

## Quality and Standards

Reviewing Performance: Refined Arrangements for Colleges and Providers from October 2002

### Summary

This circular is addressed to colleges and providers funded by the Learning and Skills Council, their representative bodies, learners and their representative bodies, inspectorates, awarding bodies and all other stakeholders with an interest in post-16 learning. It does not apply to school sixth forms.

It provides details of the refined performance review framework to be introduced by the Council during October 2002 and outlines the analysis of the responses to consultative Circular 02/05 *Performance Review: Arrangements for Colleges and Other Providers*.



# Foreword

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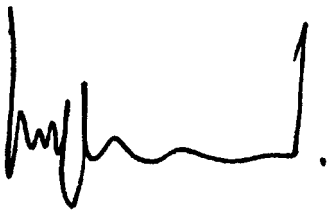
I am pleased to set out in this circular the Council's revised arrangements for reviewing the performance of the colleges and providers we fund.

Performance review is about working in partnership to recognise high performance and drive up quality, and we look forward to working with colleges, providers and other stakeholders to make the refined performance review system fully effective. Our aim is continually to improve provision and, most importantly, bring real benefits to learners.

To help develop our future approach to performance review, we consulted widely with colleges, providers and other stakeholders. Their comments and views were invaluable in guiding our thoughts. As well as explaining the revised performance review framework, this circular also contains an analysis of the responses we received.

I particularly want to thank the Performance Review Advisory Group for their advice and their careful consideration of the responses to our consultation circular. The Advisory Group was thoughtfully and skilfully chaired by Geoff Loades, and I am grateful to him.

We are committed to working openly and transparently to create a climate of trust and to develop a close and collaborative working relationship with the colleges and providers we fund. I hope you will join us in using performance review to make sure more people benefit from high quality learning.

A handwritten signature in black ink, appearing to read 'John Harwood', followed by a period.

*John Harwood, Chief Executive*

## **Further information**

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# Executive Summary

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**Date:** October 2002

**Subject:** Refined performance review arrangements for Council-funded colleges and providers.

**Intended recipients:** This circular is addressed to colleges and providers funded by the Learning and Skills Council, their representative bodies, learners and their representative bodies, inspectorates, awarding bodies and all other stakeholders with an interest in post-16 learning. It does not apply to school sixth forms.

**Status:** For information

**Content:** Following feedback from the consultation Circular 02/05, *Performance Review: Arrangements for Colleges and Other Providers*, and recommendations of the Performance Review Advisory Group, the Council has developed a refined performance review system.

Key features of the new arrangements include:

- a reduction in performance review assessments from three to two a year, in late autumn and late spring; and
- a revised performance review framework, comprising three key performance areas and five performance categories.

The Performance Review Advisory Group received a total of 406 responses in reply to the consultation circular. An analysis of the responses is described in detail in Annex C.

# Reviewing Performance: Refined Arrangements for Colleges and Providers from October 2002

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## Section One Introduction

1 This circular is addressed to Learning and Skills Council (the Council) funded colleges and providers, their representative bodies, learners and their representative bodies, inspectorates, awarding bodies and all other stakeholders with an interest in post-16 learning. It does not apply to school sixth forms.

2 The Council is committed to working in partnership with colleges and providers to bring about continuous improvements in the quality of provision for all the learners we fund. We share providers' determination to offer learners the very best opportunities to learn and succeed. Performance review is one of the key strategies we use to help drive up standards and it is an important part of the Council's ongoing relationship with colleges and providers.

3 We have set out the refined performance review framework and the outcomes of the consultation, at paragraphs 34 and 52 of this circular respectively. We have also given an overview of the new arrangements and an indication of plans to extend the scope of performance review to cover more Council-funded providers.

## Overview of Performance Review

4 Performance review's main benefit is to help drive up quality. It also acts as an early warning for identifying and tackling areas of

weak performance and highlights excellent performance, which can then be shared with others.

5 We use a formal framework to keep our assessments up to date, based on a range of quality and performance indicators. Performance review assessments are based on information supplied to us as part of normal data gathering, monitoring activity and partnership working with colleges, providers and key evaluation agencies such as the Office for Standards in Education (OFSTED), the Adult Learning Inspectorate (ALI) and University for Industry (Ufi) Ltd.

6 By drawing on existing data and using it for a number of purposes, we can minimise bureaucracy. The Council needs to take into account a range of data and information relating to a college's or provider's performance, so that we can give support where it is most needed. This follows the principle of support and intervention 'in inverse proportion to success'.

7 From October 2002, we will undertake performance review assessments twice a year, in late autumn and late spring. The refined framework comprises three key performance areas and five performance categories, with the following descriptors;

- excellent performance;
- strong performance;
- acceptable performance;
- performance gives cause for some concerns; and

- performance gives cause for serious concerns.

8 The revised performance framework is explained in full following paragraph 48.

9 Local LSCs undertake performance review. In the case of some national providers, review arrangements are undertaken by the Council's National Contracts Service.

## Consultation Process

10 Following evaluation of the performance review arrangements used during 2001/02, we sought views on our proposals for a streamlined and refined framework. Consultation Circular 02/05 received 406 responses from colleges and other providers, their representative bodies, learners and their representative bodies, inspectorates and awarding bodies, as well as other stakeholders and those with an interest in post-16 learning.

11 We have analysed the responses and the results are set out in this circular, giving an account of the views expressed and reasons for the decisions finally taken. We have designed the refined framework for performance review to operate over several years to bring about a rapid step-change in performance. We will continue to monitor its effectiveness and seek the views of colleges and providers.

12 The Council set up a Performance Review Advisory Group to consider the responses to the consultation Circular 02/05, *Performance Review: Arrangements for Colleges and Other Providers*, and to advise on developments for performance review. The Council would like to thank the members of the group for their participation, assistance and rigorous discussions. These have been enormously valuable in further developing our approach to performance review.

## Purposes of Performance Review

13 Performance review is central to the Council's partnership with those it funds. We

have developed the purposes of performance review from the original wording in Circular 02/05, in the light of advice from the Advisory Group. These purposes stem from the Council's responsibilities for monitoring and improving the quality of post-16 learning and to fulfil the responsibilities assigned by the then Secretary of State for Education and Employment (now the Department for Education and Skills). They are to:

- help drive up standards and quality;
- identify and share good practice;
- identify areas of weaker performance, as well as colleges and providers experiencing difficulty;
- help plan effective follow up to tackle problem areas swiftly, before they become serious;
- help focus the Council's finite resources where they can be best used to support colleges and providers appropriately;
- inform Council strategic planning and purchasing of post-16 provision; and
- have proper monitoring and reporting processes which can show progress across the sector, while minimising bureaucracy.

14 The performance review process also reflects the principles set out in the Government's strategic framework, *Getting the Best from Each Other*.

## Working in Partnership to Raise Standards

15 From a standing start in April 2001, the Council has made significant progress in developing working relationships with partner organisations, colleges and providers. We recognise that we need to continue to strengthen how we work together to promote a culture of continuous improvement in order to achieve excellence for all learners in post-16 learning.



16 Together with colleges and providers, we have made learners and their success the primary focus of our activity. Our partnership with colleges and providers is based on trust, enabling us to have open and honest dialogue about strategic planning and quality improvement. This relationship includes liaison, advice, monitoring activity and performance review.

17 The Council, guided by the principle of intervention in 'inverse proportion to success', devotes more attention to those colleges and providers experiencing difficulties. We have set out our approach to strengthening poor provision in Circular 02/06, *Quality Improvement: Intervention to Improve the Performance of Providers*. We are also committed to helping to further improve areas that are at 'acceptable' level to become 'strong' and then 'excellent'.

## Improving Performance

18 Using performance review assessments, we can give a range of ongoing support to colleges and providers, appropriate to their circumstances, level of need and local strategic priorities. The kinds of support available to improve performance include advice, assistance with development planning, suggestions about other sources of support and, where appropriate, financial support. The Council has issued information about the Standards Fund in Circular 02/02, *Quality Improvement: Learning and Skills Standards Fund 2002/03*.

19 The local LSC will discuss the kinds of support that may be suitable to promote continuous improvement. By supporting colleges and providers and working closely with them, we aim to add value to existing work being undertaken by colleges and providers to improve quality.

## Recognising and Celebrating Excellence

20 Following performance review assessments of 'strong' or 'excellent', the Council wishes to recognise and celebrate good practice and successful work. We intend to help share 'what works well' in order to benefit more learners.

21 There are already many examples of colleges and providers working jointly with their local LSC to share good practice. This is helping to spark enthusiasm and ideas and to give a sharp focus to making more improvements that directly impact the quality of learners' experience and achievements. The Department for Education and Skills also considers performance review assessments in recommending ministers' awards of Learning and Skills Beacon status.

22 The Department for Education and Skills' discussion document *Success for All* invites comments on the kinds of rewards and autonomy that might be given to high performing colleges and providers. The Council will consider responses and use them to develop its own proposals.

## Performance Review – Showing Progress Across the Sector

23 Following consultation on the Council's Quality Improvement Strategy during 2001/02, we have based two of the key quality measures on performance review. At a national level, we will track trends over time for both the proportion of colleges and providers that are 'excellent' in performance reviews and the proportion that are assessed as having 'serious concerns'. We will work in partnership to help move as many colleges and providers as possible to a 'strong' or 'excellent' overall assessment, and to reduce the number that have areas of concern.

## Relationship with Inspection

24 Performance review is a distinctive Council process that involves working in partnership to help bring about improvements in the quality of provision for learners, as well as helping to improve the effectiveness of colleges and providers. It is different from inspections carried out by OFSTED and the ALI.

25 It is a continuous process and is part of our regular and ongoing relationship with colleges and providers. Twice a year, local LSCs' performance review panels summarise progress in improving colleges' and providers' performance, thereby complementing the four-yearly inspections.

26 Performance review draws on a range of regular data and information returns to the Council, and might include information collected during visits made by a range of local LSC staff, sometimes in partnership with other organisations.

27 Consideration is also given to published inspection reports. The inspectorates, not the Council, directly observe teaching, training and learning. Inspectors are primarily involved in assessing the achievements of individual learners and the quality of their experiences. The Common Inspection Framework emphasises evaluation of standards and achievements, and of teaching and learning. Inspection and reinspection reports provide valuable evidence for the Council's performance review assessments. In turn, the Council shares performance review assessments of excellent and serious concerns with the inspectorates to help them plan a balanced programme of inspections.

