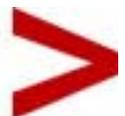# Guidance on the Preparation
# of Three-Year Development Plans

Further Education
and Sixth Form Colleges and
Independent Former External
Institutions

Introduction

Section 1 – Summary of strategic issues

Learning+Skills Council

Introduction

1.   Purpose of Changes

The purpose of the three-year development plan is to improve the experience and success rates of learners while developing planning processes that better identify learner needs and ensure that national, regional and local participation and skills priorities are met. The LSC recognises the need for a shift in the way it interacts with its providers by developing a relationship characterised by a culture of partnership, trust and dialogue, rather than contracting, monitoring and penalties. At the heart of this relationship will be a much more open sharing of data, ideas and aspirations.

All institutions funded by the LSC operate planning and control systems designed to ensure that they are managed effectively i.e. working to attain their distinct missions and strategies within the resources available to them. The detailed systems each adopts are unique but they share similar components: corporate plan, self-assessment and associated action plan, financial projections, human resources plan and property strategy. These elements are required internally and are based on the institution's assessment of the opportunities and tasks it faces for the planning period. Increasingly, however, this internal process must be informed and its outputs modified by national, regional and local participation and skills priorities and the plans of other providers. Colleges and providers are key partners with the LSC for developing the local LSC strategic plans, and in agreeing the contribution the college or provider will make to the local plan. This process of ensuring consonance between an institution's future plans and these wider considerations is achieved through a continuous dialogue with their local LSC. This exchange of information and views informs changes in both the local LSC's plans, by providing detailed and up-to-date information on the opportunities available to and capabilities of its colleges and providers, and that of the institution by providing information on priorities and the availability of revenue and capital funding. This symbiosis improves local plans and ensures that an institution's plans effectively contribute and can therefore expect to be funded within the funding envelope available.

2.   Three-Year Development Plans

The introduction of development plans will not obviate the need for the processes described above to continue and to be further refined. Regular performance reviews and on-going exchange of information will continue. The three-year development plans will be the executive summary of what has been agreed between the college or provider and their local LSC. To inform this process local LSCs will provide information on national and local priorities and funding availability over the next three years. It will be a succinct high-level strategic document, which will contain two main elements with explanatory data:

(a)   Short review of the main strategic issues impacting on the plan. These will include:

- Mission and the college's approach to inclusion and widening participation

- Significant changes in the range and nature of the provision to be offered

- Indication of the main elements of the LSC's strategic/local plan that the institution is committed to delivering by customer type and geographic focus.

- Initiatives to be adopted to improve employer engagement and meet their skills needs.

- Approaches to quality improvement including responses to post-inspection action plans and self-assessment.

- Approaches adopted to ensure that a college or provider can fully discharge its health and safety responsibilities to learners, staff and the general public.

- Identification of key assumptions and their associated risks.

- Management Information Systems – improvement strategy.

- Strategic headlines from the institutions three-year financial projections, property strategy and three-year human resources plan.

Guidance on the short review of strategic issues is outlined below.

(b)   Four quantitative sections which will show historical performance and projected improvement targets in the four key areas.

- Learner numbers.

- Employer engagement.

- Success rates.

- Professional qualifications for teachers and lecturers.

Guidance for each target and a standard format for reporting are available on the three-year development planning area of the Success for All website.

3.   Explanatory Data

Three-year development plans are a high level executive summary of the outcomes of the dialogue between a provider and the LSC during which their contribution to the delivery of the local LSC's plan has been defined. The plan will briefly describe the key strategic issues that underpin the plans and document the agreed targets. They are the result of a detailed dialogue which will be informed by the exchange of views and data at an appropriate level of detail. This will include the provider's internal planning data e.g. corporate plans, financial and accommodation strategies, quality improvement plans etc. and the detailed planning parameters within which the local LSC is operating e.g. national, regional and local targets and priorities for participation and skills, funding availability etc. This guidance makes no attempt to define the information required to support the dialogue beyond acknowledging that it will be much more detailed than that recorded on the development plan. However, it is important that both parties define and agree the information required, where it will be obtained from and that it is not unreasonably onerous to produce. It will need to be further recognised that the continuing development of the LSC's planning role and the introduction of Strategic Area Reviews (StARs) will necessitate much greater data sharing between providers. This represents a considerable development of current practice but is essential if the needs of learners are to be accurately defined and effectively met.

