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CIRCULAR

**THE
FURTHER
EDUCATION
FUNDING
COUNCIL**

Use of the Standards Fund

To

Principals of colleges
Chairs of college governing bodies

Circular type

Information and request for
applications for funding

Summary

How the Council proposes to use
the standards fund to help colleges
improve the quality of their work
and how funding may be obtained

Reference number: 99/24

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99/24

Use of the Standards Fund

Introduction

1 This circular provides an analysis of the responses received to Council Circular 99/12, *Standards Fund*, and sets out arrangements for using the standards fund in the financial year 1999-2000 to help colleges raise the standard of their work.

2 The secretary of state introduced the standards fund to underpin the drive to raise standards. It comprises £35 million in 1999-2000 and £80 million in 2000-01. The priorities for use of the standards fund were set out in a letter of guidance to the Council, dated 8 December 1998, which was circulated to all college principals. They are:

- a. first and foremost, targeted intervention in colleges causing concern, notably those demonstrating poor performance against key indicators; and in addition;
- b. post-inspection support for other colleges, as appropriate;
- c. training for existing and potential college principals, and continuing professional development for lecturers;
- d. dissemination of good practice.

Consultation

3 Council Circular 99/12, was published by the Council on 8 March 1999. This contained initial proposals on:

- the criteria the Council intends to put in place to identify colleges causing most concern
- use of the fund to address each of the four priorities identified by the secretary of state
- the introduction of an achievement fund for 2000-01.

4 Responses to the circular were requested by 9 April 1999. The Council asked respondents to indicate whether they supported the proposals and invited comments.

5 In summary, 166 responses were received, of which 93% were from sector colleges. All proposals

were supported by the majority of respondents. There was support from 86% or more of the respondents to five of the six proposals outlined in Circular 99/12. The proposal to set up the achievement fund, which will be the subject of further and more detailed communication with colleges, attracted support and also received most comment. The Council will take account of these comments in working out the details of the achievement fund for its introduction in 2000-01. Details of the responses to Council Circular 99/12 are provided at annex F.

Regional Reviews and the Quality Improvement Unit

6 The Council has in place a regional review process through which it regularly assesses college performance. This process was formalised in April 1998 through the publication of Council Circular 98/12, *The Council's Approach to Identifying Colleges Requiring Additional Support*. Regional reviews take place three times a year. Reviews consider concerns the Council might have, for example, about a college's financial position, strategic planning, education provision or adequacy of data. After each review, colleges receive a letter outlining the Council's level of concern. The Council's aim is to ensure that financial and other practical support enables colleges causing concern to improve performance rapidly and that colleges displaying signs of deteriorating standards are promptly assisted.

7 The Council has also established a quality improvement unit to take forward its quality improvement strategy and the allocation of the standards fund. The aims of the unit are to:

- continue to develop systems for the early identification of colleges performing poorly
- investigate and report on the extent of academic failure in colleges performing poorly
- monitor and report on colleges' progress in raising standards
- manage the allocation of the standards fund and monitor its use
- take a lead in administering accreditation and disseminating good practice.

8 The unit's work will be fully integrated with the regional review mechanism to ensure additional help and resources are available to colleges as they undertake quality improvement work.

Implementation

9 Using the standards fund to implement the Council's quality improvement strategy and to meet government priorities will be a significant feature of the Council's future work. The Council's strategy for implementing the standards fund is based on recommendations made by the Council at its meeting in January 1999, subsequent meetings with staff from the Department for Education and Employment (DfEE) and responses to Council Circular 99/12.

10 In using the standards fund, the Council intends to recognise and reward excellence, and also enable colleges to have access to funds to help them to secure improvement. The standards fund will be allocated under four broad strands which are described in more detail at annex A:

- strand 1 will provide funds for those colleges which are identified by the Council as causing concern in relation to their work so that rapid improvements can be made
- strand 2 will provide funds for colleges which have been inspected during the current cycle of inspections beginning in September 1997 to support post-inspection action plans which aim to remedy weaknesses and build on strengths
- strand 3 will be used to support continuing professional development for teachers, training for principals and aspiring principals, and training for governors
- strand 4 will provide funds for those colleges which demonstrate outstanding practice, including those which achieve FEFC-accredited status or are recognised by ministers as 'beacon' colleges, to support them in using their experience and expertise for the benefit of others.

