

## *Success for All—*

### Recognising and Rewarding Excellence in Colleges and other Providers of Further Education - Arrangements for Premium Rate Funding

#### Summary

In Circular 03/01, *Success for All - Implementation of the framework for quality and success*, the LSC consulted on arrangements to implement Government policy for assessing performance in order to recognise and reward excellence. We also sought views on arrangements for differential funding rates, as part of the development of a framework for quality and success associated with theme four of *Success for All*.

This circular explains how the LSC has taken account of feedback from the sector and developed arrangements to recognise and reward excellence in colleges and other further education (FE) providers. These will be incorporated into the LSC's future performance review for such providers.

This circular is addressed to FE colleges, specialist designated institutions and former external institutions (independent and local authority) in respect of their FE provision. It is also of interest to higher education institutions (HEIs) with further education provision, specialist colleges for learners with learning disabilities and learning difficulties and Ufi/**learn**direct hubs. Further work will be undertaken with these groups of providers to enable them to be brought within the scope of premium funding arrangements.



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# Executive Summary

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**Date:** October 03

**Subject:** This circular explains how the Learning and Skills Council (LSC) will implement arrangements for identifying excellent performance in colleges and other providers of further education (FE). For those eligible, this will result in entitlement to premium rate funding in funding years 2004/05 to 2005/06. It fulfils the Government policy commitment made in *Success for All* that the framework for quality and success identifies and rewards excellence in colleges and other FE providers with premium rate funding.

In line with the policy in *Success for All*, additional funding is available to colleges and other providers as an investment to support reform. Poor providers will benefit from additional support, including targeted financial support, as appropriate.

## ***Success for All* investment to support reform - real terms increase**

	03/04	04/05	05/06	Total
Premium rate funding for Excellence	2%	3.5%	3.5%	9%
Standard Additional Funding	2%	2.5%	2.5%	7%
Poor performers who agree Development Plans	2%	0%	0%	2%
Those who decline to agree Development Plans (inflation only)	0%	0%	0%	0%

**Intended recipients:** This circular is addressed to FE colleges, specialist designated institutions and former external institutions (independent and local authority) in respect of their FE provision. It is also of interest to higher education institutions with further education provision, specialist colleges for learners with learning disabilities and learning difficulties, and Ufi/**learn**direct hubs. Further work will be undertaken with these groups of providers to enable them to be brought within the scope of premium rate funding arrangements.

These arrangements for recognising and rewarding excellence do not apply to work based learning and school sixth forms, which are not covered by premium rate funding arrangements as set out in Government policy in *Success for All*.

**Status:** For information

**Content:** This circular sets out the arrangements for identifying excellent performance in colleges and other FE providers that will be eligible for premium rate funding of their FE provision in the 2004/05 funding year. They will be taken into account in LSC performance reviews in Autumn 2003, and fully applied in Spring 2004.

The reasons for the criteria and measures to be adopted are explained. The criteria that will be used to categorise excellent performance are detailed. In essence, colleges and other providers of FE will need to demonstrate good progress against their three-year development plan and either excellent performance evidenced through inspection, or achievement of high performance in success rates for their curriculum profile.

The arrangements support the LSC's aim to increase the number of learners in excellent colleges and other providers of FE. They confirm our commitment to adopt measures of success that will take account of value added factors in performance when valid and authoritative data is available.

The LSC is grateful to the Further Education and Adult Learning Advisory Groups for their advice and suggestions which have informed this circular. Particular thanks are due to their chairs, Lynne Sedgmore, Principal of Guildford College of Further and Higher Education, and Donald Rae, Assistant Chief Education Officer (Lifelong Learning), Derbyshire County Council.

# Recognising and Rewarding Excellence in Colleges and other Providers of Further Education - Arrangements for Premium Rate Funding

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## Section 1 - The Policy Context

1 In Circular 03/01, *Success for All - Implementation of the framework for quality and success*, the LSC consulted on initial proposals on the characteristics of an excellent college or other provider of FE. The Government policy objective of having premium rate funding for colleges and other FE providers is to recognise and reward excellent performance, which will support raising standards in the sector. The LSC will evaluate the effectiveness of the arrangements for implementing the policy in this circular against this objective and how premium rate funding contributes to raising standards. In 2004/05 and 2005/06, the premium rate will represent a 3.5% real terms increase, compared with the standard rate real terms funding increase of 2.5%.