28 Although performance review and inspection are different, albeit complementary processes, we recognise that colleges, providers and others may well compare findings. We want to stress that whilst there may be some correlation, no exact comparisons can be made because of the distinct focus of the two processes.

## Equality and Diversity

29 Performance review assessments consider the extent to which colleges and providers are promoting equality of opportunity.

30 The Council has a statutory duty (section 14, *Learning and Skills Act 2000*) to promote equality of opportunity for men and women, people from different racial groups, people with disability and people without. We have drawn up a national strategy on equality and diversity to enable us to meet those statutory obligations and ensure equality for other groups, for example older learners. In embedding equality and diversity into all our policies, programmes and actions, we are committed to 'work with colleges, providers and employers to help them adopt relevant standards, promote equality of opportunity and take systematic steps, including positive action to participate in, and benefit from, Council programmes and initiatives'.

31 The *Race Relations (Amendment) Act 2000* (the Act) places duties on the Council to promote race equality. We will therefore seek to ensure that those in receipt of Council funding are acting in a way which ensures that the Council's duties are being met. For further education colleges this will mean compliance with the duties placed on them under the Act. For work based learning providers, we will develop contracts which ensure that they contribute towards meeting the duties placed on us.

32 All colleges and providers should be aware of, and responsive to, the duties placed on them by the *Disability Discrimination Act*.

## Learner Health and Safety

33 Council-funded colleges and providers have a primary duty of care for the health and safety of learners. We will seek assurance, through performance review, that colleges and providers have suitable and sufficient arrangements for learner health and safety.

## **Section Two**

# **Revised Arrangements for the Performance Review of Council-funded Colleges and Providers**

34 The Council works in close partnership with colleges and providers. It is guided by the principle of sharing information and findings, so that, as far as possible, performance assessments do not lead to surprises. Performance review identifies and brings out issues that need addressing to improve quality. The prime responsibility for quality and quality improvement rests with the college and provider. Raising standards for learners is a shared priority. We aim to make performance review a constructive process that helps drive up quality improvement.

### **Frequency of formal reporting**

35 The cycle of summarising assessments at a national level will be twice a year from October 2002. The reporting times will be late autumn and late spring each year. The dates will be determined to give the best match with the availability of recent data, planning and other cycles of business for colleges and providers. It is our belief that this frequency allows sufficient time for quality improvement, to properly measure progress and to minimise bureaucracy.

### **Streamlining the performance review framework**

36 The revised overarching framework for performance review shown following paragraph 48 will be applied by local LSCs from October 2002.

### **Suitability of evidence**

37 Circular 02/05 listed examples of evidence that local LSCs use to inform their judgements about colleges and providers. It is important to emphasise that colleges and providers should not, in normal circumstances, be required to provide additional evidence for performance review over and above that

which is normally generated. Performance review draws in particular on evidence from the self-assessment and development plan. The second page of the framework shows examples of evidence sources that inform performance review assessments.

### **Use of evidence from inspection reports**

38 Inspection reports will be used as a key source of evidence for performance review. Once the post-inspection actions have been fully completed, the self-assessment report, if it is of an acceptable standard, and the development plan start to provide a more relevant source of evidence, and enable a view to be taken about the success or otherwise in responding to inspection findings.

### **Categorisation of performance**

39 A five-category scale will be applied. Categorisation enables early identification of difficulties, provides the opportunity to identify steps in performance improvement and also enables the identification of excellence. The five-category scale enables resources to be focused where the greatest benefits for learners can be obtained. The overarching framework following paragraph 48 illustrates the use of this scale.

## **Revised Performance Review Framework**

40 The framework for performance review is a high-level framework which will be used for the range of Council-funded colleges and providers, except at present school sixth forms. The framework is not overly prescriptive because it needs to be used in ways suited to colleges' and providers' different circumstances, types and size, as well as to organisations offering other types of services, such as advice and guidance. However, whatever the nature, background or location of colleges and providers, the Council expects very high standards of those assessed as 'excellent', and consistently good standards of those that are assessed as 'strong performers'.

41 In reaching decisions about category assessments, local LSCs will consider the range of national benchmarking data and information that is available for the particular type of provider to ensure consistency of approach.

42 Staff who are knowledgeable about the college or provider make professional judgements, drawing on a wide range of evidence, information and benchmarking data, where these are available.

43 The level of liaison and monitoring activity with colleges and providers and the depth of the performance review considerations follow the principle of 'intervention in inverse proportion to success'. We give greater scrutiny, and levels of support or intervention to those colleges and providers where there are concerns.

## **Benchmarking Over Time**

44 We are aware that drawing on national benchmarking data to make assessments over time raises issues. We anticipate that colleges and providers funded and supported by the Council will continue to make improvements, in particular in learners' retention and achievement rates; the success rates. The median point in year one will move upwards over the coming years.

45 The Council will ask the advisory group to consider this issue and advise on the best ways to make sure that reporting through performance review is capable of reflecting any real gains made across the learning and skills sector.

## **Improving our Effectiveness**

46 Together with key partner organisations, we are working to make performance review fully effective. The Council continues to give a high priority to providing staff development and training for its staff to help ensure that assessments made are rigorous and fair, and

that they are used effectively to decide on the priority areas for improvement with each college and provider.

47 We are mindful of the critical comments made by some in response to the consultation Circular 02/05 that the Council needs to further develop the skills and expertise of its staff in order to work more effectively with the range of colleges and providers it funds. This is a matter we have prioritised in our staff development plans. We believe that working openly in close partnership with colleges and providers helps build trust, and a shared understanding of the best ways to deliver excellence for learners.

48 The Council has quality assurance and moderation arrangements for performance review, involving senior Council staff, to help ensure that the purposes of performance review are met, to secure national consistency and share good practice.

LSC's performance review framework from October 2002

Key Performance Areas and Key Overall Questions	Performance Categories			
	Excellent Performance <i>May be able to provide support for others</i>	Strong Performance <i>Requires little or no support</i>	Acceptable Performance <i>May need support to move to 'strong performance'</i>	Some concerns <i>Needs support and possibly intervention to improve</i>
<b>Participation and Recruitment</b> <i>How well is the college/provider widening and increasing participation?</i>	Consistently achieving critical strategic priorities for Council funded provision. Consistently setting and achieving demanding targets. Demonstrating good practice, innovation and exceeding expectations of prospective learner/customer	Achieving critical strategic priorities for Council funded provision. Setting and achieving most agreed demanding targets	Achieving most critical strategic priorities for Council funded provision, but some targets achieved may not be sufficiently demanding	Under achieving against some critical strategic priorities for Council funded provision  Significant trend of under-achieving against critical strategic priorities for Council funded provision
<b>Learner Experience and Performance</b> <i>How well is the college/provider ensuring a positive learner experience and high performance?</i>	Consistently achieving critical strategic priorities for Council funded provision. Consistently setting and achieving demanding targets. High levels of learner performance. Demonstrating good practice, innovation, and exceeding expectations of learner	Achieving critical strategic priorities for Council funded provision. Achieving most agreed demanding targets. Good levels of learner performance	Achieving most critical strategic priorities for Council funded provision, but some targets achieved may not be sufficiently demanding. Overall, acceptable levels of learner performance, no significant areas of poor learner performance. No significant risk to learner experience	Under achieving against some critical strategic priorities for Council funded provision. Overall, some areas of poor learner performance. Indications show that 'improvements' can be achieved to the minimum 'acceptable' level  Significant trend of under-achieving against critical strategic priorities for Council funded provision. Significant level of poor learner performance. Significant threat to learner experience
<b>Management</b> <i>How well is the college/provider managing quality and sustaining organisational viability and stability?</i>	<i>Supported by at least excellent and/or strong performance in both the above Key Performance Areas</i>  Delivery of planned targets, maintaining a trend of quality and improvement across the organisation. Demonstrating good practice, innovation and exceeding expectations of customer (i.e. employers/local community)	<i>Supported by at least excellent and/or strong performance in both the above Key Performance Areas</i>  Delivery of planned targets, creating and developing quality improvement across the organisation	Delivery of planned targets, creating improvement in some key areas. No significant areas of poor performance. Provision is viable	Failure to plan and failure to deliver the planned activity, to an extent which threatens the viability of provision and/or Council funds. Significant areas have poor performance  Failure to plan effectively and/or to deliver some planned activity, which may threaten the viability of the provision and/or Council funds. Some areas have poor performance

**Glossary of Terms**

1. Consistently: evidence of a trend, informed by the reports from at least two previous performance review panels
2. Demanding targets: agreed targets that aim to lead to step-changes and significant quality improvement
3. Maintaining: informed by the reports from at least two previous performance review panels
4. Strategic priorities agreed with the local LSC

LSC's performance review framework: Illustrative targets and evidence from October 2002

Key Performance Area			
	Participation and Recruitment <i>This key area encompasses the 'first phase' of the learner pathway i.e. from the first point of contact to enrolment/start</i>	Learner Experience and Performance <i>This key area encompasses the 'second phase' of the learner pathway i.e. from induction to completion/achievement</i>	Management <i>This key area relates to the systems, procedures and processes underpinning delivery of the provision</i>
<b>Examples of targets to be considered</b>	<p>Relevant key targets expressed in the self-assessment report and business/strategic plan:</p> <ul style="list-style-type: none"> <li>enrolments/starts</li> <li>widening participation recruitment targets</li> <li>equality and diversity recruitment targets</li> <li>recruitment targets relating to local and national Council initiatives e.g. Local Initiative Fund (LiF) projects, Bite Size</li> <li>initial guidance</li> </ul>	<p>Relevant key targets expressed in the self-assessment report and business/strategic plan:</p> <ul style="list-style-type: none"> <li>retention rates</li> <li>achievement rates</li> <li>learner health and safety and induction and safe learner</li> <li>equality and diversity</li> <li>progression/destination</li> <li>learner satisfaction</li> <li>employer satisfaction</li> <li>take up by learners and effectiveness of learning support, eg basic skills</li> <li>take up of practical learner support, eg access funds, transport</li> <li>teacher/trainer qualifications and continuing professional developments</li> </ul>	<p>Management of targets expressed in the business/strategic plan and self-assessment report/development plan:</p> <ul style="list-style-type: none"> <li>financial targets relating to LSC funding</li> <li>staffing</li> <li>curriculum range</li> <li>statutory duties</li> <li>equality and diversity</li> <li>learner health and safety</li> </ul>
<b>Examples of evidence to be considered</b>	<ul style="list-style-type: none"> <li>evidence relating to impartial guidance given to learners</li> <li>evidence relating to initial assessment of learners' and their support needs</li> <li>recruitment and enrolment data against targets</li> <li>evidence of achieving widening participation and equality and diversity recruitment targets</li> <li>current inspection reports</li> <li>evidence cited in self assessment/development plans</li> </ul>	<ul style="list-style-type: none"> <li>reports evaluating the support given to learners</li> <li>reports analysing patterns in learners' attendance</li> <li>learner retention data</li> <li>achievement data, including results of public examinations</li> <li>value added data as available</li> <li>progression and destination data</li> <li>current inspection reports</li> <li>evidence cited in self assessment/development plans</li> <li>learner satisfaction surveys</li> <li>employer satisfaction surveys</li> <li>monitoring reports on the qualifications and expertise of staff</li> <li>staff training and development records/reports</li> <li>evaluation of induction</li> <li>evaluations of learner health and safety</li> <li>patterns of learners' experience, retention and achievements according to age, sex, ethnicity, disability</li> </ul>	<ul style="list-style-type: none"> <li>business/strategic plan</li> <li>Council contract</li> <li>Council funding agreement/financial memorandum</li> <li>management information</li> <li>current inspection reports</li> <li>evidence of effective planning and target-setting</li> <li>evidence of policies and procedures and their effective implementation (especially to meet statutory responsibilities, eg <i>Race Relations Amendment Act</i>)</li> <li>evidence of sound financial management and viability</li> <li>evidence of continuous improvement</li> <li>evidence of awareness of the local environment</li> <li>evidence of internal training and development for staff</li> <li>financial health assessments</li> </ul>