11 Colleges need to be mindful of the lifetime of the standards fund. Allocations to the Council for financial years 1999-2000 and 2000-01 have

already been made and announcements will be made about allocations for the third year of the fund. Colleges that are not eligible for support under strand 2 in financial year 1999-2000 will become eligible when they have been inspected. At this time they may also be eligible for funding under strand 4.

12 The Council's general approach will be to invite colleges to prepare costed action plans for the activities that they propose to undertake. These will underpin the allocation of funding and the monitoring and evaluation activities necessary to ensure effective use of the standards fund. To avoid duplication of time and effort, the Council would strongly prefer colleges to prepare a single costed action plan covering all activities for which funding is sought.

13 Information about the application process is provided in annex B, arrangements for administering funding are set out in annex C, activities for which funding may be used are listed at annex D and an application form is at annex E.

Timetable

14 The Council is keen to commence support for work on raising standards as soon as possible so that the sector can demonstrate its commitment to achieving measurable improvements within the current financial year.

15 The Council's first priority will be to arrange support for those colleges causing concern and therefore eligible for funding under strand 1 of the standards fund. **These colleges will be asked to prepare costed action plans no later than 16 July 1999.**

16 Colleges eligible for funding under strands 2 and 4 are asked to prepare action plans as soon as possible and by the end of October 1999 at the latest.

17 The timetable for allocating funds under strand 4 to colleges achieving FEFC-accredited status or recognised by ministers as beacon colleges will inevitably be determined by the timing of announcements. In general terms, however, these colleges will be expected to inform the Council about how they intend to use their funding to disseminate good practice within two months of the announcement of their awards.

18 Strand 3 of the standards fund will require further consultation and development before training initiatives can be finalised. The Council aims to establish activities under this strand in the autumn. A further communication will be issued about this.

Achievement Fund

19 The Council will introduce an achievement fund for 2000-01. Arrangements for administering the achievement fund will be the subject of a future communication with colleges. The aim of the fund will be to reward colleges that demonstrate improvement in levels of student achievement.

David Melville

The Four Strands of the Standards Fund

1 In the 1999-2000 financial year, the Council will fund activities under four strands. These will support measures outlined in the Council's quality improvement strategy and the government's priority to raise standards. The Council will not provide support under the standards fund where it is deemed that a more appropriate course of action is merger or dissolution. The following paragraphs detail, for each strand of available funding, colleges' eligibility for funding and funding arrangements.

Strand 1: Colleges Causing Concern

2 The purpose of this strand is to give to colleges causing concern financial assistance at the earliest opportunity. The Council intends to allocate approximately £10 million in 1999-2000 to support this initiative.

3 Colleges will be identified as causing concern through a range of qualitative and quantitative measures arising out of the Council's regional review process, inspection and data monitoring activities. Funding will be targeted at major areas of weakness. The amount of funding and arrangements for payment will vary according to the nature of the weaknesses to be addressed. Each allocation will be made in response to a costed action plan provided by a college and agreed by the Council. Progress in remedying weaknesses will be monitored through the regional review process.

Eligibility

4 A college will be deemed to be causing concern and therefore eligible for funding under strand 1 if it is identified as needing additional or exceptional support primarily through the Council's regular regional review process. This brings together a wide range of information held by the Council about college performance and results in an assessment of the level of practical support needed by each college in the sector. The outcomes of regional reviews are communicated to colleges and the process is described in Council Circular 98/12. The Council's decision to include colleges designated as needing additional support within strand 1 of the standards fund reflects its wish to reverse at the earliest opportunity any trend of deteriorating performance.

5 A college will be deemed to be causing concern and therefore eligible for funding if the Council has significant concerns about the reliability or adequacy of individualised student record (ISR) data provided by the college.

6 Additionally, the Council will consider that a college is causing concern and therefore is eligible for funding if its performance is characterised by two or more of the following criteria:

Criterion 1: Inspection outcomes

The college has:

- two or more aspects of provision graded 4 or 5 as a result of inspection or reinspection; or
- inspection grades which place it in the lowest 10% of all colleges.

