

Planning for Success – a framework for planning and quality

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This document is of interest to all colleges
and training providers receiving LSC funding
plus partners and stakeholders

Further information

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This document sets out guidance for providers on new arrangements for the agreement of development plans in 2006.

From January 2006, providers will agree a new development plan for 2006/07 onwards with their local LSC. Providers not currently meeting relevant minimum performance levels will be required to agree rigorous improvement actions in their development plan.

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Planning for Success – a framework for planning and quality

Section 1: Introduction

1 Our *agenda for change (Learning and Skills – the agenda for change: the Prospectus, LSC, August 2005)*, set out proposals for a programme of radical transformation in response to the challenge of developing an effective, efficient and dynamic learning and skills sector. These proposals received broad support from colleges and training providers, as well as from Government and other stakeholders. We are now working in close partnership with the sector to make them a reality.

2 We gave more detail of our proposals for the overhaul and simplification of our funding system in our first technical annex to *agenda for change (Learning and Skills – the agenda for change: Funding Reform – Technical Proposals, LSC, August 2005)*. We recognised that this would have significant implications for the way in which we plan with providers to meet our priorities. We also set out in our *agenda for change Prospectus* how quality will be placed right at the heart of the planning dialogue. These commitments should not be viewed in isolation. As we seek greater alignment between our priorities, plans and the finite resources available to the sector, our ability to plan collaboratively at a strategic level will be critical to our success.

3 Building on *Success for All* and responding to the challenges set out by Sir Andrew Foster in *Realising the Potential* (DfES, 2005), we are committed to the transformation of our relationship with colleges and training providers from one based on contracting, monitoring and reconciliation, to one based on principles of planning, dialogue, partnership and trust. Our framework for planning must be simple and transparent, yet sophisticated enough to reflect properly the unique contribution made by each provider in meeting the learning and skills needs of its local community.

4 The Learning and Skills Council (LSC) has a statutory responsibility to plan, fund and secure high quality provision so that within Government priorities and targets for learning and skills:

- local communities have access to relevant and high quality learning opportunities
- individuals of all ages and backgrounds acquire the knowledge and skills that will enable them to realise their potential, improve their life chances and contribute to economic growth
- employers are able to recruit and develop the skilled and qualified workforce they need for business success.

This will require us to take informed decisions about the best arrangements for provision at local and regional levels, based on a thorough analysis of both need and quality.

5 We can no longer define quality on the basis of success rates and inspection grades alone. We must aim for higher quality in all providers, including those where provision is currently regarded as satisfactory, and look to see the impact upon economic and social change. For the LSC, high quality provision is characterised by its:

- relevance to local, regional and national learning and skills needs and priorities, and the contribution to the achievement of Government targets
- effectiveness in enabling all learners and employers to succeed in achieving their planned goals, currently expressed in terms of success rates and other achievement measures
- efficiency in the use of resources to achieve agreed plans.

6 We recognise that responsibility for quality lies first and foremost with providers. We must ensure that our framework for planning is founded on providers' own processes for planning, evaluation and improvement. This will place responsibility for self-improvement firmly in their hands. We want to have a 'light touch' relationship where provision is good and to avoid micro-management, but we need to be far more incisive in the decisions we make about support and action where quality is poor or fails to improve. We want to use each provider's own analysis of its performance as the starting point for our planning and review discussions.

7 Many colleges and training providers deliver high quality provision. There is, however, too much variability in quality across the sector and between subject areas. In some cases, improvements in quality are not sustained from year to year. Through the revisions to the planning and allocations process proposed in *agenda for change*, we want to work together to address under-performance within the sector, accelerate improvement, and support colleges and training providers to build their reputation for the consistent delivery of high quality education and training.

8 Clarity about respective responsibilities for quality will be important as we work with partners to transform the relevance, effectiveness and efficiency of provision. The Quality Improvement Agency (QIA), which will be operational from April 2006, will have responsibility for supporting quality improvement across the sector and for leading on the development of a national Quality Improvement Strategy. The LSC will, therefore, withdraw from allocating funding to support quality improvement. The LSC's role is to assure itself that the provision it funds is, initially, at least satisfactory and improving over time. We summarise the respective responsibilities of the LSC, QIA, other partners and providers in Annex C.

9 This document sets out how we will work with colleges and training providers to agree new development plans in 2006. We explain how we have revised our framework for planning to take greater account of the contribution each provider makes to meeting the priorities of the local area outlined in the local LSC annual plan. As we continue to implement *agenda for change*, we will work with the school sector to bring post-14 provision fully within the planning framework.

10 We are publishing our revised framework in line with our Business Cycle, which begins in autumn 2005. The changes to our ways of working with the sector are set out in this document and the specific actions we and colleges and training providers will need to take in 2006 are detailed in paragraph 19. We recognise,

however, that embedding such reforms will take time for colleges, other training providers and the LSC. We will use 2006 as a transitional year and as we continue to implement *agenda for change* in 2007 onwards, we will introduce further refinements, taking into account feedback from providers and other partners. But a more flexible and differentiated framework for planning, with quality at its centre, is the essential foundation on which we need to build.

Principles

11 To meet the commitments set out in *agenda for change* and to develop effective partnerships with providers that add value, our framework for planning is founded on the following principles:

A differentiated approach

12 The framework for planning and discussions about provision must recognise the diversity within the sector. It should focus on each provider's key strengths and areas for improvement within the context of its distinct mission and contribution to the local and regional provider network. The scope and detail of the planning dialogue will be proportionate to the quality of provision and its impact on meeting needs and priorities in the local area. We believe that a 'one size fits all' framework for planning does not support the development of a true partnership between the LSC and providers.