## Arrangements for Dealing with Disagreements

49 We operate performance reviews to improve standards in partnership with colleges and providers. If any minor disagreements arise in relation to the performance review, we aim to settle these through constructive dialogue. If a decision is taken on intervention as a result of the performance review which would result in a reduction or withdrawal of funding, or would significantly impact the college or provider in some other way, we will make arrangements for the college or provider to seek a review of that decision and to have the opportunity to make representations.

Small Business Service; Information, Advice and Guidance for Adults (IAG); Education Business Links and further education in higher education institutions. Discussions are underway with the Local Government Association and Secondary Heads Association about an appropriate form of review for sixth forms in schools.

## Extending the Scope of Performance Review

50 There are significant differences between the various types of providers not currently within the scope of performance review. These differences include:

- nature and purpose of provision;
- organisational structure;
- accountability;
- arrangements for quality assurance;
- recording systems;
- data collected and returns made; and
- data definitions.

51 We intend to extend the scope of performance review to more Council-funded providers beyond FE colleges, WBL, Ufl hubs, independent external institutions and specialist designated institutions during 2002 to 2004. However, there is a great deal of work required before this can happen. Development work is being undertaken in liaison with other providers including: Adult and Community Learning (ACL); Independent Specialist Residential Colleges for learners with learning difficulties and/or disabilities; the

## Section Three Responses to Consultation Circular 02/05

52 *Circular 02/05 Performance Review: Arrangements for Colleges and Other Providers* conformed to the *Code of Practice* published by the Cabinet Office; full details are at Annex B. The 406 responses received by the Council were analysed in accordance with the code and shared with the advisory group. Details of the analysis are to be found at Annex C.

### Responses to the Consultation

53 *Circular 02/05* consulted on the following:

- purposes of performance review;
- reduction in the frequency of formal reporting of review panel assessments;
- streamlining the performance review framework from ten to three key areas;
- suitability of evidence for assessment;
- the use of evidence from inspection reports; and
- the use of a five-category assessment scale with revised descriptors.

54 The analysis of the responses provided the Council with a mandate. The summary of these responses is as follows:

- 88% of responses expressed positive support for the purposes of performance review;
- 83% of responses supported the proposal of national reporting twice a year;
- 80% of responses supported streamlining the performance review framework into the three key performance areas of: participation and recruitment; learner experience and performance; and management;

- 81% of responses considered the types of evidence listed in the circular to be appropriate for assessment of the three key areas
- 85% of responses supported the use of inspection reports as key external, valid evidence sources for reviewing the performance of colleges and providers; and
- 78% of responses supported the use of a five-category scale for assessment – however a significant number of responses were not supportive of the use of the phrase 'with scope for improvement'.

55 Further analysis of those comments made by respondents indicating support with some reservations shows that a significant proportion expressed positive views about the proposals.

56 The advisory group also recommended that descriptors were different from those used by the inspectorates. The five descriptors agreed are: 'excellent performance', 'strong performance', 'acceptable performance', 'performance gives cause for some concerns' and 'performance gives cause for serious concerns'.

### Performance Review Advisory Group

57 As stated in *Circular 02/05* the Council established an advisory group comprising representatives from key external stakeholders. Details of membership are at Annex D.

58 The remit of the advisory group was to receive the analysis of the responses to *02/05*, to advise on how the Council should respond to the outcomes of the analysis and to assist in the revision of the performance review arrangements. The advisory group met on three occasions and will reconvene after one year to receive a report evaluating performance review arrangements during *2002/03*.



59 The advisory group discussed the proposed revised arrangements. In some areas there were differing views and it was felt that it would not be possible to establish complete agreement amongst everyone. The most significant debates were around the potential risk of confusion between inspection and performance review, the five-category scale and its descriptors.

60 Inevitably, views were expressed about the most appropriate descriptors, and the clarity of some terms. The term 'acceptable' created some unease. However, we were keen to avoid terms used by the inspectorates, such as 'satisfactory' or 'adequate', and to avoid terms with negative connotations such as 'coasting' or 'comfortable'. Therefore, 'acceptable' was considered a suitable definition for colleges and providers without significant concerns, but not yet meeting the threshold of strong performance.

61 A range of views was heard and after careful consideration, and on balance, the revised arrangements stated in section three are considered to be a suitable way forward for performance review over the next few years, that can deliver both an early warning of concerns and identify excellence.

# Annex A: Background to the Council's Performance Review Arrangements

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62 The Learning and Skills Council (the Council) was established on 1 April 2001. It brought together the Further Education Funding Council (FEFC) and the Training and Enterprise Councils (TECs). It is responsible for all post-16 education and training in England, excluding higher education. It operates through 47 local Learning and Skills Councils across England as well as the National Contracts Service. Two committees, the Adult Learning and the Young People's Learning Committees, support the sixteen-member national Council.

63 The Remit Letter from the Secretary of State for the then Department for Education and Employment to the Learning and Skills Council states that the Council will have 'the key responsibility to plan, fund, monitor and improve the quality of post-16 learning up to higher education.'

64 To discharge some of these responsibilities and to ensure that there was no interruption to the reviews of colleges formerly conducted by the FEFC, and of other providers by the TECs, the Council decided to undertake regular performance reviews. By devising a framework to assess the performance of colleges and other Council-funded providers, we seized the opportunity to bring together a range of monitoring and review activities. For the first time, it was possible to have a national performance review framework covering the range of post-16 learning providers.

65 The Council was also determined to deliver commitments made to the Public Accounts Committee in March 2001 'to apply rigorous review at a local level' and to carry out 'very close monitoring of colleges and

providers that will have an impact'<sup>1</sup>. Similarly, the Council undertook to do more 'to identify potential problems earlier' and 'to take a more proactive, preventative approach'.

66 Performance Review is a key quality assurance process that enables the Council to be accountable and raise standards by:

- working in partnership with colleges and providers to improve performance;
- regularly assessing the quality of the provision that it funds;
- early identification of any difficulties a provider is experiencing so that targeted support and/or intervention can be provided; and
- identifying outstanding/excellent practice that can be shared across the sector.

67 The performance review framework, used from April 2001 to September 2002, was developed as part of transition arrangements to the Council. It was designed to operate from start-up in April 2001 to provide continuity with the 'regional review' of colleges conducted three times a year by the FEFC and the various contract reviews done by TECs. The Council inherited a situation where:

- no overall post-16 national quality framework existed;
- self-assessment and inspection were not embedded across all colleges and providers;
- established benchmarking data were not available for all colleges and providers;

<sup>1</sup>Public Accounts Committee hearing March 2001, on improving student performance in English further education colleges.

- there were significant variations in the professional backgrounds of Council staff, with the Council just formed as an organisation; and
- there was a lack of consistency in quality and standards across the sector.

68 Performance review assessments of further education colleges and work based learning providers have been nationally reported three times: June 2001, October 2001 and April 2002.

69 Since April 2001, we have undertaken a number of activities to evaluate our performance review process. These include consideration by the Council's national performance review board; evaluation events; a published document on the Council's website inviting comments; a national task group of Council staff; liaison with stakeholders; and the appointment of an independent consultant, Dr Terry Melia CBE, who sought the views of external stakeholders, followed by the consultation Circular 02/05, *Performance Review: Arrangements for Colleges and Other Providers*.

70 In evaluating the performance review process, we took account of Dr Melia's findings; the views of colleges, providers and their representative bodies; the Department for Education and Skills; the Local Government Association; OFSTED; the ALI and feedback from a number of other stakeholders.

71 Feedback from those consulted confirmed that quality improvement is an important purpose of performance review. It was also recognised that strategies need to be devised to ensure that the findings of reviews translate rapidly into action to support quality improvement. Many respondents also emphasised the role of performance review as a risk management strategy that identifies difficulties and enables the Council to provide appropriate support.

72 The key messages emerging from evaluation activities were:

- the principles underpinning the performance review process and the objectives are essentially sound;
- the performance review process has the potential to deliver its stated purposes;
- there is scope for streamlining the framework;
- implementation is not yet consistent or fully effective; and
- some good practice in implementation is developing that can be built upon to improve the effectiveness of the review process.

73 Feedback from evaluations suggests that we need to address some key issues to strengthen and improve performance review arrangements, whilst minimising bureaucracy. The issues of purpose(s); frequency; key performance areas; the evidence base used; use of inspection findings; performance categories and consistency of assessment were addressed in the public consultation document Circular 02/05. That consultation circular sought responses to the Council's proposals for refinement of the performance review framework.

# Annex B: Code of Practice on Written Consultations, Cabinet Office

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74 The consultation Circular 02/05 conformed to the *Code of Practice on Written Consultations* published by the Cabinet Office. The Code specifies that:

- 1 The consultation should allow adequate time for its results to be built into the planning process for a policy (including legislation) or service. This will help ensure the best prospects for improving the proposals.
- 2 The consultation should be clear about who is being consulted, about what questions, in what timescale and for what purpose.
- 3 The consultation document should be as simple and concise as possible for you to read. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for you to respond, make contact or complain.
- 4 Documents should be widely available to you, with the fullest use of electronic means (though not to the exclusion of other means of consultation). The document should be effectively drawn to the attention of all interested groups and individuals.
- 5 Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the minimum period for a consultation.
- 6 Responses should be carefully and open-mindedly analysed, and the

results made widely available, with an account of the views expressed, and reasons for decisions finally taken.