2 In Circular 03/01 it was envisaged that some 10% of all colleges and other FE providers would be eligible for premium rate funding. The LSC has reviewed this aim, and considers it more appropriate to measure future progress of this policy in terms of Full Time Equivalent (FTE) learners who undertake learning in further education institutions categorised as excellent. The LSC's modelling

of the criteria to be adopted for categorising excellence demonstrates that such a measure will enable more colleges and other providers of FE to be eligible for premium rate funding.

3 Given the aim of raising standards in the sector, which should be reflected in an increase over time in the percentage of FTE learners in excellent provision, there will not be a fixed ceiling on the numbers of colleges and other providers of FE eligible for premium rate funding. Subject to the LSC's evaluation findings it is envisaged that the criteria set out below will apply for a two year period, that is for funding allocations relating to decisions each Spring for the funding years 2004/05 and 2005/06.

4 Initially, the LSC expects that around 10% of FTE learners will be in colleges and other providers of FE categorised as having excellent performance in 2004/05. If quality improves, as demonstrated through inspection reports and success rates, it is envisaged that more colleges and providers will become eligible for premium rate funding for 2005/06.

## The nature of further education provision

5 There are a number of different types of college and FE provider. One of the challenges associated with identifying excellence is that the same measures and evidence are not available for all college and provider types. For example, while many colleges have been inspected for their FE provision, inspection reports of adult learning in Local Education Authorities (LEAs) are presently fewer. LEAs were only included in the Common Inspection Framework cycle in the last year, and the provision being reported on will in many cases be a combination of that funded as FE provision, and that funded through the LSC's adult and community learning funding stream. Another example is that for some types of college and other providers of FE there is as yet no robust data in relation to success rates.

6 Even within a single type of provider, the actual curriculum profile can vary considerably, and this may have a bearing on the measures used to assess performance. For example, in a significant minority of sixth form colleges most provision is in qualifications other than GCE Advanced at AS/A2 level.

7 The LSC is grateful to the sector representatives from FE and adult learning on its *Success for All* framework for quality and success advisory groups, who are listed in Annex C. While there remain some reservations about the policy in principle, these two advisory groups have advised the LSC of the potential difficulties of adopting particular criteria and measures in relation to their part of the sector, and suggested arrangements for implementation that could work well. They have also advised on ways to minimise possible perverse incentives, for example, advising against using raw success rates, as this could provide an incentive for institutions to distort certain types of provision in order to meet criteria for excellence.

8 The LSC has taken account of the groups' advice in developing these arrangements for recognising excellence. In particular, it has aimed to ensure that recognising excellence against the criteria will be based on authoritative, valid data, which is transparently shared between the local LSC and the college or provider.

## Feedback from Circular 03/01

9 In Circular 03/01, *Success for All - Implementation of the framework for quality and success*, the LSC consulted on some initial proposals on the characteristics of an excellent college or other FE provider.

10 The concerns of respondents regarding these characteristics fell into three main categories:

- the policy of performance-related funding;
- that the criteria for premium funding might discriminate in favour of/or against certain providers; and
- difficulties with the measures and evidence used to assess the characteristics and the need for these to be transparent, objective and applied consistently nationally in local LSC performance review.

11 These concerns have been given careful consideration, and informed the underlying principles that the LSC has used to design its arrangements for implementing the policy set in *Success for All* for identifying and rewarding excellent performance in colleges and other FE providers.

12 The LSC believes that the criteria that identify excellent performance should:

- a. *be learner-centred*, ensuring that those categorised as excellent are providing high-quality learning experiences and good outcomes for all their learners;



- b. *provide a holistic assessment of performance*. For example, they should take account of trends over time, and information provided by the college or provider, inspection and the LSC's information on success rates used in performance review;
- c. *be fair*. For example, they should remove systematic bias arising from the nature of the curriculum offer, and seek to take account of the 'distance travelled' by learners;
- d. *be capable of consistent application* to enable local LSCs to make nationally consistent judgements on eligibility for premium rate funding; and
- e. *be informed by robust data*. The data used should be valid and authoritative.

15 A joint report on the proposed measures, to be issued for consultation this autumn, will help develop the measures ultimately adopted.

16 The future arrangements for recognising excellence in colleges and other FE providers will take account of these developments, after their introduction from August 2005.