Criterion 2: Student achievement

The college is in the lowest 10% of all colleges for achievement, calculated according to the method set out in the Council's publication *Benchmarking Data 1995-96 and 1996-97*, where applicable, taking into account comparisons with sector benchmarking data for:

- courses over 24 weeks for 16-18 year-old students
- courses over 24 weeks for adult students
- all other (short) courses.

Criterion 3: Retention

The college is in the lowest 10% of all colleges for retention, measured according to the method referred to under criterion 2.

7 The Council will inform all colleges which are eligible for strand 1 support with an indication of the funding available.

Funding arrangements

8 The Council recognises that the amount of funding needed by colleges to remedy weaknesses in their performance will vary significantly according to each college's circumstances. The Council will make available up to £700,000 to those colleges most in need. Colleges may not need the maximum funding to address areas of concern identified by the Council.

9 Within this context, the Council wishes to adopt an approach to funding which will enable it to meet its responsibilities for the consistent use of funds yet reflect local needs. It therefore proposes to identify colleges within indicative funding bands according to two factors:

- the extent to which their performance is identified as causing concern according to the test for eligibility set out above, with

those colleges assessed as needing exceptional support through the regional review process allocated to the highest band

- college size, as indicated in table 1.

10 Table 1 indicates the method to be adopted for assigning colleges to funding bands. This provides the maximum funding available to the college to address issues identified by the Council.

Table 1. Allocation of funds available under strand 1

College size*	Band 1	Band 2	Band 3
Up to 150,000	Up to £50,000	Up to £100,000	Up to £300,000
150,001 – 600,000	Up to £100,000	Up to £150,000	Up to £500,000
More than 600,000	Up to £150,000	Up to £200,000	Up to £700,000

*measured in units funded by the Council in 1998-99

Key

Band 1: two out of three of the criteria met, covering inspection outcomes, retention and achievement; and/or college identified as needing additional support through the regional review

Band 2: all of the three criteria met, covering inspection outcomes, retention and achievement; and/or college identified as having serious data concerns

Band 3: college identified as needing exceptional support through the regional review.

11 Annex B describes procedures for notifying colleges about the funding available to them and for administering applications for funding.

Strand 2: Post-Inspection Support for Colleges

12 The purpose of strand 2 is to provide post-inspection support, following inspections in the current round (beginning September 1997), so that colleges are able to achieve improvements in the quality of their work more quickly than would otherwise be possible. Up to £6 million will be allocated for this strand of the standards fund in 1999-2000.

Eligibility

13 Colleges will be entitled to receive funding under strand 2 of the standards fund, on receipt of a costed post-inspection action plan agreed by the Council. Those colleges inspected between September 1997 and July 1999 will be eligible for funding during the 1999-2000 financial year. Those colleges due for inspection during teaching years 1999-2000 and 2000-01 will be eligible for support

in financial years 2000-01 and 2001-02 following their inspection.

Funding arrangements

14 The Council wants colleges to be able to predict the level of funding available to them so that actions can be planned and costed at the earliest opportunity after inspection has taken place. It has therefore developed a simple and transparent method of allocating funds based on college size and inspection outcomes. This provides a basic level of funding according to size (determined by funded units) with an enhancement to enable colleges to tackle weaknesses in provision as identified by inspection grades. Table 2 shows how funding will be allocated.

15 This distribution results in the great majority of colleges receiving between £19,000 and £33,000 to fund post-inspection action plans.

16 Colleges causing concern which are funded under strand 1 will also be eligible for funding under strand 2 when they have been inspected, and are also eligible under strand 3 of the standards fund.

Table 2. Allocation of funds available under strand 2

College size*	Inspection outcome		
	All provision graded 1 or 2	Some provision graded 3 but no provision graded 4 or 5	Some provision graded 4 or 5
Up to 150,000	Up to £12,000	Up to £19,000	Up to £26,000
150,001– 600,000	Up to £19,000	Up to £26,000	Up to £33,000
More than 600,000	Up to £26,000	Up to £33,000	Up to £40,000

*measured in units funded by the Council in 1998-99

17 Annex B describes procedures for notifying colleges about the funding available to them and for administering applications for funding.