Collaboration, partnership and trust

13 As was envisaged in *Success for All*, the local LSC annual plan and provider development plans need to flow from a shared planning dialogue between the local LSC, its strategic partners and providers. We must trust providers to plan effectively, enabling them to get on with the job of continuously improving the quality of provision. We will share openly between us information and data analysis to support the planning dialogue. Where there are changes in provision to meet employer needs or to respond to gaps in supply, we will share the associated risks through a guaranteed level of funding between years.

A clear line of sight between national targets, plans and funding

14 The framework must be capable of clearly reflecting in local LSC annual plans and in provider development plans the delivery of our Public Service Agreement (PSA) targets and performance indicators (see *Transforming learning and skills: Our Annual Statement of Priorities*, LSC, November 2005). The outcomes of the planning process should be a more

effective use of funds at local and regional levels to deliver our priorities and targets, while enabling local dialogue about how best those priorities and targets are delivered in each locality. For the LSC, this requires much closer integration between local plans, regional and local allocations, and local commissioning decisions.

Quality assurance is integral to the planning process

15 The LSC's role is to work with providers to assure itself that the provision it funds is, initially, at least satisfactory and improving over time. This is achieved through discussions with colleges and training providers on their development plans, which will be underpinned by self-assessment. Planning decisions will be based on the relevance, effectiveness and efficiency of this provision. We will work with the sector to develop the framework for quality assurance. This will include a method of jointly assessing the risks to provision that results in high levels of learner success, meets employer needs and achieves the priorities and targets in the local LSC annual plan. We must use the framework for planning to predict, manage and overcome risks associated with poor quality in order to be more effective in safeguarding the interests of learners.

Self-assessment is the starting point for assessing quality

16 Working in partnership with the sector, each provider's own evaluation of its provision should be the starting point for planning discussions with the LSC. The key outcomes from self-assessment will be an important source for local LSCs in making planning and funding decisions based upon an assessment of the quality of provision. By 2007/08, self-assessment and strategic analysis should reflect an evaluation of the relevance, effectiveness and efficiency of delivery to inform plans and priorities for future investment.

Contestability and choice

17 We will only purchase provision which is of good quality and responsive to needs and priorities. Improving poor and satisfactory provision to achieve high quality will be a central consideration in the LSC's decisions for agreeing development plans and allocating funding. Where our analysis identifies gaps in provision, we will draw on existing good quality providers or bring new providers into the network so that learners and employers have better access to opportunities that meet their needs. This will be particularly important as we roll out Train to Gain – the National Employer Training Programme (NETP).

Building the LSC's capacity to deliver

18 In meeting our responsibilities for planning and securing high quality provision, we recognise that we

must have in place the appropriate capacity and individual skills at all levels within the LSC. We are meeting this challenge through our own internal transformation as part of *agenda for change*.

For action

19 In the 2006/07 planning round, beginning in autumn 2005, we will:

- introduce a new format for development plans (described in Annex A) and request all colleges and training providers included in existing development planning arrangements to agree a new development plan for 2006/07 onwards with their local LSC
- extend the use of minimum levels of performance benchmarks to include inspection grades and teacher qualifications in further education, as well as existing success rate floor targets. We will require all colleges and training providers not currently meeting relevant minimum performance levels to agree rigorous improvement actions in their development plans
- cease to fund provision that is judged as inadequate on re-inspection. Provision currently assessed as inadequate will be under notice to improve, with consideration given to the extent to which the provision or provider will continue to be funded and at what level
- encourage colleges and training providers to carry out a more holistic self-assessment and strategic analysis (described in Annex B), to make the main outcomes available to the LSC to support the planning dialogue, and to upload finalised self-assessment reports for the 2005/06 academic year to the Provider Gateway no later than 31 December 2006.

