 to 1997-98**

| *College retention rate 1996-97* | *Colleges No.* | *Average improvement %* |
|---|---|---|
| Under 70% | 35 | 6 |
| 70–80% | 100 | 4 |
| Over 80% | 64 | 3 |
| All improving colleges | 199 | 4 |

**Table 2.  Colleges showing an improvement in overall achievement rate, 1996-97 to 1997-98**

| *College achievement rate 1996-97* | *Colleges No.* | *Average improvement %* |
|---|---|---|
| Under 40% | 12 | 20 |
| 40%–50% | 39 | 13 |
| 51%–60% | 68 | 11 |
| 61%–70% | 51 | 9 |
| 71%–80% | 34 | 7 |
| 81%–90% | 42 | 4 |
| Over 90% | 5 | 2 |
| All improving colleges | 251 | 9 |

5    Tables 1 and 2 demonstrate that colleges which start from a position of relatively poor retention or achievement might reasonably expect to make more significant improvements than those which have already achieved high levels.  For example, a college with an achievement rate of 55% might set a target for 10% improvement, whereas a college with an 85% achievement rate could set a target for 4% improvement, both of which could be seen as challenging and realistic.

6    Some 129 colleges in the sector improved both their retention and achievement rates between 1996-97 and 1997-98.  The average for these colleges was an improvement of 3% in retention and 8% in achievement.  This is similar to the pattern of average improvement made in retention and achievement when they are considered separately.

## Target Levels of Improvement 1997-98 to 1998-99

7    An analysis of the targets colleges set for improvement is set out below.  Targets for 338 colleges were included in the analysis.  In summary:

- the median target improvement was around 2 percentage points for retention rates and 3 percentage points for achievement rates.  A similar median level of improvement was targeted across age-groups and notional levels (see tables 3 and 4)

- the range of target improvement was greater for achievement than retention and the range of improvement in retention rates was greater for 19+ students than for 16–18 year olds (see tables 3 and 4)

- over half of colleges were planning to improve both retention and achievement rates between 1997-98 and 1998-99, with most of the remainder planning to improve either retention or achievement rates.  A small number (around 25) of colleges were not planning an improvement. This may be due to colleges being aware of a decline in retention or achievement rates for 1998-99 at the time targets were confirmed.

**Table 3.  Target levels of improvement in retention and achievement rates, 1997-98 to 1998-99 for 16–18 year olds**

| | *Level* | *Retention* | | | *Achievement* | | |
|---|---|---|---|---|---|---|---|
| | | *25th percentile* | *Median* | *75th percentile* | *25th percentile* | *Median* | *75th percentile* |
| Long qualifications | 1 | 0 | 2 | 3 | 1 | 4 | 10 |
| | 2 | 1 | 2 | 4 | 1 | 3 | 7 |
| | 3 | 0 | 2 | 5 | 1 | 3 | 6 |
| Short qualifications | | 0 | 0 | 2 | 0 | 3 | 8 |

*Note: data refer to all colleges sending targets*
*all figures given as percentage point target improvement*

**Table 4.  Target levels of improvement in retention and achievement rates, 1997-98 to 1998-99 for students over 19**

| | *Level* | *Retention* | | | *Achievement* | | |
|---|---|---|---|---|---|---|---|
| | | *25th percentile* | *Median* | *75th percentile* | *25th percentile* | *Median* | *75th percentile* |
| Long qualifications | 1 | 0 | 2 | 5 | 1 | 3 | 9 |
| | 2 | 0 | 2 | 4 | 1 | 3 | 8 |
| | 3 | 0 | 2 | 6 | 1 | 3 | 8 |
| | H | 0 | 2 | 4 | 1 | 4 | 12 |
| Short qualifications | | 0 | 0 | 2 | 0 | 2 | 6 |

*Note: data refer to all colleges sending targets*

*all figures given as percentage point target improvement*

# January 2000