### **Future measures of success**

13 The LSC is working with the Department for Education and Skills (DfES), the Office for Standards in Education (OfSTED) and the Adult Learning Inspectorate (ALI) on a programme of work on measures of success, jointly managed through the Measuring Success Steering Group.

14 The aim of this group is to develop a 'basket of measures' and a 'balanced scorecard' approach. The latter is a technique developed by Robert S. Kaplan of the Harvard Business School, which provides a framework to describe the strategic role of an organisation from a number of different perspectives. The new measures will enable reporting at individual learner level and include a measure of value added. The measures can be used for other purposes such as monitoring the impact of policy, helping learners to make more informed choices and comparing the performance of providers and the extent to which they provide value for money.

## Section 2 - Arrangements for Recognising Excellent Performance in Performance Review

17 The LSC has made clear in previous circulars that performance review is central to its partnership working with colleges and other providers of FE. Performance review has taken account of the developments in *Success for All*. The monitoring and assessment of performance helps the LSC to develop its planning and funding/purchasing decisions.

18 By recognising excellent performance, each local LSC has the opportunity to identify outstanding and good practice that may be shared by the college or other provider of FE with local and regional networks, in order to help raise standards. The LSC also works with the DfES to support the sharing of outstanding practice by those awarded DfES Learning and Skills Beacon status with other colleges and providers.

19 Local LSCs will take account of the criteria for recognising excellent performance described in this circular in the Autumn 2003 performance review cycle, in preparation for the criteria being fully applied in the Spring 2004 performance review cycle.

20 The LSC expects that all decisions regarding the excellent performance categorisation will have been completed and moderated by the LSC in the middle of June 2004, and that colleges and providers eligible for premium rate funding will be notified of their funding allocation by their local LSC by early July 2004.

### The criteria for excellent performance

21 For a college or provider of FE to be categorised as excellent at performance review, it will need to **meet criterion 1, and either criterion 2 or criterion 3**. These are detailed in the next column.

## Criterion 1 - progress against the three-year development plan

22 A college or provider will be expected to have made good progress in implementing their three-year development plan, and meeting or exceeding milestones towards the achievement of their agreed headline targets. Progress made with their distinctive contribution to the key local LSC strategic priorities, including agendas of inclusion and widening participation, will also be a consideration.

23 This criterion ensures that there is an holistic judgement made of the performance of the college or provider. The existing performance review framework still applies as set out in Circular 02/19 *Quality and Standards. Reviewing Performance: Refined Arrangements for Colleges and Providers from October 2002*. The local LSC will take account of information on college or provider performance that reflects their capacity or capability to maintain excellent performance during 2004/05.

24 In addition to meeting criterion 1, for performance to be categorised as excellent, the college or provider will have demonstrated evidence of their excellence either:

- through their inspection report grading profile under the Common Inspection Framework which reflects on learner experience and achievement (criterion 2); or
- by achieving the requisite premium funding indicator, demonstrating that they are obtaining success for their learners at a level significantly above what would be expected on the basis of their particular curriculum profile (criterion 3).

These two criteria are further detailed on the next page.

## **Criterion 2 - excellent performance evidenced through inspection**

25 To be recognised as excellent under this criterion, the college or provider will need to have had an inspection report undertaken against the Common Inspection Framework for further education provision that demonstrates that:

- two thirds or more of its total FTE learners are in areas of learning that have been graded as 1 or 2 at inspection, that is, they are in outstanding or good provision;
- all other learners are in areas of learning graded 3, that is, they are in satisfactory provision; and
- leadership and management is graded 1 or 2, that is, outstanding or good.

26 Inspection reports provide a valuable and impartial assessment of the quality of teaching and learning, and the learners' experiences and achievements. Inspections are able to take into account evidence of value-added factors and the contribution a college or provider makes to widening participation and inclusion.

27 However, as inspection is based on a cycle, some colleges and other providers of FE will not yet have been inspected. When published inspection reports become available after the Spring 2004 performance review cycle, they will be used to inform eligibility for premium rate funding for the subsequent funding year 2005/06.

28 Where an initial inspection report does not meet the inspection profile for this criterion, but a subsequent re-inspection indicates the criterion is now satisfied, this will be taken into account in decisions on premium rate funding for the funding year following re-inspection.