Strand 3: Leadership Training and Continuing Professional Development

18 Strand 3 of the standards fund is for training. The Council will allocate approximately £5 million for this strand. There are three aspects to the strand. They are:

- continuing professional development (CPD) for teachers
- training for principals and potential principals
- governor training.

Continuing Professional Development

19 In 1999-2000, the Council intends to set aside funds for the development of materials to support quality improvement measures. Colleges with proven good practice and other organisations involved in materials development will be invited to participate in this initiative. The main priorities for funding will be:

- improving teaching skills
- support for basic skills teachers and managers.

20 The use of the standards fund to support basic skills development will build on the Council's inclusive learning quality initiative. Materials must be based on developed good practice and fit into a framework of curriculum, staff and organisation development covering broad aspects of practice in:

- diagnostic assessment
- design of learning programmes, including schemes of work, lesson plans, course handbooks

- teaching methods, including use of appropriate methods to provide differentiated learning
- innovative teaching materials
- distance learning materials
- use of information technology in teaching
- methods of assessing and feeding back to students, including the use of target-setting for individual students
- provision of extra support, including methods and materials
- the use of tutorials
- methods of evaluating teaching and learning
- staff development strategies for improving teaching skills.

Training for principals and potential principals

21 The purpose of this element is to enhance management skills within the sector. Recent government announcements indicate the high priority ministers accord to training for principals and those who aspire to become principals. In 1999-2000, funding will be available for attendance by up to 100 principals or aspiring principals on training courses. Further funding will be available in 2000-01 and 2001-02 for this aspect of the fund. A small focus group comprising representatives of the sector, the Further Education National Training Organisation (FENTO) and other organisations associated with senior management in colleges will be set up to establish priorities for the training programme. It is expected that following this process, major providers of management training will be invited to tender for the provision of programmes. It is envisaged that such programmes will be of high status, akin to the civil service top management programme. Should demand for

training courses exceed the indicated numbers, the Council will consider viring funds to this activity from other strands of the standards fund.

Governor training

22 The Council is particularly concerned to help college governors carry out their duties with confidence and sufficient understanding. In 1999-2000, funds will be available for corporations to enable governors to undertake training programmes in areas of identified need. Recommendations arising from the Council's working group on good governance will be acted on and a range of modules will be developed to improve governors' knowledge and skills.

23 The Council established the good governance working group in February 1999, the purpose of which was to update the current guidance available to governors in line with developments over the last two years. Since that time, the scope of the group has been expanded to incorporate initiatives on taking forward governor training and induction, and providing guidance on the new measures introduced since the public accounts committee hearing on Halton College. It is, therefore, intended to fund the work of the good governance working group from the standards fund.

Eligibility

24 Colleges will be eligible to apply for funding under strand 3 during the life of the standards fund when details of training have been finalised.

Funding arrangements

25 These will be communicated to colleges after further development work. It is the Council's intention that training will be fully funded and materials to support CPD will be made available at minimum cost to colleges.

Strand 4: Dissemination of Good Practice

26 There is much good practice within the sector and through the fourth strand of the fund, the Council wishes to encourage colleges demonstrating good practice to share this for the benefit of others. Up to £10 million will be set aside for this strand of the standards fund in 1999-2000. Colleges that receive funding under this strand will share their good practice with other colleges. It should be noted

that colleges cannot claim funding under this strand in support of dissemination of good practice in colleges causing concern. Colleges causing concern will already have received funding under strand 1 to address their weaknesses. Double funding will therefore be avoided.

Eligibility

27 The following colleges will be eligible for funding under strand 4:

- FEFC-accredited colleges and those designated by ministers as beacon colleges
- colleges with outstanding practice identified during inspection in cross-college or curriculum areas by the award of a grade 1 since September 1997 which are not identified as needing exceptional support as a result of the regional review process.