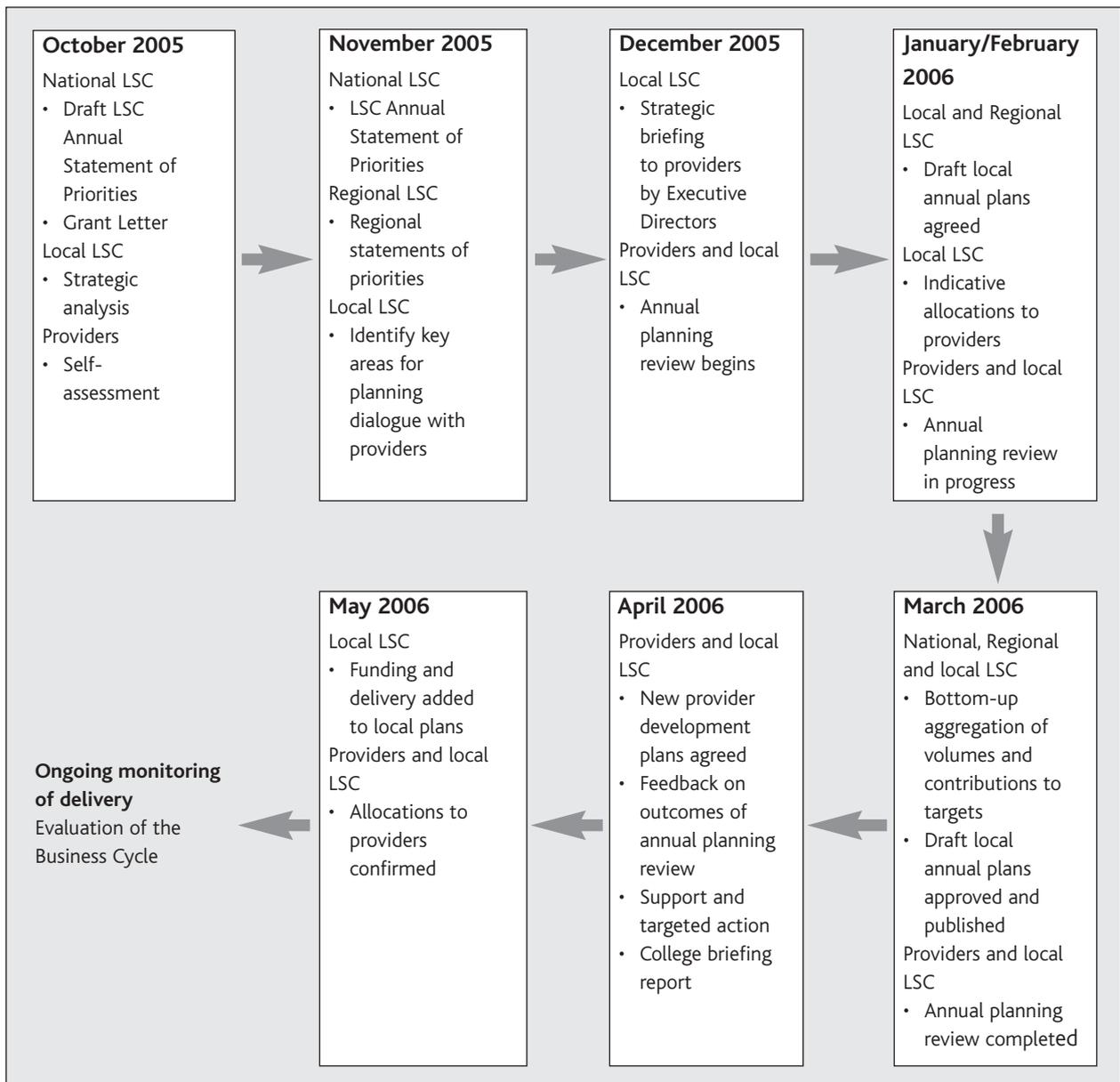
Section 2: From Assessment to Improvement

20 In this section, we explain the changes in our framework for planning and the core processes within our Business Cycle through which the issues for discussion with colleges and training providers will be

identified, leading to the agreement of a development plan. In most cases, the changes we are introducing represent new ways of working within our established Business Cycle. We describe the process for agreeing the development plan and the actions we expect to take to address poor quality provision and support improvement.

21 The main components of the LSC’s Business Cycle are shown in Figure 1.

Figure 1: Main components of the LSC’s annual Business Cycle 2005/06



NB: Different timings will apply to school sixth forms

Strategic analysis

22 Every autumn, the local LSC will draw together information to carry out an analysis of the supply of and demand for learning and skills provision within the local area. The priorities set out in regional and national statements provide the context for this analysis. There are three main components to the strategic analysis:

- an assessment of current and future learning and skills demands, including the implications of national policies and regional skills priorities for local delivery, to determine the targets and priorities for the local area, issues relating to equality and diversity and the well-being of learners
- a stock-take of current learning and skills supply, based on the capacity and capability of the provider network to deliver the volume, mix and quality of provision needed. This will identify overall gaps in supply as well as areas of provision where there is poor quality or where there is duplication that does not benefit learners. The main outcomes will be the identification of significant changes to the mix and balance of provision, and the extent to which the commissioning of new providers or provision is required
- the identification of the key issues for the development planning dialogue, taking into account the performance of each provider and the significance of its provision in meeting local priorities and targets, drawing on each college's and training provider's own self-assessment and analysis.

23 The strategic analysis will enable colleges and training providers and the local LSC to operate an early warning system for poor quality provision and take appropriate action. Subsequent discussions between the local LSC and colleges and training providers will focus on the actions and improvements needed to manage the key issues and risks to the delivery of planning priorities.

24 The scope of the LSC's assessment of risk will complement the approach used by the Inspectorates. We will work with the sector to develop an approach to risk assessment that is consistent with the Common Inspection Framework (CIF) and informs a more holistic process of self-assessment.

Provider self-assessment

25 The LSC's recently published guidance on self-assessment and quality improvement for colleges and training providers (*Quality Improvement and Self-assessment*, LSC, May 2005) outlines in broad terms how the outcomes from the provider's self-assessment becomes the starting point for the planning and review dialogue.

26 Responsibility for self-assessment lies with each college and training provider as a fundamental element of its day-to-day management. It will continue to be important to act immediately on the outcomes of self-assessment, developing improvement plans and integrating them into operational plans. Planning discussions will provide a summative point at which current and planned actions in response to the key outcomes of self-assessment can be reviewed and progress reflected. College governors will wish to ensure that self-assessment reports adequately address improvement priorities.

27 Each college's and training provider's quality improvement plan links self-assessment to the development plan, and together we will review the impact of planned actions on improvements in relevance, effectiveness and efficiency to inform future assessments of performance and risk.

28 The arrangements for making self-assessment reports available to the LSC are set out in Annex B.

The relationship with inspection

29 Changes to the CIF for the second cycle of inspection that began in September 2005 have significant implications for assuring the quality of provision and the respective roles of the LSC and Inspectorates. Under the new arrangements, the Inspectorates will apply a risk-proportionate approach to inspection. This will mean that not all colleges will be inspected during the four-year cycle, and in a significant number of cases, those colleges that are inspected will not undergo a full inspection of curriculum areas. In such circumstances, our strategic analysis will become even more critical to our ability to predict, prevent and manage poor provision.

