

# Circular 00/30

## Quality Improvement

### Use of the Standards Fund: Arrangements for Claiming Achievement Funds and Extending Post-inspection Support

#### Summary

This circular will be of interest to college principals. It sets out arrangements for claiming achievement funds and also seeks views on proposals to extend current arrangements that provide financial support to colleges implementing post-inspection action plans.

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#### Further information

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# Use of the Standards Fund

## Introduction

1 This circular provides information to colleges about arrangements for claiming the achievement element of the standards fund. The achievement fund aims to reward colleges which demonstrate that they have raised achievement levels, meeting published criteria. The Council also seeks the sector's views on proposals to extend post-inspection action plan support to make targeted funding available to a wider range of colleges. Both of these initiatives extend the Council's strategy for helping colleges raise the standard of their work.

## Achievement Fund

2 Principles guiding allocations to reward achievement in the financial year 2000-01 were set out in Council Circular 00/15. These were that:

- a. awards from the fund will be based on benchmarking data for 1998-99 and 1999-2000 for all qualifications other than short courses;
- b. the educational character of the college does not change significantly;
- c. separate awards to colleges will be made for the achievements of students aged 16 to 18 and for adults;
- d. within each age-group, colleges will qualify for an achievement award where there is an improvement in the rate of achievement between 1998-99 and 1999-2000 of at least two percentage points. Awards made on this basis will be directly proportional to the size of the achievement;
- e. colleges which were in the bottom quartile for achievement in 1998-99 will receive double the award they would otherwise have received;
- f. colleges will not receive an award if there is a decline in their rate of retention between 1998-99 and 1999-2000;
- g. the size of any award will be directly proportional to the number of full-time equivalent students in the relevant age-group in 1999-2000;

h. colleges for which the Council does not have benchmarking data or where there are concerns about the quality of data will be excluded from receiving awards from the achievement fund.

3 Arrangements for claiming payments for achievement are at annex A.

## Extending Post-inspection Support

4 Many colleges do not get access to the standards fund to improve provision which is graded as good (grade 2) or satisfactory (grade 3). This is because priorities agreed after previous consultations focus much of the available funding on colleges identified through regional review as needing additional support and those colleges which have outstanding provision.

5 Recently, ministers have publicly expressed concern about the need to improve provision which occupies the broad middle ground between that which is outstanding and that which is poor. A similar sentiment has been expressed by the chief inspector who, in his 1999-2000 annual report, commented on the 45 colleges out of 112 inspected during the year where the majority of curriculum provision was judged to be no better than satisfactory. The aim of the proposals in annex B is to remedy this situation by making available a supplement to post-inspection action plan support.

## Timetable

6 Colleges are required to provide data for ISR19 by 5 February 2001. Claims for achievement funds should be made no later than 16 March 2001. Payments to colleges will be made from May 2001.

7 Colleges are invited to respond to the consultation questions set out in annex C by 3 February 2001. If the proposals are supported, it is intended to seek action plans by 31 March and commence payments from April 2001.



# Payments from the Achievement Fund

1 The following paragraphs set out arrangements for claiming payments to colleges in respect of their achievement levels in 1999-2000.

## Sources of Data

2 The 1998-99 baseline retention and achievement rates for all qualifications except short courses will be calculated by the Council using ISR16 (31 December 1999; 1998-99) data. This was sent to institutions during October and November 2000.

3 Allocations will be calculated using outturn data from ISR19 (31 December 2000; 1999-2000), due to be returned in February 2001.

## Claiming Eligibility

4 In order to expedite and simplify the allocation process, colleges wishing to be considered for an award from the achievement fund are asked to notify the Council of their eligibility, preferably when they return ISR19 data in February and certainly **no later than 16 March 2001**. In making their claim colleges should consider whether they satisfy the criteria included in Council Circular 00/15 (reproduced in paragraph 2 of this circular) and provide the following information.

	1998-99		1999-2000	
	16-18	19+	16-18	19+
Overall achievement rate (%)*				
Overall retention %*				

\* Note: based on aggregated data for all long qualifications. For definitions and methodology see annex B, Benchmarking Data 1996-97 to 1998-99, September 2000

5 Colleges should e-mail their claim to: fundstat@ fefc.ac.uk. using the subject heading 'Achievement Fund'.

6 Colleges should not include in their calculations any figures relating to non-schedule 2 provision as it is not currently possible to measure outcomes on non-schedule 2 courses in a systematic way.

7 The Council will understand that colleges that have not supplied complete data by 16 March 2001 have decided that it is inappropriate for them to be considered for an award.

8 The Council will validate all claims of eligibility for achievement funds. The number of full-time equivalent students in 1999-2000 will be calculated by the Council from the ISR 17 (31 July 2000; 1999-2000) data return.

9 The Council will conduct a range of credibility checks on submitted ISR data as and where deemed necessary. For example, credibility queries will be raised where:

- more than 15% of retained students are flagged as continuing beyond their expected end date
- more than 15% of completed qualifications have an unknown outcome.

## College Mergers

10 Where colleges have merged before 1 August 2000, awards will be made to the merged institution, not the component parts.