- 7 The organisation should monitor and evaluate consultations, designating a consultation coordinator who will ensure the lessons are disseminated.

75 The Learning and Skills Council may, under the terms of the *Code of Practice on Access to Government Information*, make individual consultation responses available on public request unless individual consultees have asked for their comments to remain confidential.

# Annex C: Responses to the Consultation Circular 02/05, Performance Review: Arrangements for Colleges and Other Providers

## Analysis of the Responses to the Consultation Circular 02/05

76 The Performance Review Advisory Group received and endorsed the following analysis of the responses to the consultation Circular on 17 July 2002.

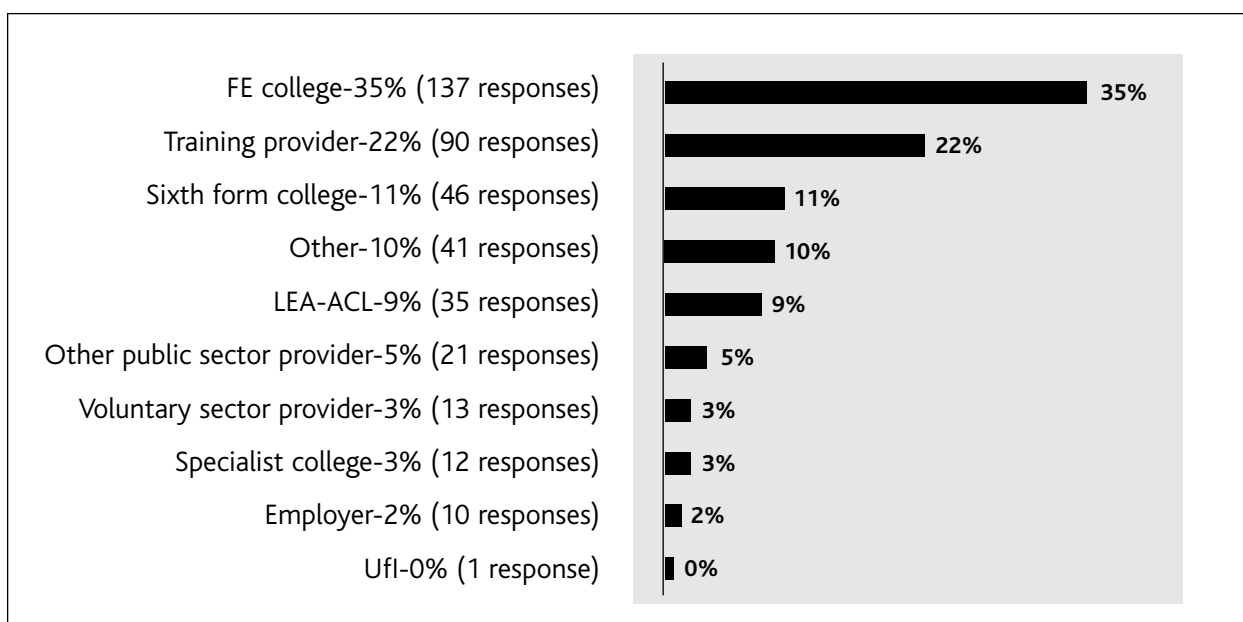
## Overview of Responses

77 A total of 406 responses to the consultation Circular 02/05 have been received. 293 responses were received by the due date, 28 May 2002, with 113 arriving subsequently.

78 Of the 406 responses received:

- 41 responses were from key stakeholders, including Association of Colleges, Association of College Managers, National Association of Teachers in Further and Higher Education, Learning and Skills Development Agency and the Adult Learning Inspectorate;
- 183 responses were from FE and sixth form colleges;
- 100 responses were from training providers and employers; and
- 82 responses were from public and voluntary sector providers.

**Figure 1. Sector breakdown of respondents**



**Question 1: Do you consider that the purposes of performance review, as stated in the circular, are appropriate?**

79 The purposes as stated in the circular were to:

- help drive up standards and quality;
- strengthen partnership working to raise standards, support continuous improvement and resolve problems quickly;
- identify areas of weaker performance as well as colleges or other providers experiencing difficulty;
- help in the planning of effective follow up activity to tackle potential problem areas swiftly, before they become serious;
- help in the allocation of Council staff time and other resources in supporting and monitoring colleges and other providers;
- identify and disseminate good practice; and
- inform Council strategic planning of post-16 provision.

**Key themes**

80 The stated purposes of performance review were generally supported. In particular, the emphasis on support for colleges and providers, transparency and partnership working were welcomed by respondents. Nevertheless, the capacity and capability of Council staff to deliver consistent assessments were questioned as much by those supporting the purposes as by those declaring reservations. A particular reservation stated by 19 respondents is that the purposes may be too broad and ambitious.

**Figure 2. Breakdown of responses**

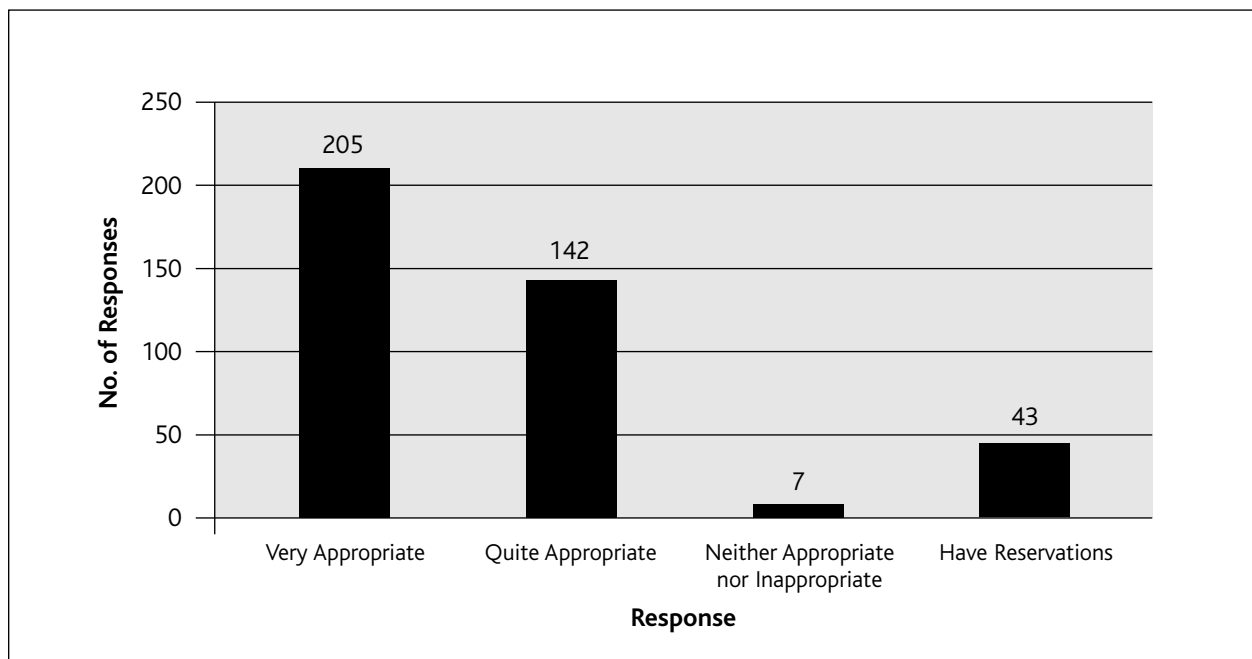
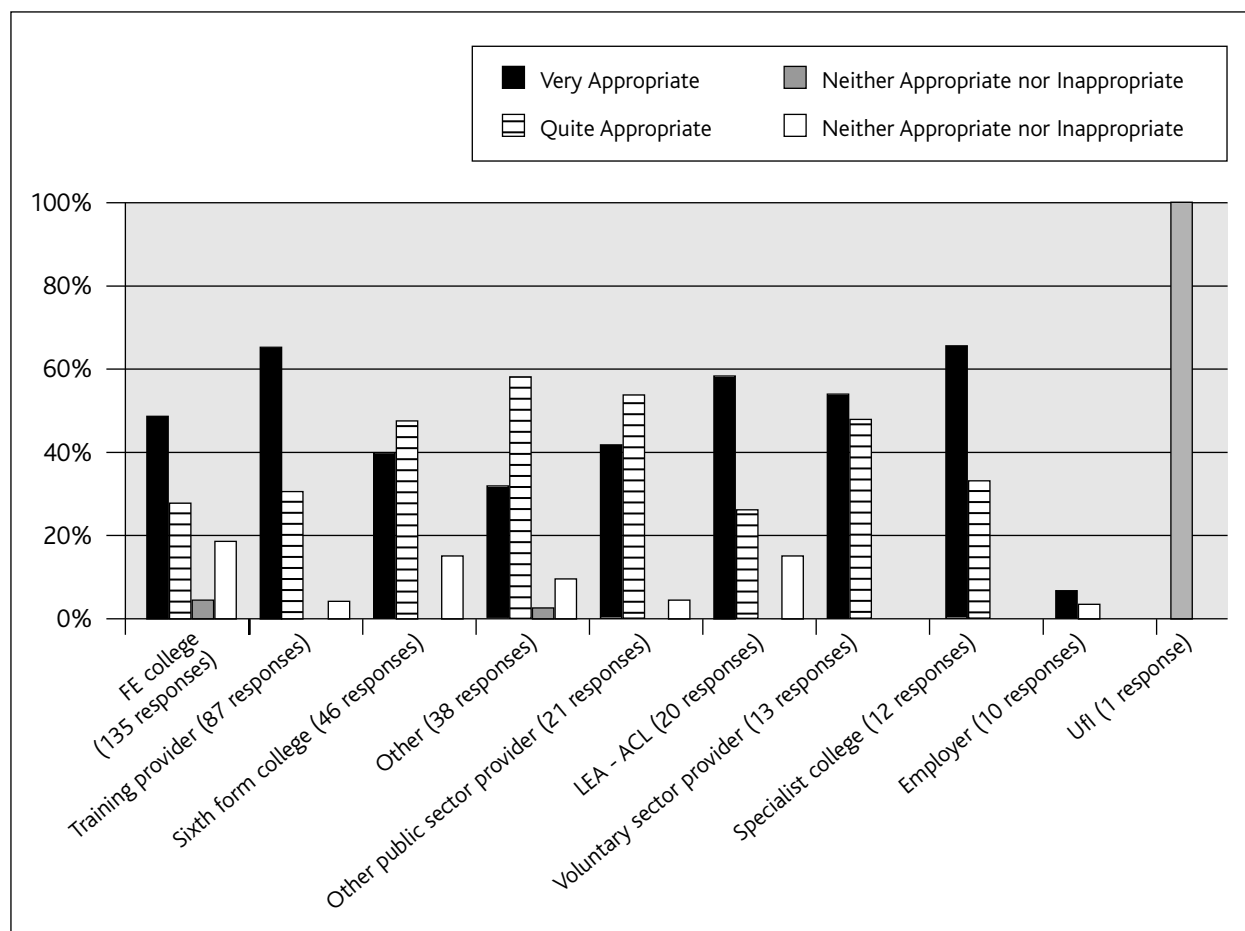