30 To support the inspection process, new arrangements for annual assessment visits (AAVs) have been introduced for colleges. When planning discussions have been concluded each year, the LSC will produce a briefing on each college summarising the outcomes of the annual planning review and key aspects of the development plan. This will be shared with the college and used for the pre-visit meeting between Ofsted and the local LSC. Following the AAV, Ofsted will meet again with the local LSC to provide feedback. Local LSCs will use the feedback to support ongoing monitoring of improvement.

Minimum levels of performance

31 In May 2003, we introduced a minimum level of performance benchmark in the form of success rate floor targets which all colleges and the majority of other training providers must meet by July 2006. We now intend to extend the use of minimum levels of performance benchmarks and link them to our strategic analysis and subsequent commissioning decisions. In those instances where minimum levels of performance are not met, we will take action to manage poor quality provision as we set out in paragraph 52.

32 Following significant improvements in success rates in recent years, the Government has set a target for the FE sector to achieve an overall success rate of 76 per cent by July 2008. Minimum levels of performance, therefore, should be set against the overall trend in improvement. We will regularly review minimum levels of performance to ensure that they reflect relative performance across the sector and the overall pace of improvement being sustained. From autumn 2006, minimum levels of performance benchmarks will be published annually alongside our Annual Statement of Priorities. By September 2008, we will no longer be funding provision that does not meet or exceed all current benchmarks for minimum levels of performance.

33 For the 2006/07 planning year, minimum levels of performance will be based on existing success rate floor targets, inspection grades, delivery of participation targets and the qualifications of the teaching workforce in further education. Further detail is given in Annex A, paragraph 15.

34 We are currently developing new measures of success that will provide a core set of performance indicators to be used by the LSC, Department for Education and Skills (DfES) and the Inspectorates, and by colleges and training providers as the basis for day-

to-day management and self-assessment. These are being introduced or piloted in 2005/06. We anticipate that as development and piloting are completed, most measures will be in place for the 2007/08 planning cycle. Further details can be found at www.lsc.gov.uk/nms

35 The further development of benchmarks will be led through the Business Excellence theme of *agenda for change* and developed as part of the New Measures of Success programme. They will include new standardised efficiency and value for money indicators to improve business performance, as well as a clear methodology for the application of success rate benchmarks at subject sector level. To support an holistic assessment, we believe that it is important to develop similar measures that cover the mix and balance of provision. All of these measures combined will enable colleges and training providers to identify in their own assessment and analysis the key areas in which their performance needs to improve. The LSC will prioritise these areas for improvement in the review of development plans. This will support a more focussed dialogue and lighter touch relationship with each college and training provider where plans are consistently achieved and improvement sustained.

Development plan

36 The development plan is the key transactional tool underpinning the relationship between the LSC and the colleges and training providers we fund. It is a strategic document that sets out the provider's commitment to raising standards and improving outcomes for learners, employers and communities. It details how the delivery of provision aligns with learning and skills needs identified in national and regional statements of priorities and the local LSC annual plan, within an agreed level of resource. It will be the basis for allocating funding to support the critical areas of investment that reflect the strengths and specialisms of each provider, and forms part of the funding agreement.

37 Planning only at a headline level is not sufficient to reflect the unique contribution to be made by each college and training provider in meeting learning and skills needs in the local area, nor on the agreement of key priorities to be addressed. The plan should support a dialogue that focuses more effectively on strengths and areas for improvement arising out of each college's and training provider's own analysis and assessment. We will no longer separately agree headline performance measures. We describe in Annex A how existing headline measures will be fully incorporated into other elements of the development plan.

38 For most colleges and training providers, the development plan will be a rolling three-year plan, reviewed and updated annually, and linked to the vision outlined in the local LSC annual plan. However, no matter how effective the analysis that supports the plan, there will always be the possibility of short-term priorities emerging, as well as longer-term infrastructure developments to be addressed. There will also be some circumstances where a planning horizon much beyond one year will not be appropriate – for example, where the risks associated with the stability and performance of new providers require a cautious approach to longer-term planning, or where colleges and training providers are judged as inadequate in inspection and rapid improvement is required.

Deriving the plan

39 The production and agreement of a development plan should not sit outside the normal planning and assurance processes that colleges and training providers have in place as an essential element of day-to-day

business management. Figure 2 shows a generic model of how these processes might be brought together to produce the development plan and to identify the priorities for improvement to be included within it. We do not intend this to be a prescriptive model – many colleges and training providers already have well-established and effective processes in place for strategic and development planning.

40 In the model shown in Figure 2, a strategic analysis identifies key policies, strategies and other demands for learning and skills. Providers assess their capacity and performance using benchmarks and other performance indicators. This strategic analysis and self-assessment leads to the identification of priorities for improving the relevance, effectiveness and efficiency of provision over the short and medium terms. The priorities for improvement identified through this process will then be agreed with the LSC and set out in the development plan. In turn, the achievement of the priorities for improvement will be monitored and evaluated through self-assessment and regular dialogue with the LSC.

Figure 2: Deriving the development plan



Improvement indicators

41 The agreement of specific improvement indicators is a key feature of a more differentiated framework for planning. They will be agreed within the context of the contribution made to provision in the local area and the strengths and priorities for improvement identified through the self-assessment process.