28 The Council is keen to encourage colleges to use a wide range of methods in disseminating good practice and to avoid duplication. Colleges should indicate clearly whether their activities in disseminating good practice promote, for example:

- awareness – which might include: the distribution of materials; publicity; publications; conferences; websites; demonstration workshops
- understanding – which is more likely to include: consultancy; workshops or secondments which actively engage participants and provide specific activities which can be replicated elsewhere.

29 Proposed activities should relate to colleges' strengths and existing experience. Colleges may wish to consider the following priorities for dissemination of good practice:

- improving student retention and achievement
- widening participation, including specific work with ethnic minorities and other under-represented groups
- increasing the effectiveness of quality assurance
- improving college management information systems
- effective teaching or support for students' learning and achievements.

30 The above list should not be considered as exhaustive. The Council recognises that colleges demonstrate a variety of strengths which make them effective institutions in supporting learning and the achievements of students. The key consideration for each college in applying for funding should be whether:

- a. the dissemination of its experience and skills will be helpful to other colleges and lead to the achievement of higher standards of work;
- b. it has the skills to manage an effective programme to disseminate good practice.

Funding arrangements

31 Colleges awarded accredited status by the FEFC will be eligible for £50,000 to support the dissemination of good practice. Similar funding will be allocated to those colleges designated as beacon colleges by ministers. Colleges designated as both accredited colleges and beacon colleges will be eligible for a maximum of £50,000. Funding will be made available on the receipt by the Council of a costed action plan.

32 Colleges which have received a grade 1 for any aspect of provision inspected since September 1997 will be also eligible to apply for funding to disseminate good practice. This may be additional to any other funding received under the standards fund. The level of funding available for each project will depend on the activity proposed.

33 The Council wishes in particular to encourage colleges to collaborate with other sector colleges, but does not wish to receive multiple applications to fund the same project. Colleges wishing to collaborate are therefore asked to nominate a lead college to make the application for funding and receive payments from the Council. The lead college will be responsible for ensuring that funding is used appropriately by collaborating colleges and that funded activities lead to the projected outcomes. Colleges may wish to consider using lifelong learning partnerships or other existing initiatives as the basis for collaborative working arrangements. Colleges wishing to collaborate may apply for funding in order to facilitate collaboration.

34 The maximum the Council will allocate to any college to support dissemination of good practice, including those which are leading collaborative projects, will be £200,000. This figure excludes payments of £50,000 made to accredited and

beacon colleges. Should this funding strand become over-subscribed, the Council will give preference to those initiatives which reflect the priorities listed in paragraph 29.

35 Annex B describes procedures for notifying colleges about the funding available to them and administering applications for funding.

Next Steps

1 The following paragraphs describe notification procedures, the format of action plans, how action plans will be assessed and how colleges' progress in completing their action plans will be monitored.

Notifying Colleges

2 Each college eligible for funding under strand 1 or strand 2 will be notified of the maximum funding available in a letter to the principal and the chair of the college corporation from the relevant regional director. Where appropriate, colleges will also be notified of their eligibility to apply for funding under strand 4.

3 Letters will be issued by Tuesday 15 June. Each letter will identify the name of the Council's primary contact for the college who will provide any assistance the college needs in clarifying the issues to be addressed. The letter will include the date by which a costed action plan should be forwarded to the Council.

4 Colleges awarded accredited status by the Council are notified by the Council's chief executive. Those recognised as beacon colleges are notified by the DfEE following the announcement of their achievement. In each case colleges will be asked to forward an action plan to the Council to show how they will use the funding awarded to them.

Action Plans

5 The Council wishes to receive a single application and costed action plan covering all the activities for which funding is sought. Action plans should be brief but clear, comprising no more than six pages for colleges seeking funding under strand 1 and no more than four pages for other colleges. Action plans should identify:

- a. the standards fund strand from which funding is sought;
- b. the actions proposed and, where appropriate, their priority;
- c. estimated costs for each action;
- d. measurable outcomes resulting from funded activities, including the number of those that will benefit from dissemination activities where appropriate;

- e. timescales for achieving the measurable outcomes;
- f. ways in which progress in making improvements will be monitored and evaluated by the college.