Figure 3. Breakdown of responses by sector



- 88% of responses were positive (very appropriate 52%, quite appropriate 36%);
- 176 respondents added comments and 68 of these were from further education colleges, some qualified their positive response with doubts about local LSC capability in terms of skills and experience, and the potential for additional bureaucracy created by performance review;
- of those 43 (11%) who responded negatively almost half (19) stated their reservation that one overarching framework could adequately deliver all the stated purposes across all provider types; and
- some additions to the purposes were proposed, in particular a wish for the framework to validate self-assessment

and development planning, and to reward consistently good performance.

**Question 2: Do you support reducing the formal reporting from three times a year to twice a year?**

**Key themes**

81 Reducing the frequency of formal reporting performance review assessments from three times to twice a year was regarded as significantly reducing bureaucracy. It was appreciated that increased time for implementing and monitoring improvements between reporting points is needed. It was also appreciated that continuous dialogue, via monitoring activity, is necessary to support improvement.

82 Regardless of the frequency of reporting, there was much comment about the timing of reviews. It was widely suggested that reviews

should be timed to ensure that up-to-date key data are available and fit with planning cycles. It was suggested that the timing of reviews could take account of college and provider specific cycles, and for reviews to have different emphases – for example on colleges' achievement data in the autumn and on work-based learning contracting in the spring. In other words, performance review assessments should draw on the latest data and be used in a timely way to inform key strategic decisions, such as contracting.

83 A significant proportion of colleges, regardless of response type, expressed strong support for performance review reporting to align with the college annual self-assessment cycle.

84 It was also proposed that reviews should operate according to a sliding scale in order to be consistent with the principle of 'intervention in inverse proportion to success'.

**Figure 4. Breakdown of responses**

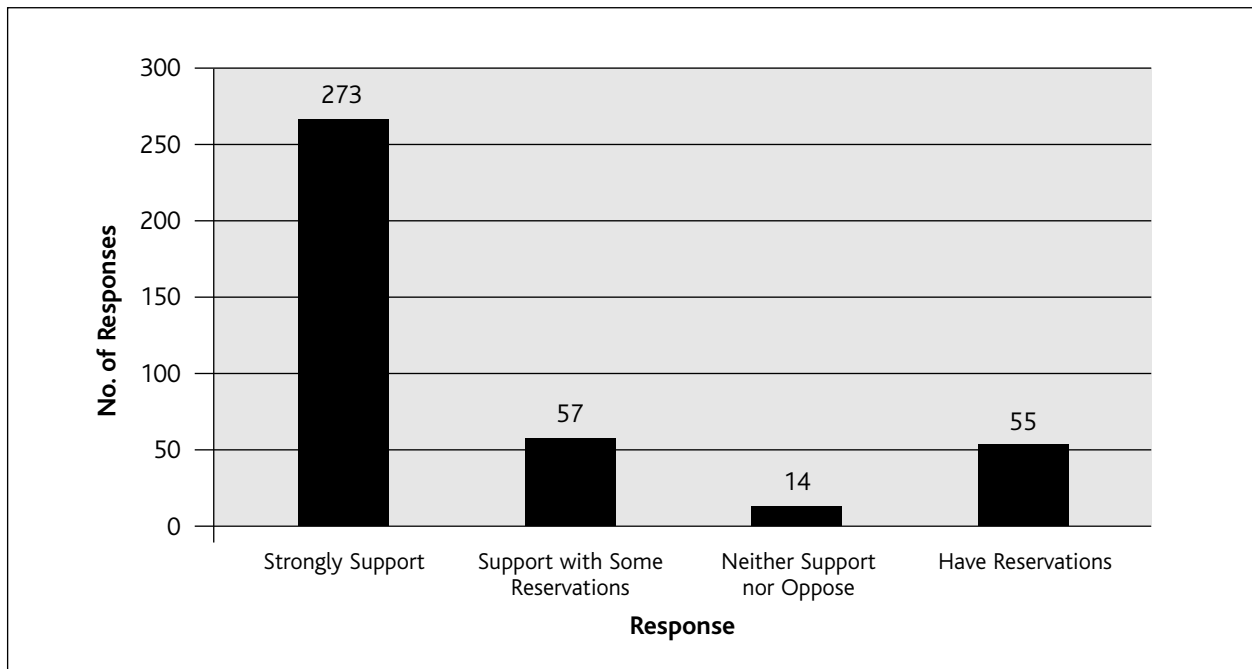
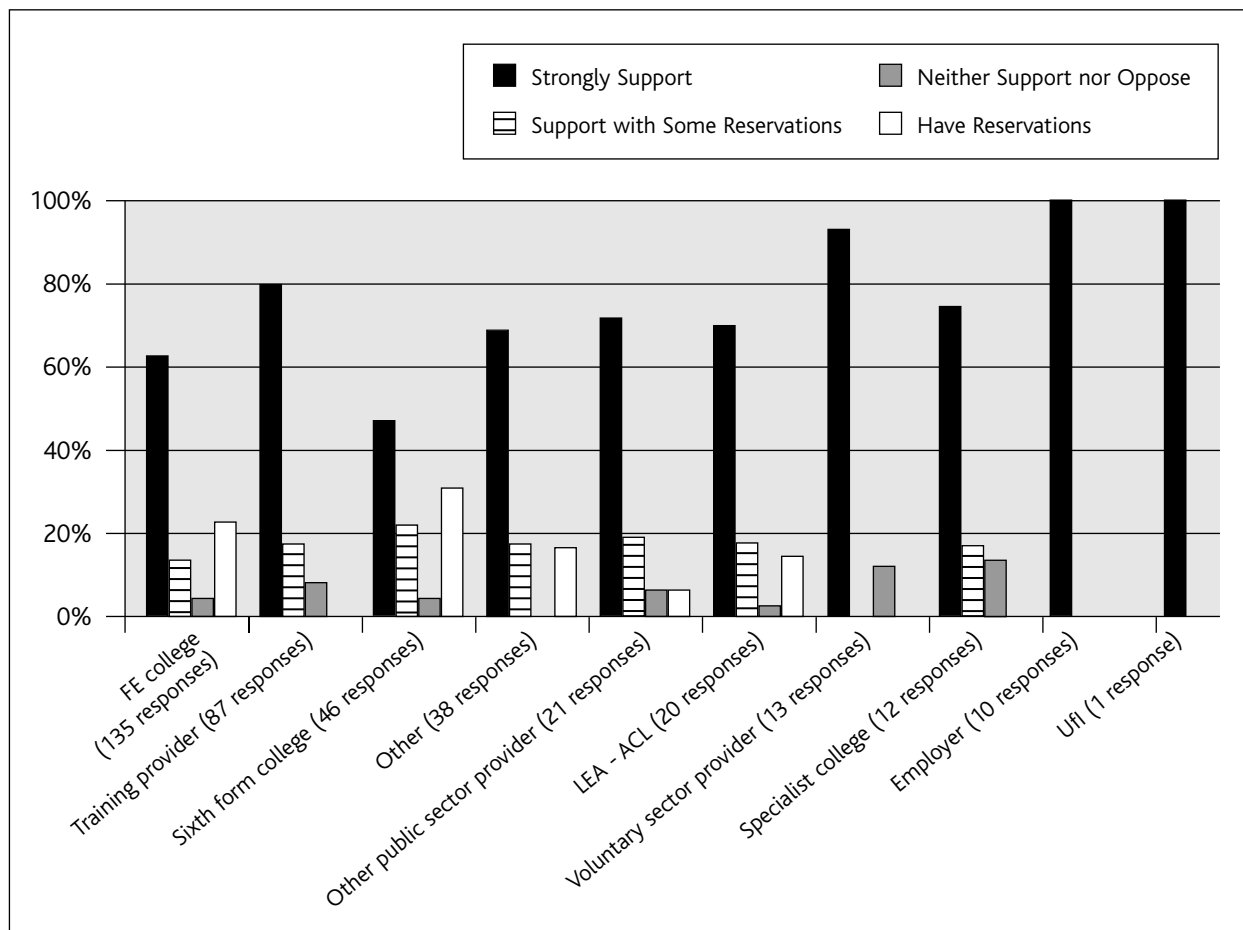