42 Through the annual planning review, colleges and training providers will identify improvement indicators drawing on the high-level priorities and actions set out in their self-assessment reports. These will be considered against the local LSC's own analysis of data and included in the development plan where agreed. In most cases, we expect that robust and holistic self-assessment and strategic analysis will automatically lead to the identification and agreement of the key priorities for improvement. They will reflect the commitment to better meet the needs of specific client groups or priority areas of curriculum to meet skill or sector needs. They will provide a means of focusing on issues of equality and diversity that are not well supported in the current framework for planning. Improvement indicators will not deal with routine management issues which are clearly the responsibility of each provider.

43 Improvement indicators may reflect priorities to be delivered over a single year where, for example, provision is judged as inadequate through inspection, or where new programmes are needed to respond to sector skills needs. Equally, where major shifts in the critical areas of investment and mix of provision are planned, longer-term indicators supported by periodic milestones may be appropriate. In any one planning round it would be possible for colleges and training providers and local LSCs to identify a mix of short, medium and longer-term indicators. The number of improvement indicators agreed should be in inverse proportion to the quality of provision delivered and therefore the degree of risk posed to the local LSC.

44 Improvement indicators will also underpin a more appropriate planning and improvement dialogue with providers delivering provision co-financed through the European Social Fund (ESF), Train to Gain (NETP) or the Offenders' Learning and Skills Service, where these providers have not previously been fully involved in the planning process; or those providers for whom the current development plan structure is inappropriate in its entirety – specialist colleges for learners with learning difficulties and/or disabilities, for example. They will also support collaborative and partnership delivery where a number of organisations develop a single plan, and will be an important means of integrating the provider planning process with school

development planning. As we further develop and implement the new funding system, we will look to integrate the improvement indicators within the arrangements for agreeing the LSC 'commissioned' element of funding in order to provide a further incentive for continuous improvement.

Tools and management information

45 Using existing data from the sector, we will develop a new set of reports and management information to support a more differentiated approach to the planning dialogue. These will include an analysis of the mix and balance of provision being delivered that reflect sector subject areas and key targets, reported in terms of learner participation, funding and learner outcomes.

46 Reports and data used to support the planning dialogue will be made available to the sector by the local LSC, fostering a more open and transparent process that provides clarity as to how final funding levels are determined.

47 To assist the sector in using and interpreting these reports, we will publish the definitions used to enable each provider to consider fully its position when entering into discussions with the local LSC.

Funding the plan

48 The role of funding is to support providers in achieving their agreed plans to meet needs and priorities, improve quality and promote equality, while providing sufficient stability to use the resources to maintain and develop the required capacity to deliver. As we set out in our *agenda for change* Prospectus, the LSC will fund the development plan, monitor performance and guarantee a core level of funding in the following year. For colleges and other grant-funded providers, we will not reconcile in-year performance but agree changes to the plan and funding through the planning dialogue for the following year.

49 The planning dialogue will be based upon the delivery and response to the LSC's national and regional statements of priorities. The priorities for funding in 2006/07 and 2007/08 and the forecast resources available to support delivery are set out in *Priorities for Success* (LSC, October 2005).

50 Regional and local briefings to the sector will detail the regional priorities and resources along with

the process for agreeing a funded development plan. The decisions made on the level of funding for 2006/07 to deliver the plan will be based on:

- a baseline or core level of funding with each provider that reflects the current funding outturn in 2004/05 and mix of provision in delivering, where appropriate, agreed priorities and targets as follows:
 - participation levels of young people
 - achievement levels of young people gaining a Level 2 or Level 3 qualification
 - achievement of Skills for Life qualifications
 - achievement levels of adults gaining a first full Level 2 qualification, or Level 3 in regionally identified sector skill areas
 - Apprenticeship framework completion rates
- an assessment of the delivery of provision in 2005/06 that draws on early participation information, the expected delivery of priorities and targets contained in the local LSC annual plan and, where appropriate, the achievement of planned numbers for young people
- the application of the funding policies set out in *Priorities for Success* to all providers. Where appropriate, planning discussions should highlight and reflect changes to provision already made and any risks posed by future changes including how these will be managed
- agreement of changes to the mix, balance and quality of provision, and growth in agreed areas in 2006/07.

51 Detailed information on the allocations process and the application of the changes to funding policy will be made available to the sector through the planning dialogue.

Dealing with poor quality provision

52 We will base our assessment of poor quality provision on minimum levels of performance for each subject sector delivered, and the extent to which colleges and training providers meet the commitments

set out in the development plan. This will be done within the context of a consistent regional quality strategy that draws on evidence from a variety of sources. By 2007/08, there will be very little provision that is funded by the LSC which is identified as being poor quality. Plans agreed with colleges and other training providers in 2006/07 will need to demonstrate how significant steps towards the elimination of poor quality provision will be made.

53 Where provision is of poor quality or fails to improve, the LSC will take action as appropriate, including:

- withdrawing funding from providers when planned improvement is not achieved or is at an unacceptable rate, or where provision fails to meet minimum levels of performance
- ceasing to fund poor quality provision in all or specific areas of the curriculum and re-commissioning with new providers where necessary
- specifying additional conditions of funding in the funding agreement or seeking to vary the terms of the contract for services
- requiring changes to strengthen management and leadership
- making decisions in relation to the commissioned element of funding when introduced
- agreeing detailed improvement plans and measures that set out clearly the expected timescale for improvement
- agreeing arrangements for more frequent monitoring of improvement plans.

54 We are currently developing further principles for withdrawing funding from poor quality provision, working with representatives from across the sector. We will publish the principles and an outline of the process that local LSCs will follow early in 2006.