The sector's progress towards national and local priorities, in terms of both actual and planned performance, needs to be plotted. The data required to support this statistical analysis should not involve providers in additional work as it will also be required for their internal use and to support the dialogue with the LSC.

This data will allow the LSC to aggregate provider development plans in ways that match national, regional and local targets, but will not be used as the basis for additional targets for individual colleges and providers, as we explain in circular 03/09.

The data required to support this analysis will be:

Learner numbers:	
Required for headline improvement target: • FTEs split 16-18 and 19+.	Additional data: • split by notional qualification level
Success rates:	
Required for headline improvement target: • split between long and short courses, percentages and numbers	Additional data: • split by age (16-18 and 19+), and notional qualification level.
Professional qualifications	
Required for headline improvement target: • proportion of staff with a teaching qualification or enrolled on a course leading to a teaching qualification	Additional data: • proportion of staff qualified or working towards qualification by level

The local LSC will be able to provide historic data to a standard format and the additional data will be identified in the course of the discussions. Examples of the standard format can be found in the information area of the website and a worksheet that provides a means of recording this information is included with the guidance for each headline improvement target.

4. Status of Three-Year Development Plans

The three-year development plan will become an important element in an institution's strategic planning. Governors will approve it as the key high-level strategic document. It will be agreed with the local LSC with the objective of delivering excellent quality for learners, employers and local communities and meeting national, regional and local priorities for participation and skills. The agreement of a three-year development plan will also trigger a higher funding rate in 2003/04. However, endorsement of a three-year development plan will be predicated on the exchanges of information and views that informed its preparation and agreement with the local LSC. In the case of learner numbers for example, this will mean that the headline figures in the development plan, Full Time Equivalent (FTE) numbers split between 16 - 18 and 19+ learners, will have been significantly disaggregated in discussions between the institution and the LSC. It is these disaggregated figures that constitute the basis of reaching agreement on the headline learner number targets for 16-18 and 19+ for 2005/06 and the three-year funding allocation between the LSC and the college or provider. Disaggregation is needed for the local LSC to have confidence that the main elements of the local LSC's plan will be achieved within the available funding and will not constitute additional targets for individual colleges or providers.

Acceptance of the three-year development plan cannot be taken to imply that the LSC will approve and support any particular aspect of an institution's capital plan. Rather its endorsement within the development plan will become a prerequisite for its submission. These necessary clarifications should not be seen as detracting from the importance and value of the three-year high-level development plan. Rather they reflect the planning process the LSC is committed to develop in partnership with colleges and providers. Three-year development plans will provide details of a high-level strategic compact between the LSC

and its colleges and providers. It will allow both parties to plan with greater certainty and provide the Government with clear evidence of improved performance resulting from the additional funding being made available to post-16 education and training.

Colleges and providers who deliver in more than one local LSC area will agree one development plan with a lead LSC or the National Contract Service (NCS), rather than agreeing a separate plan with each local LSC in the areas in which they deliver. The lead LSC will liaise with the feeder LSCs about the elements of the plan relating to them locally and an overall agreement will be reached.   As far as possible information and data will be aggregated and looked at holistically. However in some instances, for example in the agreement of learner numbers, figures will need to be disaggregated on a local LSC basis, and where some of the main strategic issues and actions have a geographic focus, an indication will need to be made of how this fits in with the local LSC's strategic/local plan.

Guidance on the Preparation of Section 1 of the Three-year Development Plan

Summary of strategic issues

The content of the summary of strategic issues should reflect the provision for which the college or provider is directly funded by the LSC. For example, a college or provider may deliver adult and community learning on behalf of a local authority or work with an independent work-based learning provider on Modern Apprenticeships. This work need not be reflected in the three-year development plan because the contract is not directly with the LSC. Where the college runs its own work-based learning provision this should be included in the plan and appropriate targets agreed for both the further education and the work-based learning provision.

Section 1:   Review of the main strategic issues and actions impacting on the three-year development plan.

(a)   Mission

Statement of the institution's current mission. Where applicable, a statement of recent or proposed changes, an indication of the thinking behind the change and an evaluation of its consequences for the learners served by the institution. This section should also include reference to the institution's distinctive contribution to the key agendas of inclusion and widening participation for both learners and current and prospective staff. The approaches being taken to ensure their delivery should be emphasised appropriately throughout the development plan. Subject to additional work we will carry out during summer 2003, we would expect that one of the criteria for premium level funding in 2004/05 will be that a college is judged to have 'embraced the widening participation agenda'. For a college to be judged successful in this respect it will need to demonstrate that in delivering its development plan it has responded appropriately to the issues outlined above and any others pertinent to the local communities it serves. Additionally colleges and providers, may where relevant, indicate within this section the approaches they are adopting to support schools in the development and delivery of the broader 14-19 curriculum.