Figure 5. Breakdown of responses by sector



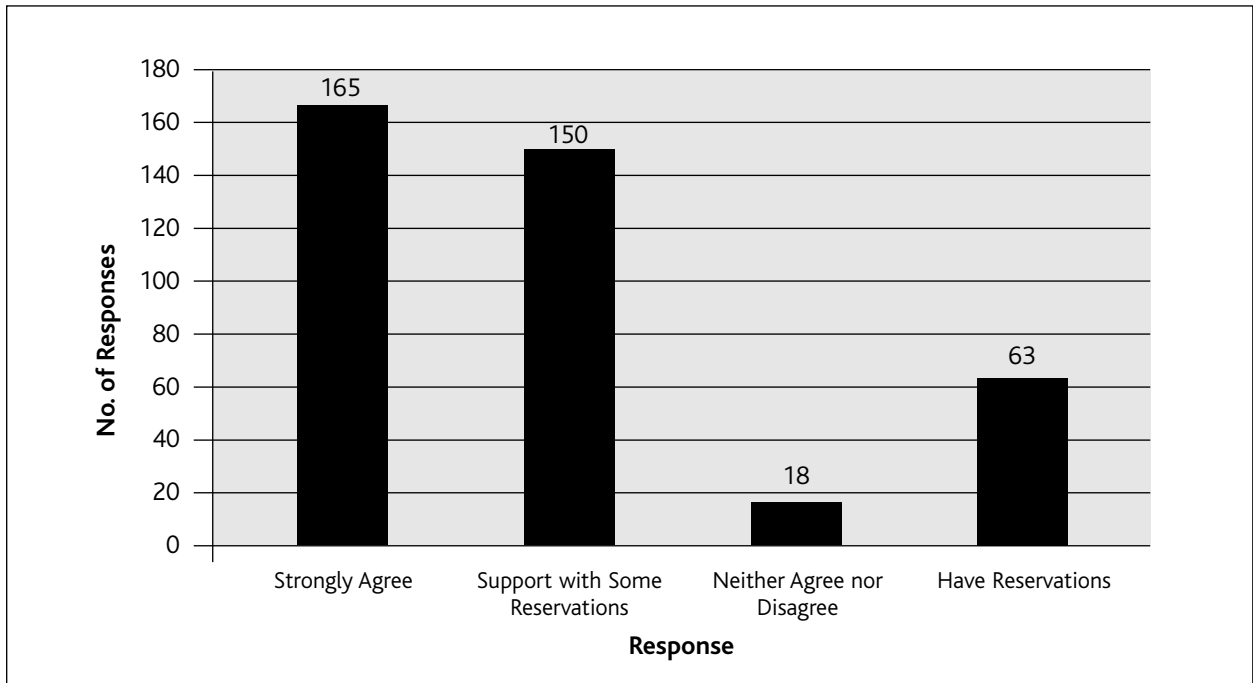
- 83% of responses were positive (strongly support 69%, support with some reservations 14%); and
- 50 of the 55 (14%) of negative responses ('have reservations') stated that one review per year should be sufficient, and argued that more frequent monitoring, intervention and progress review would be happening where there is a cause for concern.

**Question 3: Do you consider that streamlining the performance review framework into three key areas provides an adequate basis for the Council to make an overall assessment of performance?**

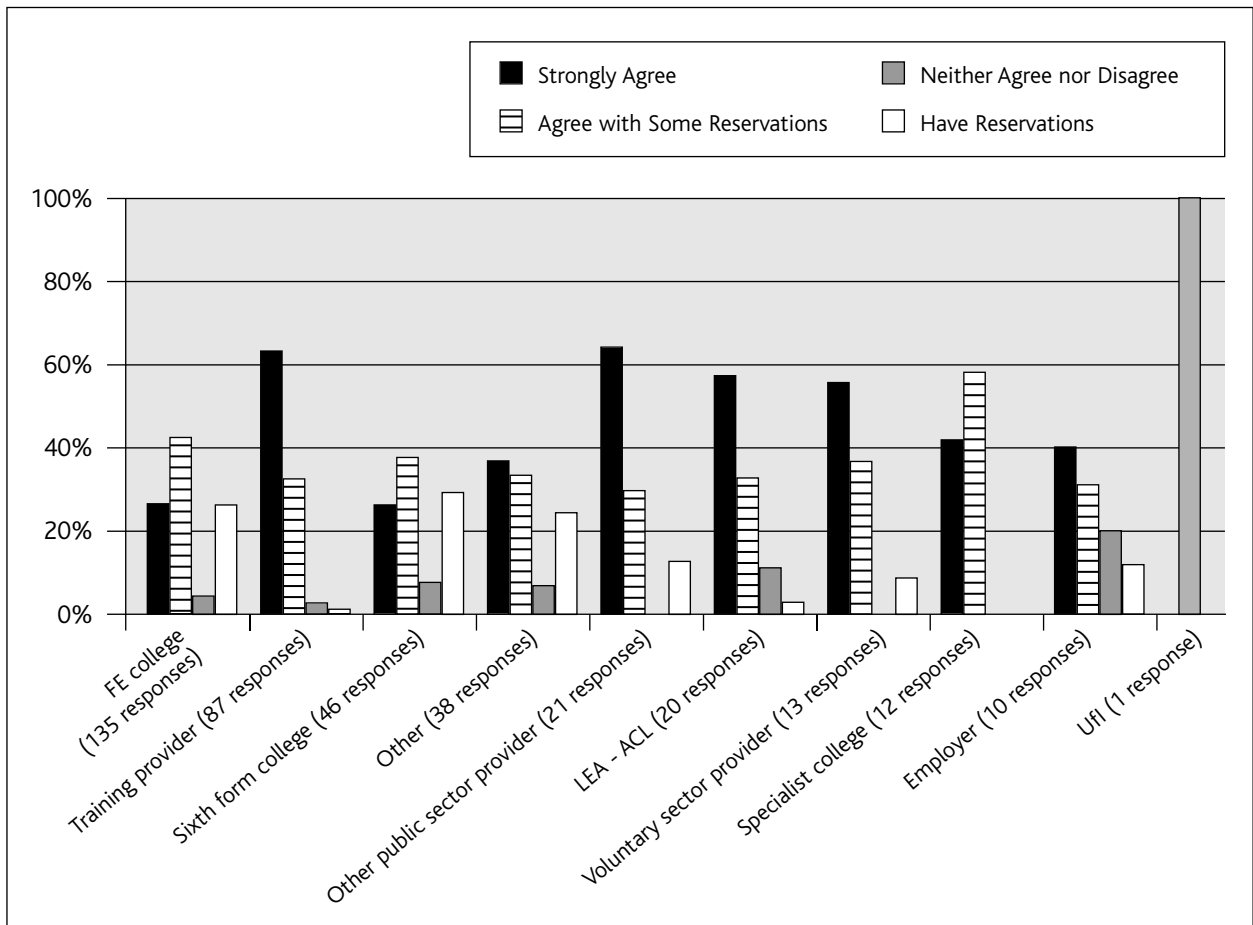
### Key themes

85 Overall, respondents were positive about reducing the number of key areas. However, many commented that the changes give the appearance of the original 10 key areas being regrouped into three areas. A key positive comment from many was the appreciation for the streamlined framework that reflects the Common Inspection Framework. Some commented that clear criteria are needed to ensure consistent overall categorisation, and that a common reporting matrix is needed.

**Figure 6. Breakdown of responses**



**Figure 7. Breakdown of responses by sector**



- 80% of responses were positive (strongly agree 42%, agree with some reservations 38%).

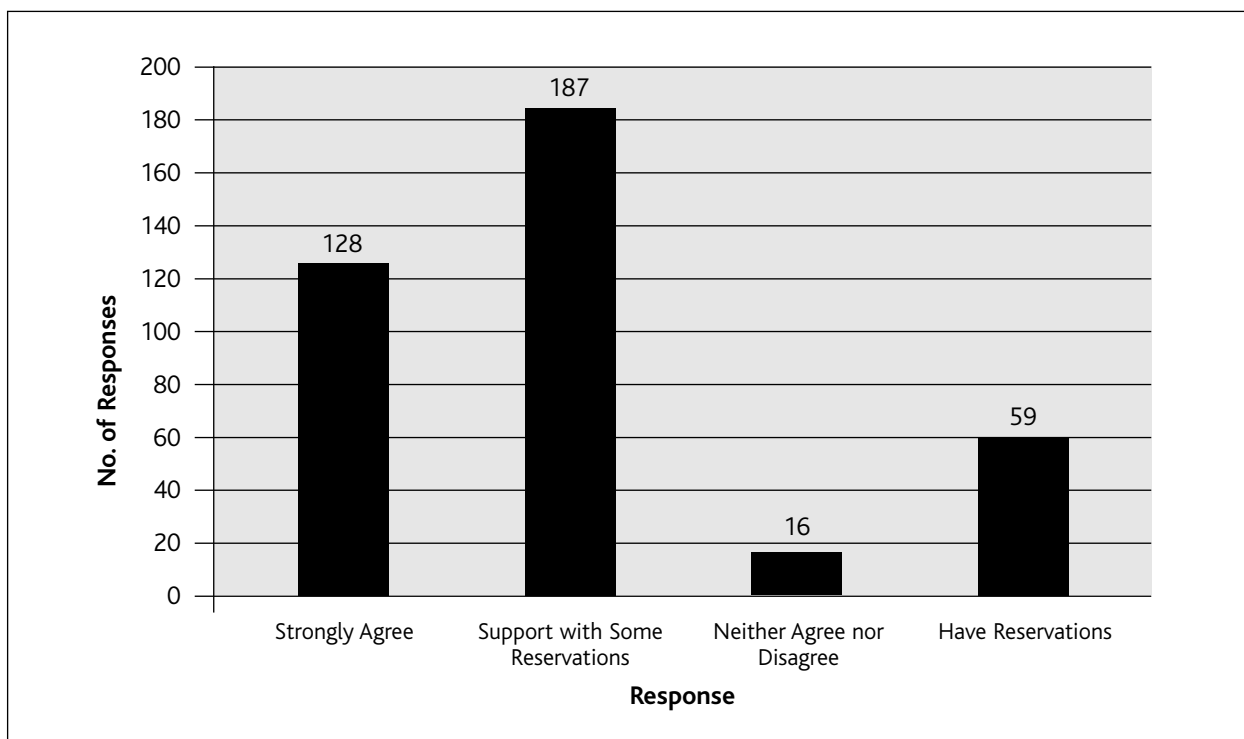
**Question 4: Do you agree that the proposed types of evidence are suitable for assessing performance of the key areas?**