Support for quality improvement

55 The underlying principle is that the responsibility for quality improvement rests with the provider. Each provider will need to agree with the LSC and set out in its development plan, its targets and timescale for improving quality. The QIA will ensure that advice, guidance and materials are available to enable providers

to achieve their targets in the agreed timescale and to develop their capacity for self-improvement. The LSC and QIA will work together with the Inspectorates, other partners and providers, to identify regional improvement priorities. This will inform QIA commissioning of support and provide feedback on effective approaches and interventions at a local and regional level. Regional and local services to support quality improvement will in the main be drawn from the national programmes offered by QIA, but there will be flexibility to respond to particular regional needs and priorities through the Regional Quality Improvement Partnerships.

56 As we extend our support arrangements to all provision, we will work with the QIA to bring School Improvement Partners into our improvement partnerships.

Managing financial instability

57 The transformation of the planning process and framework will enable us to use management and financial information to gain a more detailed understanding of performance and the factors that impact on it.

58 Decisions on managing financial instability and poor performance will be based on strategic considerations and the overall pattern of provision in the area. 'Exceptional funding support' will be re-positioned within the process of agreeing and funding the plan. There will no longer be a discrete support fund.

59 The LSC does not manage providers' operational or financial decisions but must be assured that through its funding policies and planning dialogue, providers are able to respond to, and deliver, the sector's strategic goals and priorities. As such, financial planning and risk management must reflect the issues and threats that may impact upon financial health. The approach will be based on early identification of risks and the agreement of appropriate preventative action. The development and use of financial and business efficiency benchmarks will enable the LSC, with each college and training provider, to review emerging trends or concerns that may result in a significant financial risk.

60 A key outcome from the strategic analysis and annual planning review will be the resource implications relating to provider or provision restructuring. Further details of how these new arrangements for restructuring and provider support are to be applied will be published early in 2006.

Annex A: Framework for Provider Development Plans for 2006/07

1 Following the annual planning review, the LSC will agree a development plan with each provider, setting out how the provider will contribute towards meeting needs, priorities and targets and deliver successful outcomes for learners, employers and communities. In 2006, this includes:

- further education (FE) colleges
- specialist designated institutions
- work-based learning (WBL) providers
- higher education institutions (HEIs) delivering FE
- local authorities for FE, adult and community learning (ACL), and WBL provision
- independent former external institutions
- specialist colleges for learners with learning difficulties and/or disabilities
- national employers delivering LSC-funded provision
- Ufi Ltd.

2 Some providers currently in scope for development planning deliver provision that does not fit easily into a standard development planning format – national employers delivering LSC-funded provision and specialist colleges for learners with learning difficulties and/or disabilities, for example. In revising the framework for planning, the intention is to make it better fit for purpose for the agreement of plans with those providers where the characteristics of the provision and the nature of the organisation differ from those of mainstream further education and work-based learning. A more differentiated approach to planning will enable us to plan more flexibly with all provider groups and support quality improvement. Local LSCs will apply the framework in ways that ensure that

a strategic and responsive planning dialogue takes place with all providers.

3 From 2006, colleges and training providers and local LSCs will agree a development plan that adopts the structure shown in Figure A1 and the notes that follow.

Figure A1: Development plan structure

Strategic Commentary				
Relevance, effectiveness and efficiency of provision and key priorities for improvement				
Managing the plan				
Improvement Indicators				
Drawn from self-assessment and LSC strategic analysis				
Proportionate to relevance, effectiveness and efficiency of current provision				
Summary Statement of Activity				
Skills for Life	Full Level 2	Full Level 3	Apprenticeships	Fee Income (FE providers only)

Principal components

4 The development plan comprises three elements:

- strategic commentary
- improvement indicators
- summary statement of activity.

5 Development plans will no longer include separate headline performance measures. From 2006, the measures for learner numbers, qualification success rates and fee income will be taken directly from the summary statement of activity.

6 With regard to the teacher qualification headline performance measure, we will focus on those FE providers not currently meeting the national milestone for teachers qualified or enrolled on an appropriate qualification. Where FE providers are not currently meeting the national milestone, we will require actions to be set out in the development plan and an appropriate improvement indicator to be agreed. This will ensure that we concentrate on agreeing action only where this is necessary. We would expect all colleges and training providers to have in place a programme of continuous professional development, and that the effectiveness of this programme be reflected in self-assessment reports.

7 We continue to regard responsiveness to employer needs as an essential feature of the provision offer of all colleges and training providers, either in terms of direct services to employers, or through improvements to

learners' experience of, and readiness for, employment. We know that identifying appropriate measures for this activity has been difficult and has often detracted from the real dialogue about increased responsiveness and effective employer engagement.

8 A single measure of provider responsiveness is neither feasible nor appropriate for all providers; there are many ways of assessing responsiveness. For many colleges and training providers, volumes of Train to Gain (NETP) provision or Centre of Vocational Excellence (CoVE) activity will be an indicator, as will increased volumes of skills provision that respond to Sector Skills Agreements and regional skills priorities. Employer feedback on training provision will be included in the Employer's Guide to Training Providers, and will assist Skills Brokers and employers to identify Train to Gain provision. The QIA will provide support and guidance to colleges and training providers to enable them to improve their responsiveness.

9 Managing the transition to more employer-funded provision to complement public funding, will be an indication of increased responsiveness to employer needs. This will not, however, be fully reflected in the fee income measure shown in the summary statement of activity. A specific improvement indicator for employer-related income could be appropriate in some circumstances. In time, we will introduce the employer-led Quality Mark, proposed in *agenda for change*, as a further indicator of colleges' and training providers' responsiveness to employer needs.