(b)   Significant changes to the range and nature of the provision offered by the institution

This section should identify planned changes to the profile of the curriculum to be offered over the period of the plan. It should include only significant planned alterations not normal fluctuations due to changes in learner choice. Such alterations will have been discussed and agreed with the institution's local LSC.

Examples:

- 20% growth of AS/A2 places as a result of demographic changes / reduction in the number of places to be offered at local schools / decision by another local FE provider to concentrate on vocational provision post 16.

- Expand the range of A2 subjects and AVCEs offered in order to better meet the learner's desire for better choice.

- 50% increase in the number of Level 1/2 places to support the increased take up of the full-time education route by school leavers.

- A 100% increase over three years of the plan in the number of adults undertaking basic skills programmes to meet the local LSC's targets and underpin the initiative with employers to improve the basic skills of their employees.

- Introduce a new construction workshop in 2004/05 to support a 50% increase in the number of 16-18 learners undertaking level 2 construction skills courses.

- Ending of all engineering courses over the period of the plan in response to poor quality and low numbers. Agreement has been reached with a neighbouring college to take over responsibility for the learners and employers affected by the change.

(c) Meeting local priorities

A broad indication of the local priorities the institution is committed to contributing to and the extent of their contribution to the priorities around participation and skills.

Examples:

- Improve the participation of the 16-17 year old cohort. The institution plans to double its numbers on school link programmes for Year 10 and 11 pupils in 2003/04. As a direct result it is expected that the numbers participating in full time education post 16 will increase by 50 in 2004/05 and 75 in 2005/06. By 2005/06 this will represent a 2% contribution to the 7% improvement set in the local LSC's plan.

- Improve the basic skills of the workforce. The institution is working with four major local employers who have agreed to support a programme of basic skills assessments for their employees. Once these have been carried out the institution will develop individual learning plans for the employees to bring their skills to an appropriate level. This initiative is planned to involve 500 additional basic skills learners in 2003/04 and 1000 in 2004/05.

- Rationalisation of AS/A2 provision. In line with the recommendations contained in the response to the Area Review the institution is committed to phasing out its full time AS/A2 provision by the end of 2004/05. The 2003/04 intake will be the last.

- Meet the skills gap for engineering technicians. The institution, in collaboration with a partnership of local engineering companies will open an advanced engineering centre in the summer of 2004. This will provide up-skilling training for existing employees to address the identified skills gap. The intention is to achieve CoVE status for engineering provision.

- Work collaboratively with the four schools for which the college is the local sixth form with the aim of increasing by 5% the number of pupils with 5 GCSE grades A-C progressing to level 3 programmes.

(d) Improving employer engagement

The importance of meeting more effectively the skills needs of employers has been identified as a major area for improvement. All colleges and providers will, therefore be expected to demonstrate their contribution to its development in ways that reflect their mission and build on relevant strengths.

Examples:

- Carry out annually an employer satisfaction survey and circulate the findings with commentary on actions the institution will take in response to findings, to local businesses.

- Reactivate 'employer advisory groups' for construction and catering and ensure that their membership is representative and at an appropriate level of seniority.

- Set up an in-company training unit to lead and co-ordinate the institution's work with employers with the aim of better meeting their skills needs and achieving major growth in this important area of development.

- Increase the number of work placements available to learners to assist them in choosing whether employment or full-time study best meets their needs after leaving level 3 programmes.

(e)   Approaches to quality improvement

Colleges and providers will be expected to set ambitious but achievable targets for improvements in success rates. This section should outline the main strategies to be adopted to ensure that the planned improvements are achieved.

Examples:

- Retention and achievement will be monitored at a course level on a monthly basis by senior staff to ensure any developing problems are identified and addressed as early as possible.

- Further development of the limited but successful mentoring scheme for students identified at risk of non-completion or poor achievement. The number of trained mentors being increased from 25 to 75 over the three-year period of the plan.