**Key themes**

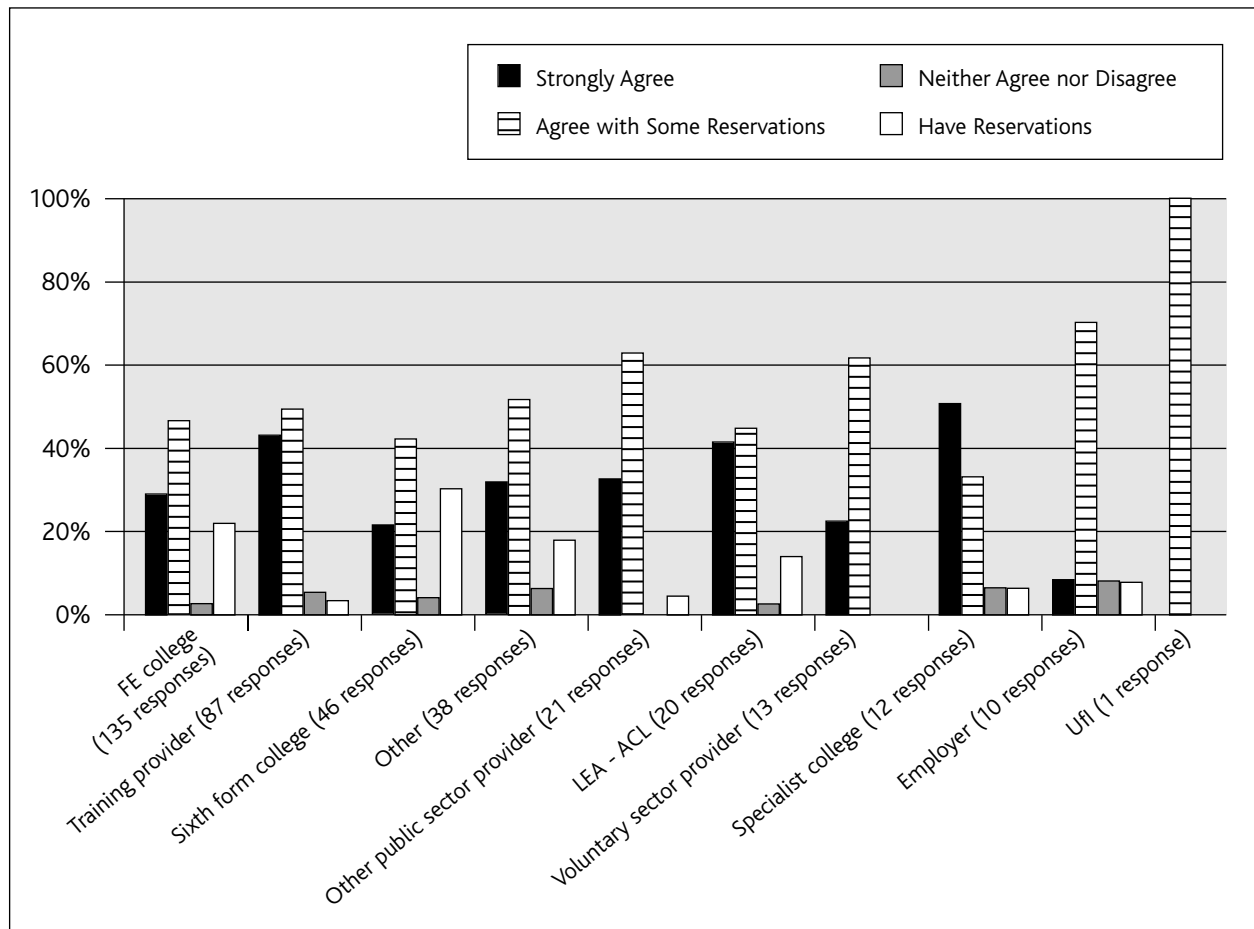
86 Some respondents were keen to have a definitive list of evidence and clear guidance on its interpretation. Some extensive responses expressed concern about the range and suitability of cited evidence. There was general consensus that it is important that data are accurate and evidence is collected consistently. It was suggested that the Council should improve internal data sharing to avoid

colleges and providers being asked to produce data/evidence several times. Some were concerned that there are too many data sources cited and that the performance review framework may be trying to measure performance on too many dimensions. There was a keenness to avoid creating additional bureaucracy. Many stated that availability of data is crucial. Some concern was expressed that Circular 02/03 on data discontinues collection of destination data and qualifications on entry – and that this affects evidence of progression and value-added performance information. Some also questioned the ability of Council staff to analyse and interpret data and make appropriate assessments.

**Figure 8. Breakdown of responses**



**Figure 9. Breakdown of responses by sector**



- 81% of responses were positive (strongly agree 33%, agree with some reservations 48%).

**Question 5: Do you agree with the proposed use of evidence from inspection reports within the performance review process?**

**Key themes**

87 There was strong support for the use of inspection reports as key external evidence sources for reviewing performance of colleges and providers. Some respondents expressed the need for Council guidance to establish the 'shelf life' of the inspection report and agree that the self-assessment report should supersede after a period of 6 months or one year, once the post inspection action plan has been completed by the college or provider.

Figure 10. Breakdown of responses

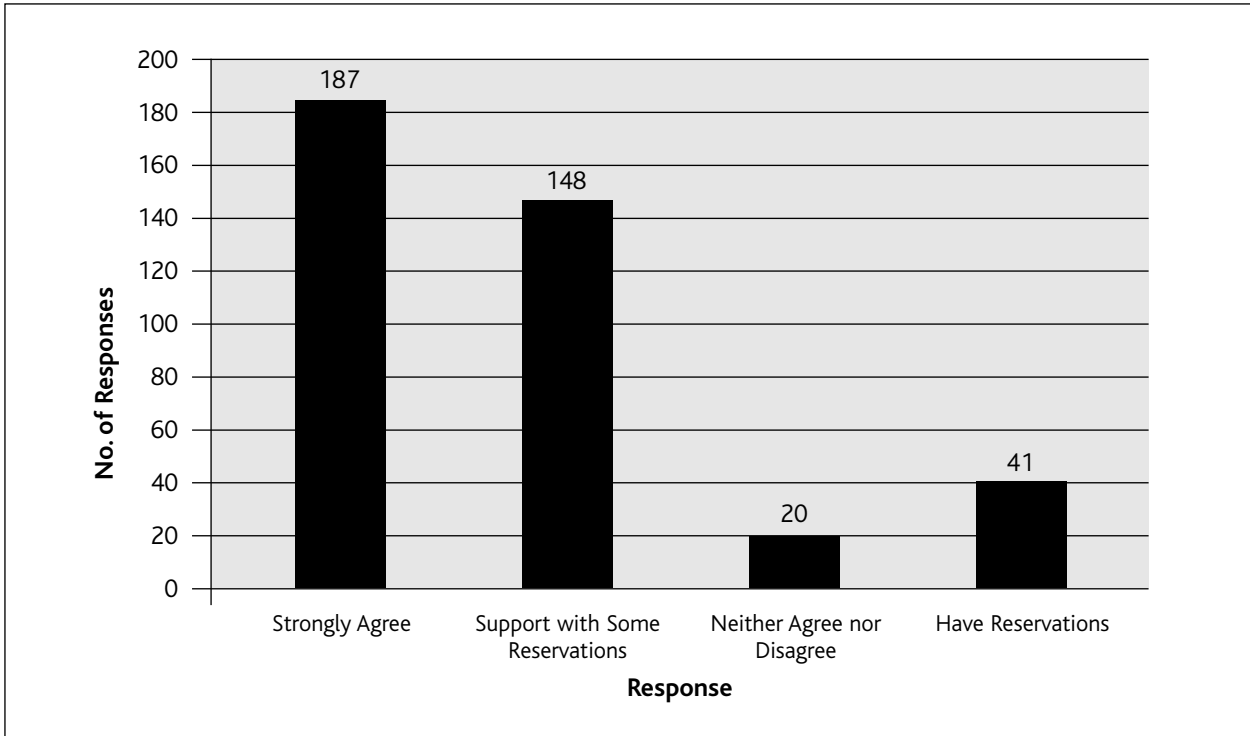
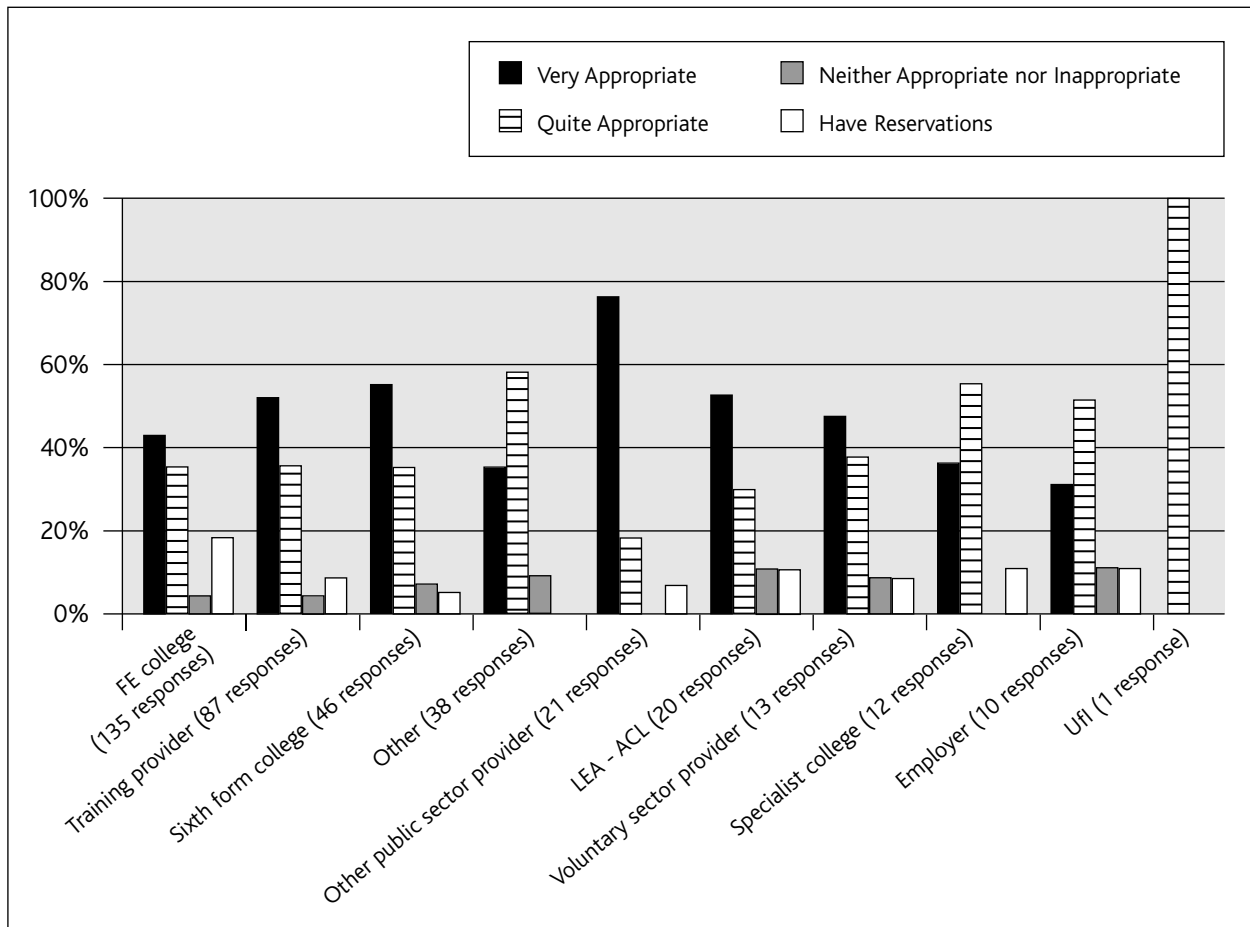


Figure 11. Breakdown of responses by sector



- 85% of responses were positive (strongly agree 47%, agree with some reservations 38%).