6 Colleges seeking funds under strand 4 are asked to include a brief statement (no more than one page) about their experience to date in managing or participating in the dissemination of good practice. The purpose of this request is to help the Council assess what support might be necessary for colleges involved in dissemination activities and to help it build up a picture of the expertise within the sector. In this context, it should be noted that lack of experience will not preclude funding under strand 4. The Council is keen to promote dissemination of good practice within the sector and to get more colleges involved in this kind of activity.

7 Action plans covering collaborative initiatives should make the contribution of each participating college clear.

8 Some colleges may already have in place post-inspection and other action plans to address weaknesses which have been agreed by the Council. These colleges are advised to review their action plans after considering how funding from strands 1 and 2 of the standards fund can be used to extend the range of issues being addressed or expedite action to raise standards.

Timetable

9 Action plans should be accompanied by a completed application form (see annex E) and, for the 1999-2000 financial year, should be forwarded to the appropriate regional director by:

- 16 July 1999 in the case of colleges seeking funds under strand 1
- the end of October 1999 at the latest for colleges seeking funds under strand 2 and/or strand 4 (dissemination activity resulting from the achievement of grade 1 provision)
- two months after announcements of the achievement of accredited status or recognition by ministers of beacon college status.

Assessment

10 The adequacy of costed action plans provided by colleges will be assessed by the Council before funding is agreed. The assessment will consider whether:

For activities under strand 1 or strand 2

- the proposed actions effectively address weaknesses identified by the Council, for example in inspection reports or letters conveying the outcomes of regional reviews
- the priorities for action are clear
- the timescale for making improvements is realistic and achievable.

For activities under strand 4

- the proposed actions are clearly founded on the strengths identified within the college and its expertise
- activities are in addition to other initiatives funded by the Council.

For all activities

- the plans have been costed in a prudent way and appear to offer good value for money
- the college has identified appropriate measurable factors to indicate success
- the proposed evaluation of progress appears suitable.

11 The Council undertakes to respond to all action plans received within five working weeks. Once an action plan is approved, a college will receive a letter outlining arrangements for payment, support and monitoring. If the plan is not approved, the college will be expected to resubmit its plan before it receives initial funding.

Monitoring Progress

12 Action plans accompanying applications for funding should indicate the intended measurable outcomes of funded activities and how progress will be monitored and evaluated by the college. This information will enable the Council to plan its own monitoring and reporting activities aimed at assessing the impact of the standards fund, both at a local and national level.

13 The Council will pay particular attention to progress made by colleges causing concern and funded under strand 1. These will be considered during regional review meetings held three times a year at which matters such as outstanding issues, progress against payments, and the achievement of milestones will be monitored. As always, the outcome of a regional review of a college's progress will be communicated to the college principal.

14 Progress made by other colleges receiving support from the standards fund will normally be monitored through routine visits by college inspectors.

15 In general, colleges should always ensure that they have adequate information about their use of funding from the standards fund to allow them to monitor their expenditure and to evaluate the impact of their activities on college improvement.

Reinspection

16 All areas of provision which have been awarded grade 4 or 5 during inspection will normally be reinspected within one year, in line with the Council's quality improvement strategy.

17 For colleges in receipt of funding under strand 1, the Council will consider, within two years of the allocation of funds, what further monitoring or inspection is required.

18 The responsibility for improving quality lies primarily with colleges and the Council requires colleges to respond purposefully and constructively to the weaknesses identified. Colleges should note, however, that in order to fulfil its statutory duties, the Council will consider what additional steps it requires to take if a college:

- is unwilling or unable to produce an acceptable action plan
- shows no improvement or seriously declines during the planned recovery period
- still causes concern after further inspection.

Administration of Funds

1 Whenever possible, funds will be allocated to colleges, rather than paying claims for expenditure from colleges in retrospect. Release of funding will be on the basis of approved action plans. Funding may be staged until sufficient progress has been made by a college. Funding will only be for additional expenditure incurred by colleges and must not be substituted for any expenditure already planned or normally incurred by a college. Funding should be used to ensure that improvements are made more quickly than would otherwise be possible.

Eligibility of Expenditure

2 Annex D provides a list of those items of expenditure which are considered eligible for funding. Where an item of expenditure is not on this list, the Council's regional office should be consulted before incurring any costs.