- Detailed telephone interviews with 20% of all early leavers to establish the reasons for their decision. These interviews to be carried out by Student Services staff rather than the staff responsible for the teaching and be used to inform strategies for increasing retention.

- Better monitoring by sex and ethnicity to identify under performance by a particular group and facilitate targeted support.

See self-assessment report and linked annual development plan for more information.

(f)   Health and safety

The responsibility of colleges and providers to ensure a safe working environment and operating practices for learners, staff and the public are rightly onerous. In this section examples should be given of how these responsibilities are being discharged and monitored and what steps are being taken to reduce risk.

Examples:

- A member of the board of governors has been appointed to oversee the college's safety record.

- The initial safety training given to learners has been fully reviewed and new guidelines developed to ensure it is carried out in a timely way.

(g)   Financial strategy

The institution will still be required to submit a detailed three-year financial plan to their local LSC. Given this the objective of this element of the review is to highlight any significant targets that are essential to the achievement of the plan.

Examples:

- The institution plans to reduce the percentage of its total income spent on staff by 2% in 2003/04 and 2004/05. This 4% reduction over the two years will bring the percentage into line with national benchmarks and free £600,000 for investment in equipment replacement and enhanced staff development.

- The funding of the new 14-19 centre (as outlined in the Accommodation Strategy) will be met by selling the surplus site in the city centre, retaining surpluses planned for 2003/04 and 2004/05 and a 35% contribution from the LSC.

- Expenditure on the maintenance of buildings will be increased by 20% to fund the institution's new preventative maintenance and improvement strategy designed to bring all accommodation up to a good standard by 2006/07.

(h)   Property strategy

The institution will continue to be required to produce a separate property strategy. As with the financial strategy, the objective of this section of the three-year development plan is to highlight those elements of the strategy that will impact significantly on its achievement.

Examples:

- The institution's plan to increase its AS/A2 intake by 200 in September 2004 requires the complete refurbishment of the End Lane site. This project has been approved for capital support by the local LSC and is currently being considered by the LSC nationally.

- The closure of the institution's Green Park and London Road sites will enable revenue savings of £420,000 a year which have been built into the financial forecast as savings from 2005/06.

See college's property strategy for more information.

(i)   Staff development plan

Ensuring that the national targets for teacher qualifications are met is a critical element of the plan. However it should also contain details of the approaches adopted to establish and maintain a culture of continuing professional development. Additionally it should indicate the steps being taken to ensure that staff recruitment reflects the college's or provider's diversity policy.

Examples:

- Ensuring that all new staff are given the support necessary for them to achieve the relevant teaching qualification quickly.

- Linking, in relevant cases, the achievement of specified teaching qualification to an individual's personal development plan. In cases where a member of staff's classroom observation grade is unsatisfactory this link will be compulsory.

- Ensuring that existing staff receive CPD/training to enable them to achieve appropriate teaching qualifications.

- As well as improving the performance of the staff directly involved in teaching, the institution is committed to improving the performance of its management and support staff. A programme for all senior management staff has been introduced and will be refined when the potential contribution of the new 'Leadership College' has been appraised, with the intention of senior staff engaging with the 'Leadership College' as soon as possible. The institution also provides a wide

range of relevant training programmes for support staff. The institution is developing a mentoring scheme for black and ethnic minority staff, supported by staff placements, with a view to helping staff prepare for promotion opportunities.

See college's three-year human resource plan and diversity policy for more information.

(j) **Planning Assumptions and Delivery Risks**

It is important that the institution and their local LSC have a common understanding of those elements of the three-year development plan that are critical to its successful delivery. These key risks should be identified in this section.

Examples:

- If the planned expansion of adult learner numbers was adversely affected by the current review of public funding for these learners, it could reduce the college's projected income for 2004/05 by as much as 5%.

- The LEA is currently reviewing the 11-16 status of three local secondary schools. If it were decided to redesignate these as 11-18 schools this would have a significant impact on the college's level 3, 16-18 year old learner numbers and a consequential reduction in funding.

(k) **Management information systems**

The college will provide timely and accurate data in order to meet the return dates that will inform decisions on volume and funding. The college should also use information more effectively to manage, and to monitor progress in implementing the three-year development plan and to meet headline targets.

Examples:

- The college plans to increase the staffing within its data collection and analysis sections by two to ensure it can address processing backlogs and thereby meet LSC deadlines.

- The college has recently appointed data administrators in each of its four faculties to improve the quality of the data transferring to the central data team.