**Question 6: Do you agree that the performance review framework should categorise performance on a five-point scale?**

**Key themes**

88 Apart from a very few comments, respondents were unconcerned about the distinction between inspection and performance review, rather there is support for

the scale to correlate to inspection and self-assessment practice. For example, one college response said: 'Alignment with inspection grades helps with progress mapping'. More concern was expressed about national consistency of categorisation than about the number or names of the categories themselves. Some who responded 'with reservations' expressed a strong dislike of the category 'acceptable' qualifier 'with scope for improvement' because they consider that 'scope for improvement' should apply regardless of the category.

**Figure 12. Breakdown of responses**

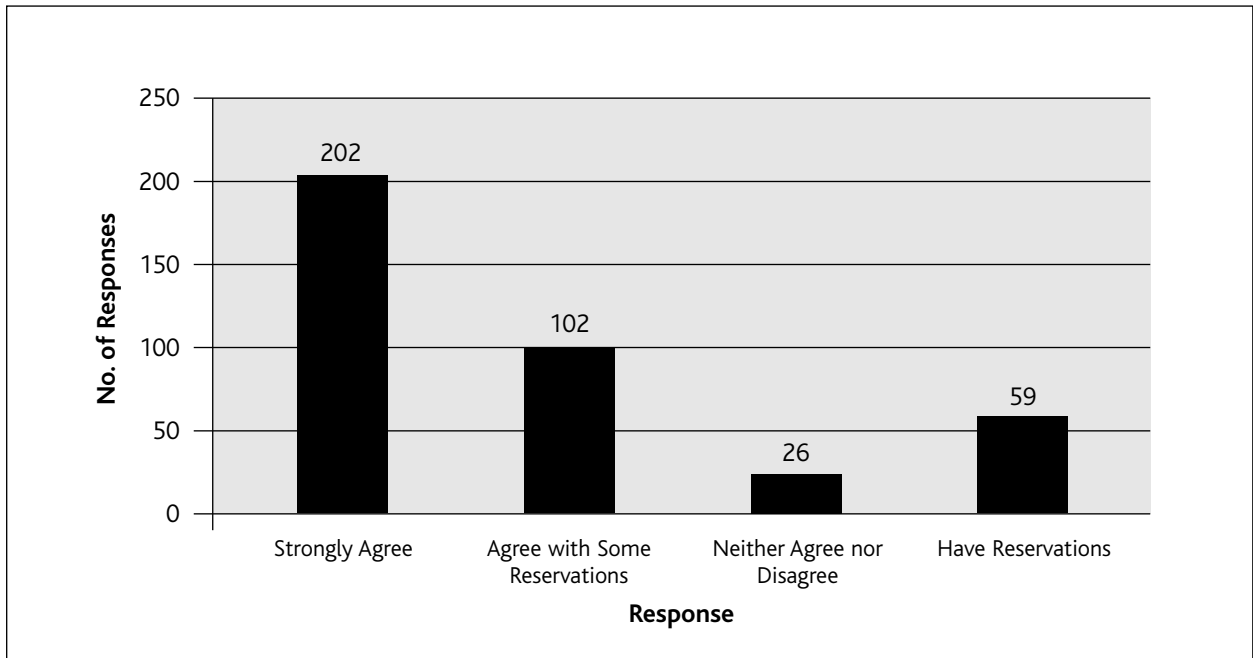
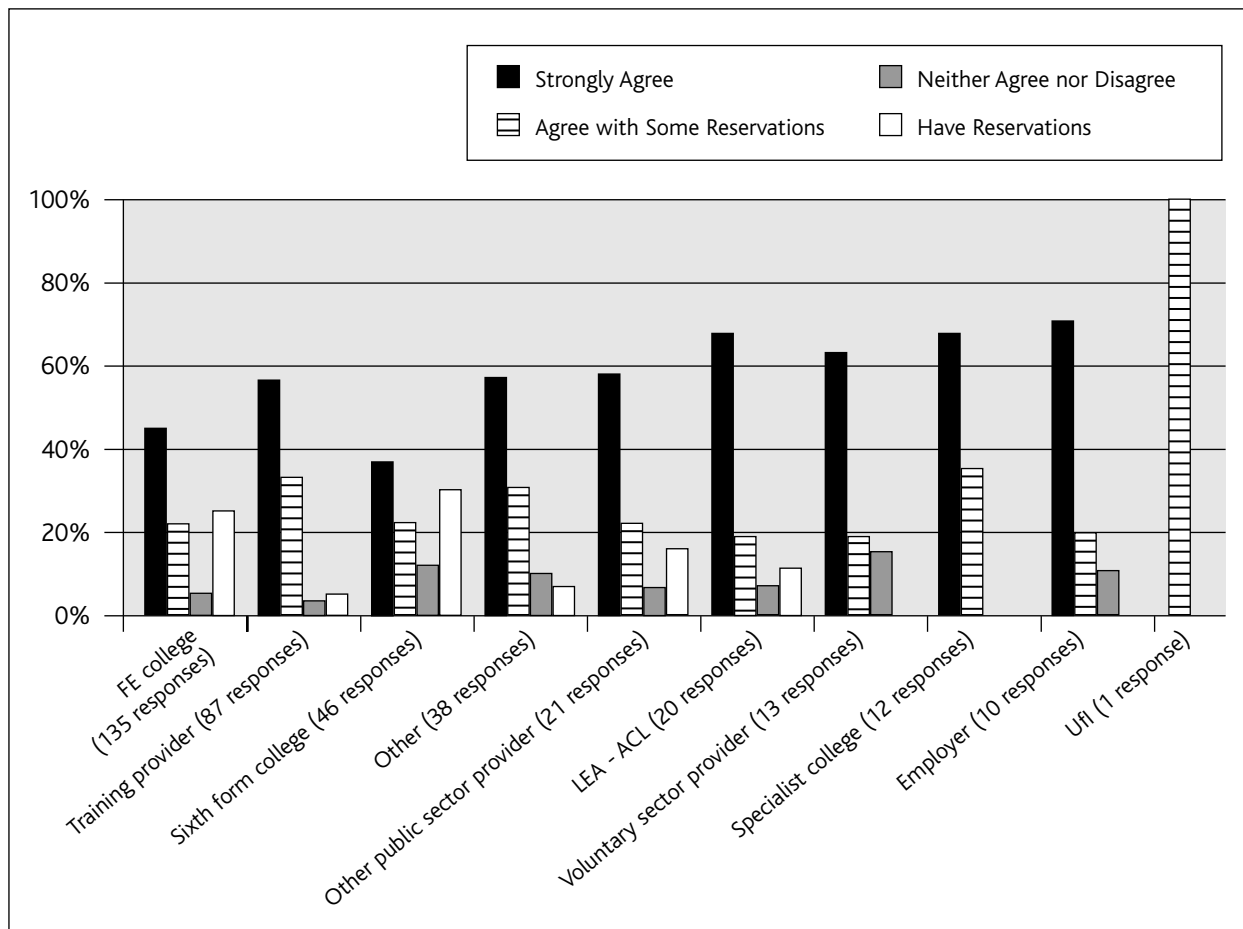


Figure 13. Breakdown of responses by sector



- 78% of responses were positive (strongly agree 52%, agree with some reservations 26%) showing a clear majority view.
- disseminating good practice in review processes within the Council; and
- strengthening moderation and quality assurance arrangements.

**Question 7: Do you consider that there are other activities that will help to ensure that performance review assessments and follow up with colleges and other providers are consistently effective?.**

89 Paragraph 44 of the Circular proposes an approach to improving the consistent effectiveness of performance review:

- making transparent the quality indicators for the three key areas of the performance review framework;
- training for Council staff focussing on the interpretation and assessment of evidence and appropriate follow up

90 All respondents commented on this section. Apart from the very small minority who do not support the framework or the principles of performance review, the great majority agreed that the approach should improve effectiveness of the performance review process. Many suggested that involving colleges and providers more actively at each stage of the review process would be beneficial. In particular, joint training for Council staff and colleges and providers was recommended. Attendance by college and provider representatives at review panels was suggested by a few. Other more operational aspects of moderation and quality assurance of performance review were considered in

depth by some respondents. These views will help support future operational developments.

**Question 8: Do you have any other comments?**

91 This section was used by respondents to summarise, emphasise and/or further develop the points they had made in response to previous questions.

## **Summary**

92 In summary, the responses support and endorse the proposals in the consultative circular and show a keenness for a common understanding to be reached between local LSC staff and college and provider staff on the performance review framework and process, so that partnership working is enhanced and confidence in the skills and abilities of Council staff is increased.



# Annex D: Performance Review Advisory Group

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## Membership and terms of reference

Name	Organisation
Geoff Loades	Learning and Skills Council Norfolk (Chairman)
David Sherlock John Landeryou	Adult Learning Inspectorate (ALI)
Judith Norrington	Association of Colleges (AoC)
Graham Hoyle	Association of Learning Providers (ALP)
Sir George Sweeney Lynne Sedgmore	Bureaucracy Task Group
Steve Hunter	Department for Education and Skills (DfES)
Tony Johnson Pauline Hawkesworth	Job Centre Plus (JCP)
Anne Armstrong	Local Education Authority Forum for the Education of Adults (LEAFA)
John Sweeting	National Association of Specialist Colleges (NATSPEC)
Peter Lavender Mark Ravenhall	National Institute for Adult and Continuing Education (NIACE)
Rhys Evans Sheila Brown	Office for Standards in Education (OFSTED)
David Igoe	Sixth Form Colleges – Employers’ Forum (SFCEF)
Helen Milner Paula Webber	University for Industry Ltd (Ufi)
Paul Lucken	Learning and Skills Council Devon and Cornwall (Executive Director)
Alan Curlless	Learning and Skills Council Hereford and Worcester (Executive Director)

## Terms of Reference for the Performance Review Advisory Group

93 The Advisory Group will:

- receive and consider the collated outcomes of the consultation document 02/05 *Performance Review: Arrangements for Colleges and Other Providers*;
- advise the Council on how it should respond to the outcomes of the consultation and make recommendations to the Quality and Standards programme board;
- assist in the revision of the performance review arrangements; and
- guide the introduction of the refined performance review arrangements.

# Notes

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