11 Benchmarking retention and achievement rates are calculated across the entire duration of a course and where longer courses have spanned the date of merger, it is essential that individual student reference numbers are managed such that students are tracked throughout the length of their course.

## Support for Colleges

12 Colleges are asked to refer to the definitions set out in the Council's annual benchmarking data publication.

13 At the time of publication, 15 software suppliers to the sector have software kitemarked by the Council that can assist colleges with the analysis of their ISR data. The Council has made available to the kitemarked software suppliers the following information

- Guidance on pseudocode for 1998-99 and 1999-2000
- Guidance on the inclusion of ISR returns
- Guidance on standard reports to be produced by kitemarked software.

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

# Extending Post-inspection Support

1 The Council wishes to make more funding available to colleges aiming to make improvements in the quality of their work, focusing particularly on provision which is neither distinguished by being outstanding or of poor quality.

2 In Circular 00/15 the Council set out arrangements for the use of the standards fund in 2000-01. This included a college improvement category covering:

- Colleges causing concern - category 1(a)
- Post-inspection support - category 1(b).

3 It is proposed to supplement the funds available to colleges under category 1(b) to provide additional funds for eligible colleges.

## Eligibility

4 Colleges that have been accredited or have been judged to have outstanding provision have access to significant funding under category 5 of the standards fund, which supports the dissemination of good practice. However, an analysis of inspection grades has revealed that colleges which achieve a low number of outstanding grades (grade 1) as a result of inspections often have a significant amount of provision judged to be no better than satisfactory (grade 3). Of the 324 colleges inspected between 1997-98 and 1999-2000, 162 colleges achieved at least one grade 1, but 87 of these (54%) had more grade 3s than grade 1s. Further analysis has revealed that many colleges with a limited amount of outstanding provision tended not to seek funding under category 5 of the standards fund.

5 Colleges that are judged as requiring additional support through the Council's regional review are provided with substantial funding to address issues related to performance and quality. These funds are in addition to post-inspection action plan support.

6 In the light of these considerations, it is proposed that colleges eligible for the supplement will be those which, as a result of inspection in the current cycle:

- have not been awarded accredited status
- have achieved no more than two grade 1s for outstanding provision

- are not in receipt of funding within category 1(a) of the standards fund (colleges causing concern).

7 Application of these criteria would include some 60% of all colleges inspected to July 2000 in the current cycle.

## Funding Arrangements

8 The following method is proposed for allocating funds to middle ranking colleges. All eligible colleges will receive:

- a baseline amount and, in addition
- a further amount for each grade 3, 4 or 5 in their overall grade profile.

9 The main aim of this proposal is to establish a simple but fair funding method. There is no assumption of a target standard that requires a particular level of funding to achieve. Nor is there any notion of 'rewarding failure' which might be construed from a method which allocated more funding to address issues associated with a grade 4 than a grade 3. College size is reflected in the number of grades awarded in inspection, and therefore the extent to which provision may be eligible for funding.

10 It is intended that about 75% of funding will be allocated for improving provision judged to be no better than satisfactory. Nevertheless, a college that has all provision judged better than satisfactory, but little that is outstanding, will receive still the baseline allocation. The aim is to help all eligible colleges make improvements and raise the standard of their work regardless of their starting point.

## Merged Colleges

11 The Council is mindful that some colleges have merged since their inspection. In some cases, the Council has partial inspection evidence because not all partners in the merger have been inspected since 1997-98. In others, inspection grades are available for each partner, but these relate to quality before the merger took place.

12 The Council does not wish merger to militate against any support it can offer for quality improvement. It is therefore proposed that all institutions that have merged since 1997-98, unless otherwise excluded by the criteria, should be eligible to receive support equivalent to the median of

funding distributed to other colleges under the proposed arrangements.

## **Further Education Provision in Higher Education Institutions**

13 Since 1997-98, a small number of colleges were inspected and subsequently transferred to the HE sector. The Council's inspectorate has also inspected further education provision in five HE institutions funded by the Council since 1997-98. It is proposed that the further education provision graded by Council inspectors is brought within the scope of the current proposals.

## **Release of Funding**

14 Funding will be released on receipt of a costed action plan including specific objectives and targets; responsibilities; timescales and monitoring arrangements. Action plans should reflect the colleges' commitment to address issues identified during inspection and promote good practice.

# Consultation

(Reference Circular 00/30)

Please photocopy, complete and return this form to Vicky Archer at the Council's Coventry office by 3 February 2001.

## THE FURTHER EDUCATION FUNDING COUNCIL

Name of organisation

FEFC code

Contact name

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Coventry CV1 2WT

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### Consultation questions

Colleges are invited to indicate on this form whether they agree with the proposals for extending funding available under category 1(b) of the standards fund (college improvement) used for post-inspection support.

		Strongly agree	Agree	Disagree	Strongly disagree	Don't know
1	Do you agree with the proposed criteria for identifying eligible colleges (annex B, paragraph 6)? <i>(please tick)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Do you agree with the proposed arrangements for allocating funding (annex B, paragraph 8)? <i>(please tick)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Do you agree with the proposed arrangements for merged colleges (annex B, paragraph 12)? <i>(please tick)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Do you agree with the proposed arrangements for supporting FE provision in HE institutions (annex B, paragraph 13)? <i>(please tick)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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