29 Some inspection reports may have been published two or more years ago. The local LSC will take account of subsequent performance information, for example in relation to success rates, in order to assure itself that there has been no significant deterioration in the college or provider level of performance since its inspection. Such evidence will inform the local LSC assessment as to whether the college or provider has met the criteria for excellent performance overall.

30 Colleges that have been awarded DfES Learning and Skills Beacon status have already demonstrated that they meet this criterion.

## **Criterion 3 - achieving the threshold premium funding indicator through the measure of a curriculum adjusted success rate**

31 The LSC has investigated how success rates may be used as a performance indicator of excellent performance. It has concluded that to enable fairer comparisons of success rates across the sector, the overall success rate of a college or provider needs to take account of the curriculum profile in relation to the levels of qualifications offered and the mix between short and long course provision.

32 The statistical basis for this methodology is explained in **Annex A – Success Rates**. The annex explains why the LSC believes the adoption of the curriculum adjusted mean success rate, to identify the individual college or provider's premium funding indicator, is a valid and desirable approach to using success rates as a fair performance indicator of excellence.

33 The LSC has decided to calculate a college or provider's premium funding indicator for Spring 2004 performance review on the basis of their average success rates for 2001/02 and 2002/03. Using the data for two years reduces the volatility that would arise from year-to-year variations in success rates,

thereby enabling better planning, as colleges and other providers of FE will be more confident of their likely eligibility. In spring 2005 success rate data for 2002/03 and 2003/04 will be used to calculate the premium funding indicator for 2005/06.

34 Modelling of this criterion using national Individualised Learner Records (ILR) data for 2000/01 and 2001/02 has been undertaken. This period's data is also the basis for the calculation of a college or provider's curriculum adjusted success rate. The use of this data will ensure that if success rates improve, a larger number of colleges and other FE providers will satisfy the threshold for premium rate funding. To be considered for premium rate funding in 2004/05 and 2005/06, a college or provider will achieve:

- an overall premium funding indicator of + 15% or higher. That is, the actual success rate achieved is at least 15% higher than the curriculum adjusted mean success rate. The latter is what would be expected from such a curriculum profile. Annex A; Success Rates, explains these terms, and Annex B provides illustrative examples of how the premium funding indicator will be calculated;
- their success rates must exceed the relevant further education national success rate floor targets for long and short qualifications as stated in Circular 03/09; and
- additionally, where the college or provider has had an inspection against the Common Inspection Framework, there are no areas of learning graded 4 or 5, that is unsatisfactory or weak. If a college or other FE provider had an area of learning graded 4 or 5 which is subsequently re-inspected and found to be at least satisfactory, it will be considered eligible for categorisation as excellent and for premium rate funding in the following funding year.

35 The LSC has carefully considered how to make a suitable adjustment to these calculations to take account of the Widening Participation (WP) factor. Its analysis has shown that while there is an overall effect, it is small compared to the other factors taken into account in the calculation, and the effect is inconsistent in relation to colleges and other providers of FE. For example, some high WP factor colleges and providers have very high success rates. It is therefore extremely difficult to take account of the WP factor in calculating success rates in a way that is statistically valid.

36 This is one of the reasons that the LSC has decided to include the alternative inspection related criterion 2, as inspections do take account of widening participation in their judgements on the quality of provision.

## Section 3 - Colleges and other Providers of FE to which these Criteria Apply

37 The LSC has considered whether it has the necessary valid and authoritative data available to apply these criteria and has concluded that they can be applied for introducing premium rate funding in 2004-05 in respect of:

- colleges, including general FE colleges, tertiary colleges, sixth form colleges, specialist colleges and specialist designated institutions; and
- former external institutions with FE provision, both Local Education Authority (LEA) and non-LEA.

38 At present, the LSC considers that there are outstanding issues (for example in relation to success rate measures) that need to be resolved in respect of the following college or provider types to be able to apply the arrangements contained in this circular:

- Higher Education Institutions with further education provision;
- specialist colleges for learners with learning difficulties/and or disabilities; and
- **Ufi/learnirect.**

39 The LSC will discuss these issues with representatives of the college and provider types, and seek to agree plans and arrangements to enable them to come within the scope for premium rate funding at the earliest opportunity.