Tendering and Procurement

3 Colleges should comply with all statutory and other legal requirements as may apply to the implementation of their action plans and apply good practice to any procurement and tendering. Colleges may find useful the joint FEFC/NAO good practice guides: *Estate Management in Further Education Colleges* (TSO, 1996); and *Procurement* (TSO, 1997).

Payment Procedures

4 The application form for funding must be submitted and signed by the college principal.

5 Where action plans are not completed the Council reserves the right to reclaim funds.

VAT

6 Colleges should consult their financial advisers and, if necessary, their local HM Customs and Excise Office to ascertain what aspects of expenditure will incur VAT.

Capital Assets

7 Colleges will be bound by the provisions of their financial memorandum with the Council in respect of capital assets purchased with assistance from the fund.

Health and Safety and Equal Opportunities

8 Successful action plans must demonstrate proper consideration of relevant health and safety and equal opportunities statutory requirements.

Evidence for Audit Purposes and Accounting Procedures

9 Colleges will be expected to keep copies of all invoices and other appropriate costs records (correctly processed and certified) as evidence of expenditure for audit purposes. Colleges should show income from the standards fund as a specific line on note 2 of their financial statements in a similar fashion to the treatment of access funds. If the college has earmarked any part of the grant for capital purposes, where at the end of any financial year the college has not spent the full amount earmarked, the balance should be shown under current liabilities within 'payments received on account'.

Publication of Outcomes

10 The Council will wish to publish and disseminate information supported under the fund.

Eligible Items of Expenditure

1 Before incurring costs in respect of action plans approved for funding, colleges are requested to refer to the following illustrative list of eligible items of expenditure. Should expenditure be planned for items not on this list, colleges should contact their regional offices for further guidance. Any expenditure incurred on items not on this list or which do not have the Council's approval is at colleges' own risk. Care should be taken to ensure that expenditure is in addition to that which would have been incurred had funding not been available and that appropriate procedures apply to the selection of consultants and contractors. All colleges receiving funding under the standards fund must ensure that their activities are not being double-funded. The guiding principle in determining eligibility of expenditure should, in all cases, be that of reasonableness.

2 The following list of items is not intended to be exhaustive, but gives colleges guidance on appropriate activities:

- staff time and/or replacement costs
- hire of equipment
- hire of facilities to undertake study
- independent consultants' fees and expenses
- purchase of materials
- purchase of equipment
- installation of and work associated with new management information systems and software
- staff training and development costs.

3 Institutions should not profit or make a loss from any exchange of staff resulting from work relating to the standards fund.

Application Form

(Reference Circular 99/24)

Please return the completed form to your regional office, together with a copy of your action plan.

**THE
FURTHER
EDUCATION
FUNDING
COUNCIL**

Section 1. College details

College name

College contact (*please print*)

Telephone no.

Fax no.

Cheylesmore House
Quinton Road
Coventry CV1 2WT

Telephone 01203 863000
Fax 01203 863100

Section 2. Funding application

<i>Strand of funding</i>	<i>Amount of funding applied for (£)</i>
Strand 1 – colleges causing concern	<input type="text"/>
Strand 2 – post-inspection action plans	<input type="text"/>
Strand 3 – leadership training/continuing professional development	<input type="text"/>
Strand 4 – dissemination of good practice:	
– as an accredited college	<input type="text"/>
– as a beacon college	<input type="text"/>
– as a college with grade 1 provision	<input type="text"/>
– additional funding to facilitate collaboration	<input type="text"/>

Section 3. Declaration

For completion by college principal

As principal of _____ (*name of college*)

I confirm:

- that the funds will be subject to the college's accounting and auditing arrangements;
- that the funds will be repaid if so required by the Council;
- that the funds will be used for expenditure additional to that which would have been incurred had funding not been available;
- that the college will fulfil its responsibilities as a lead college for any collaborative project for which funding is sought;
- that the college will put in place arrangements for evaluating the use of the funding;
- that the Council may publish and disseminate information on the use by colleges of the standards fund.