10 The development plan will cover a medium-term planning period of three years and be reviewed and

revised annually. The plan will include more substantial activities and developments, where agreed, that will be implemented over a longer period of time – major capital developments would be an example. Of equal importance, the development plan will address immediate and short-term improvement actions where these arise – for example, in response to the outcomes of inspection or to address provision that is of poor quality. In this context, annual review and revision of the development plan will be particularly significant.

Strategic commentary

11 This section outlines the key priorities, deliverables and developments for the forthcoming year, and the risks and issues to be addressed in the medium term. It sets out the context for the allocation of funding to support delivery. It should respond to the strategic analysis of demand for learning and skills, including other key strategies or plans relevant to the provider and local area. This analysis becomes the primary source for each college's and training provider's own strategic and provision planning for LSC-funded provision.

12 The LSC would expect the commentary to draw on existing plans, including self-assessment and strategic plans, and to comment on the key objectives, issues and priorities for improvement in relation to:

- relevance in meeting needs and priorities as set out in LSC statements of priorities and the local LSC annual plan, and contributing to the achievement of PSA targets for participation and attainment for young people and adults, including Skills for Life
- effectiveness in enabling all learners and employers to succeed in achieving their planned goals and the provider's capacity for further improvement
- efficiency in the use of resources to achieve agreed plans.

13 The strategic commentary should include a summary of the main risks and issues associated with delivery of the development plan and how these will be managed.

Improvement indicators

14 Where priority improvement needs are identified in the self-assessment report, and colleges and training providers and the local LSC agree that appropriate actions are in place to address them, they will need to

consider the extent to which these should be further replicated in the development plan.

15 We will require improvement indicators to be agreed in all circumstances where performance falls below any of the established minimum levels of performance. For the 2006/07 planning cycle these are:

- existing success rate floor targets, as described in LSC Circular 03/09 (paragraphs 79-87)
- for FE providers, actions to meet or exceed the 2006 milestone for the proportion of teachers qualified or enrolled on a programme leading to a recognised qualification (also set out in LSC Circular 03/09, paragraph 72)
- unsatisfactory inspection grades of 4 or 5 from either the current or previous inspection cycles (relevant improvement indicators will be drawn from the post-inspection action plan).

Summary statement of activity

16 This section of the plan will be based on a generic table (see Figure A2) that will contain quantitative information about the provider's expected contribution to PSA targets and performance indicators, and the funding being provided by the LSC. The exact table to be included in each development plan will reflect the type of provision being delivered – for example the summary statement for work-based learning will include details relating to framework participation and success. The summary statement will enable colleges and training providers to show through their planning assumptions a clearer link to the achievement of PSA targets and performance indicators for Skills for Life, full Level 2, full Level 3 and Apprenticeships, meeting the principle of a clear line of sight between targets at national, regional, local and provider levels. The table will also include information on fee income as in the current plan.

17 The summary statement, together with the agreed improvement indicators, will be the primary means for measuring performance and the delivery of key outcomes. Where planned improvements to relevance, efficiency and effectiveness of provision are not achieved, the LSC will take appropriate action and reflect performance in determining future levels of funding.

Figure A2: Summary Statement of Activity

	Year 1			Year 2			Year 3		
	Learners		Learning Aim level	Learners		Learning Aim level	Learners		Learning Aim level
	Volumes	In-year achievements (volume)	Success Rate	Volumes	In-year achievements (volume)	Success Rate	Volumes	In-year achievements (volume)	Success Rate
Young People (16-18)									
Total Learners									
<i>of which</i>									
Learners on Skills for Life target qualifications									
Learners on a <u>full</u> Level 2 qualification									
Learners on a <u>full</u> Level 3 qualification									
Learners on 2 or more A2 Level qualifications (where appropriate)									
	Year 1			Year 2			Year 3		
	Learners		Learning Aim level	Learners		Learning Aim level	Learners		Learning Aim level
	Volumes	In-year achievements (volume)	Success Rate	Volumes	In-year achievements (volume)	Success Rate	Volumes	In-year achievements (volume)	Success Rate
Adults (19 and over)									
Total Learners									
<i>of which</i>									
Learners on Skills for Life target qualifications									
<i>of which NETP</i>									
Learners on <u>full</u> Level 2 qualifications									
<i>of which NETP</i>									
Learners on a <u>full</u> Level 3 qualification									
<i>of which NETP</i>									
Learners on 2 or more A2 Level qualifications (where appropriate)									
Total NETP learners									
Fee Income	Cash Value	% of LSC Income	Cash Value	% of LSC Income	Cash Value	% of LSC Income			

Funding	Cash	FTE/AIL
Young People (16-18)	£	
Adults (19+)	£	
Additional Learning Support	£	
Total	£	

Annex B: Self-assessment

1 To provide a comprehensive evaluation of the quality of provision, self-assessment should increasingly address the relevance, effectiveness and efficiency of provision as we described in Section 1, paragraph 5. It should reflect the context set by the provider's distinct contribution within the local area and comment on the delivery of commitments agreed within the development plan. From the year ending on 31 July 2006 onwards, it should draw together an assessment of:

- the relevance of provision in relation to needs and priorities
- the effectiveness of provision in terms of outcomes for learners, employers and communities, with reference to appropriate benchmarks
- the efficiency of provision in the use of resources to achieve agreed plans
- the implementation of specific strategies and objectives set out in the development plan and the achievement of improvement indicators
- the effectiveness of arrangements for managing the plan.