40 These arrangements for recognising and rewarding excellence do not apply to work based learning and school sixth forms, which are not covered by premium funding arrangements as set out in Government policy in *Success for All*.

## Section 4 - Timetable for Implementation

41 The following table sets out the timetable for implementing the arrangements to recognise and reward excellence in colleges and other FE providers.

Date	Activity
Autumn 03	<b>Criteria for excellence in colleges and other providers of FE taken into account in the performance review process.</b> The local LSC will identify whether colleges or other providers of FE are currently on track to meet the criteria for excellent performance in relation to inspection reports and success rates. Information on the curriculum adjusted success rate for each college or provider will be supplied, together with their actual success rate data averaged over the period 2000/01 and 2001/02
Spring 04	<b>Full implementation of all criteria for excellence in colleges and other FE providers in performance review process.</b> Actual success rates averaged for the period 2001/02 and 2002/03 will be supplied to colleges and providers and used to inform local LSC assessment at performance review. Colleges and providers that meet the criteria and achieve excellent categorisation will receive premium rate funding for the funding year 2004/05.
July 04	<b>Funding Allocation.</b> Colleges and other providers of FE with excellent categorisation are notified of their premium rate funding allocation.
Autumn 04	<b>Excellence categorisation is monitored at performance review.</b> Performance review is used to monitor whether colleges and providers of FE meet the criteria for excellent categorisation, for example, in light of any inspection reports received.
Spring 05	<b>Performance review assessment for premium rate funding in 2005/06.</b> Performance review uses the average success rate data for the period 2002/03 and 2003/04, and inspection reports, to inform a decision on excellent categorisation for premium rate funding in 2005/06.

# Annex A: Success Rates

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1 Circular 03/01 proposed that FE providers judged as consistently excellent through performance review will be funded at the premium funding rate from 2004/05. It went on to propose the characteristics which providers would be expected to demonstrate to be judged as excellent. One of these characteristics was described as follows: '(providers will) have high overall success rates for their type of college or provider.'

2 The responses to the consultation on 03/01 raised a number of issues relevant to the success rate criteria. These can be generalised as the following concerns:

- a. that the success rate criteria would favour providers whose curriculum profile had higher mean success rates than other aspects of provision, for example more short provision compared to long courses and more AS/A2 provision than other level 3 qualifications;
- b. that colleges which do an excellent job in relation to their location and intake, dealing with challenging agendas such as the disengaged and widening participation would not be recognised for premium rate funding, and that there might even be perverse incentives to become more selective in order to achieve success rates which would qualify for premium rate funding;
- c. that colleges for learners with learning difficulties and disabilities would find it impossible to achieve premium rate funding given the current definition of success rates; and,
- d. that the distance travelled and value added factors should be used, rather

than success rates to measure learner success.

3 The LSC recognises that while the premium funding indicator proposed under Criterion 3 addresses systematic bias caused by differences in curriculum profiles, it does not meet the concerns identified in b,c, and d. After analysis of the options available to recognise value added factors and distance travelled it was decided that Criterion 2, based on inspection outcomes, was the best way to recognise these concerns.

4 The development of the success rate criterion began with the recognition that systematic differences existed between the success rates achieved by different categories of provider (see Table 1) and by notional level of achievement (see Table 2).



**Table 1. Success Rates by Length and Provider Type using a two-year average for the period 2000/01 to 2001/02**

Course length	Provider type					
	GFEC/TC	6FC	Specialist	SDC	EI	Total
Long	51%	70%	55%	51%	52%	54%
Short	73%	71%	82%	48%	63%	72%
Total	61%	70%	69%	49%	58%	62%

5 Table 1 supports the view that there is a systematic difference between the success rates for short courses and long courses, and a systematic difference between sixth form colleges and all other institutions for long courses. This impact is further underlined in Table 2 that compares mean success rates by provider type and notional qualification type for the same 2000/01 to 2001/02 period.

**Table 2. Success Rates by Notional Level and Provider Type – using a two-year average for the period 2000/01 to 2001/02**

Notional length	Provider type					
	GFEC/TC	6FC	Specialist	SDC	EI	Total
1	50%	53%	56%	41%	50%	50%
2	48%	64%	54%	50%	51%	50%
3	53%	72%	53%	42%	47%	59%
3 (excl A/AS/A2)	49%	52%	53%	42%	49%	49%
3 (A/AS/A2 only)	57%	74%	53%	38%	43%	65%
H	37%	28%	45%	19%	41%	37%
X	63%	72%	60%	53%	59%	62%
All long quals	61%	70%	69%	49%	58%	62%



6 The most striking statistic from Table 2 is that mean success rates for all providers are virtually the same for notional levels 1,2 and 3 providing that level 3 excludes A/AS/A2. The Table identifies significantly different average success rates for A/AS/A2, H and X.