Signed

Name (*please print*)

Date

For completion by other colleges involved in collaborative arrangements to disseminate good practice

College 1

College

Name of principal (*please print*)

Signature

Date

College 2

College

Name of principal (*please print*)

Signature

Date

College 3

College

Name of principal (*please print*)

Signature

Date

College 4

College

Name of principal (*please print*)

Signature

Date

College 5

College

Name of principal (*please print*)

Signature

Date

College 6

College

Name of principal (*please print*)

Signature

Date

Responses to Consultation

Introduction

1 There were 166 responses to Council Circular 99/12, 93% of which were from sector colleges, as shown in table 1.

2 Responses from other bodies included those from: the Association of Colleges, the National Association of Teachers in Further and Higher Education, Skill, the National Institute of Adult and Continuing Education and the Network for Black Managers.

3 Respondents were asked to comment under six headings on the proposals contained in the circular and to indicate the extent to which they supported it.

Summary

4 As table 2 shows, five of the six proposals outlined in Council Circular 99/12 received support from 86% or more of the respondents. The proposal to set up an achievement fund, which will be the subject of a further, more detailed communication with colleges, received support from 67% of respondents.

Detailed Responses

5 The following paragraphs provide further details of responses to each of the proposals in the circular.

Criteria for identifying colleges causing concern

6 Of respondents, 87% felt the criteria to be wholly or largely appropriate. Some recurrent

Table 1. Responses to Council Circular 99/12 by college type

<i>College type</i>	<i>No.</i>	<i>%</i>
General further education	88	53
Sixth form	29	18
Tertiary	28	17
Specialist	9	5
Designated	1	1
External institutions	4	2
Higher education institutions	2	1
Other bodies	5	3
Total	166	100

Table 2. Responses to Council Circular 99/12 by proposal

<i>Proposal</i>	<i>Responses No.</i>	<i>Support %</i>	<i>Do not support %</i>	<i>No response %</i>
The criteria for colleges causing concern	163	87%	11%	2%
Targeted intervention in colleges causing concern	158	89%	6%	5%
Post-inspection support for other colleges	160	86%	10%	4%
Leadership training/CPD	160	93%	3%	4%
Dissemination of good practice	160	88%	8%	4%
Achievement fund	139	67%	17%	16%

comments and concerns in regard to the individual criteria were as follows:

Criterion 1

7 Many respondents felt that a single grade 4 or 5 as a result of reinspection should be a sufficient cause for concern. A significant number wanted a more precise definition of what constituted a 'significant' concern arising from regional reviews, and called for more transparency in the regional review process.

Criterion 3

8 A number of respondents felt that retention figures should take into account early leavers who took up jobs, and that this should be acknowledged as a valid outcome. This information is not currently provided by colleges as part of the individualised student record. Some wished for a closer definition of what constituted 'qualitative' data.

Targeted intervention in colleges causing concern

9 There was widespread support for the proposal, and in particular for the costing of action plans. Some respondents felt that colleges should be asked to indicate how they would sustain improvement post-funding. Some felt that the college inspector's role in targeted intervention should be explained.

Post-inspection support for other colleges

10 Respondents were largely in favour of post-inspection support. Where reservations were expressed, this was largely because respondents were uncertain which colleges would be eligible and whether the support would be available to those inspected in 1997-98.

Leadership training and CPD

11 There was overwhelming support for this proposal, both from the sector and from the other organisations that responded. Many respondents stressed the importance of working closely with FENTO, and of working collaboratively with other colleges and organisations to provide staff development. The needs of part-time staff and of non-teaching staff were seen as important. Many respondents felt that there should have been specific mention of training relevant to widening

participation as a priority for funding. The main queries surrounded the eligibility of agency staff for funding and whether funding could be used to provide cover.

Dissemination of good practice

12 Of respondents, 88% supported this proposal and the majority looked forward to receiving more specific information. There was general appreciation of the encouragement to collaborate and approval for the priorities.

Achievement fund

13 As noted above, a substantial number of respondents wished to see more information before expressing an opinion on the proposed achievement fund. Recurring comments included: the need to reward existing excellence; the importance of giving due weight to value added; the need to see employment as a valid outcome for a student; the tension between widening participation and driving up achievement rates.