2 We recognise that colleges and training providers have their own timescales for approving self-assessment reports and that this may delay the upload of the completed self-assessment report to the Provider Gateway in 2005. We expect, however, that all self-assessment reports for the year ending on 31 July 2006 will be uploaded by 31 December 2006. We would anticipate that it will be possible to bring this date further forward in future years as we develop more open and timely exchange of data. Consequently, we would also be able to bring forward the conclusion of planning and funding discussions with colleges and training providers through a review of our Business Cycle. We recognise however, that the timescales of awarding bodies will affect the earlier completion of self-assessment reports, and that we will need to work with them to fully understand and resolve issues associated with the timely publication of achievements.

3 The LSC has no role in approving the self-assessment report, but rather will use the key outcomes identified from the process as a primary source of

evidence in its own assessment of risks to local, and where appropriate, regional delivery. The LSC will use agreed data and the findings of inspection and annual assessment visits to assess the degree to which a provider's self-assessment provides an accurate reflection of its performance.

4 Where providers carry out rigorous self-assessment and use the findings to support continuous improvement, the LSC can have greater confidence that agreed development plans will be delivered and that the provider will manage the associated risks accordingly. Where self-assessment does not prove to be rigorous or reliable, the LSC will need to take appropriate action to manage the risks to the quality of provision.

5 Many colleges have for some time worked together as critical friends to improve the rigour of self-assessment. We recognise the importance of these arrangements and in 2005/06, together with the Association of Colleges (AoC) and the Learning and Skills Development Agency (LSDA), we will be running a number of pilot studies to look at how the good practice associated with 'peer-referencing' can be extended across the sector and to all colleges and training providers. We believe these arrangements may pave the way towards a higher level of self-regulation in the future.

Annex C: Working with Partners: Roles and Responsibilities for Quality Improvement

1 Collaborative working between all the agencies responsible for quality assurance and quality improvement is essential to meet the vision set out in the DfES five-year strategy (*Five Year Strategy for Children and Learners*, DfES, July 2004). The roles and responsibilities of the key agencies for quality improvement are identified in the DfES progress report on the QIA (*Quality Improvement Agency for Lifelong Learning: Progress report*, DfES, June 2005) and are summarised here.

Colleges and training providers

2 Primary responsibility for improving the quality of provision rests with the provider. This was made clear in the White Paper, *Learning to Succeed* (DfES, June 1999), and has subsequently been reinforced in the DfES five-year strategy.

3 Colleges and training providers are required to carry out an annual self-assessment that evaluates all aspects of their provision. The importance of self-assessment in supporting the provider's own pursuit of quality improvement is a key principle underpinning the LSC's approach to planning and quality.

The Learning and Skills Council

4 The Learning and Skills Council (LSC) has the primary role for planning, funding and securing high

quality provision. It will withdraw funding from poor quality provision. The LSC's role is to work with providers to assure itself that the provision it funds is, initially, at least satisfactory and improving over time. The LSC approach will place much greater emphasis on assessing the risks to the delivery of high quality provision, based on evaluation of performance and the capacity of the provider to maintain and improve quality.

5 The LSC will contribute to the development and realisation of the national Quality Improvement Strategy being led by the QIA and due to be published in June 2006.

6 The LSC will lead the development of Regional Quality Improvement Partnerships and will chair and facilitate meetings, working closely with the QIA.

The Department for Education and Skills

7 The Department for Education and Skills (DfES) will develop the policy framework for post-16 quality improvement and establish programme performance management and accountability arrangements for the QIA, the LSC, the Inspectorates and other partner agencies. The aim is to create a coherent quality improvement system capable of effective delivery and clear accountabilities.

The Quality Improvement Agency

8 The Quality Improvement Agency (QIA) will lead on developing a single, coordinated Quality Improvement Strategy for the sector, working with planning and funding bodies, the Inspectorates and other core partners. The new agency will commission improvement services and materials to enable the sector to develop and improve its capacity to deliver high quality learning provision. The QIA will quality assure these and other services and materials, giving providers confidence in what they purchase from suppliers in the market place. It will advise and support providers through tailored programmes of quality improvement where need is identified by providers, Inspectorates, or planning and funding bodies. The new agency will provide a national focus to enable providers to learn from others in the sector.

Lifelong Learning UK

11 Lifelong Learning UK (LLUK) will provide a standards-based qualifications infrastructure which enables both Initial Teacher Training (ITT) and Continuing Professional Development (CPD) to be tailored to the needs of individual staff members and which allows easy progression to higher levels of award, or to new areas of skills application. This is designed to ease the route to achievement of an appropriately skilled workforce to provide a quality service to learners. It will also provide workforce intelligence data which allows institutions to benchmark their progress towards employing appropriately qualified staff to reflect the diversity of learners.

The Inspectorates

9 The Inspectorates will decide on the scope and scale of inspection based on their analysis of provider performance. Inspection will be risk proportionate, identifying provision that needs improvement, and also making judgements about the effectiveness of providers' self-assessments. The Inspectorates will report on the effectiveness of improvement strategies set out in provider development plans.

The Centre for Excellence in Leadership

10 The Centre for Excellence in Leadership (CEL) will lead on providing leadership development informed by research and tailored leadership support to all provider organisations. It is also initiating sector-wide strategies and partnerships for succession planning, leadership and management capacity building. A major CEL focus is providing positive action programmes to improve the diversity profile of sector leaders. CEL is working in partnership with all national agencies and, in particular, Lifelong Learning UK to improve intelligence data on leadership and to revise and develop sector-wide leadership and management standards.

Notes

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