7 The higher success rates achieved by sixth form colleges for A/AS/A2 levels are at least partially due to a relationship between more A/AS/A2 level provision and higher success rates achieved.

8 Initially, the LSC planned to adjust for this difference in average success rates by creating a number of cognate provider type groupings, for example general further education colleges or sixth form colleges, and setting different excellence thresholds for each. This approach had two inherent problems. Firstly, there is a structural problem concerning the basis for allocating individual providers to a category, given that an analysis of provider curriculum profiles revealed a spread rather than a small number of cognate groupings. This distribution made it impossible to identify a small number of provider groupings with statistically significant characteristics that would be internally consistent and distinct from other groupings.

9 Secondly, even if it had been possible to identify distinct groupings it would still have been very difficult to set differing excellence thresholds for them which could be demonstrated as fair and would have commanded widespread acceptance among providers.

10 These fundamental concerns with a segmented approach by provider type led to its early elimination. The next approach was to explore whether it would be possible to put the success rate data for all providers on a comparable basis using statistically based adjustments. The aim was to produce a set of adjusted success rates that were directly comparable. This would allow a single threshold for excellence to be set.

11 In order to explore this possibility, statistical analysis was carried out on the underlying data that had informed Tables 1 and 2 above. This analysis identified that the mean success rates for long and short courses for the period 2000/01 to 2001/02 were as follows:

#### Average Mean Success Rates:

Long Courses:		
Notional Level	1	50%
	2	50%
	3	59%
	3	49% excluding A/AS/A2
	3	65% A/AS/A2 only
	H	37%
	X	62%
Short Courses:		72%

12 These mean success rates clearly identify elements of provision - short courses, A/AS/A2 and level X, which are well above those for levels 1, 2 and 3. Given such significant differences in mean success rates, providers with high relative levels of short courses, A/AS/A2 or level X, are likely to achieve higher overall provider success rates than those concentrating on long levels 1 and 2.

13 Unless it can be demonstrated that these differences in mean success rates result from better teaching and learning it must be assumed that other technical factors are the main reason for the variations. For instance, a large number of short courses offered are of limited duration and lead to a highly defined qualification, for example First Aid Certificate, Basic Health and Safety. In such cases, it would be expected that both retention and achievement would be higher than, say, for a three-year NVQ in Electrical Installation. In the case of AS/A2, the fact that success is based on achievement in each subject rather than a whole qualification as required for

AVCEs or National Diplomas will clearly result in higher achievement rates.

14 On the basis of this analysis, it was decided that the best way to minimise the bias resulting from different curriculum profiles was to create an indicator based on an institution's success rate that can be fairly compared. This indicator should reflect the quality of providers that perform significantly above average, having removed systematic bias related to the seven main types of qualification listed above.

15 The preferred method of reducing bias is to make the indicator equal to the difference between the institution's actual overall success rate, and the curriculum adjusted mean success rate for that institution based on its mix of qualification types. Worked examples set out in Annex B exemplify how this method works in practice.

16 The actual success rate for an institution is calculated by dividing the total number of achievements by the total number of learning aims started, in line with the national benchmarking data methodology. The curriculum adjusted mean success rate for an institution is based on the number of learning aims that would be achieved if its performance was the same as the national average for the seven main qualification types listed above. This is then divided by the total number of learning aims. The premium funding indicator is the difference between these two. Learning aims where a student transfers to another qualification are ignored. Worked examples of this method are shown on the "Illustrative Examples" sheet, in Annex B.

17 The overall mean rates shown in this data represent success rates based on combined figures from 2000/01 to 2001/02. These are taken from the national benchmarking data 1999/00 to 2001/02, which can be seen at [www.lscdata.gov.uk/benchmarking](http://www.lscdata.gov.uk/benchmarking). The institution data shown is taken from the most

recent benchmarking data held on each institution, parts of which will be published as Institution Level Success Rates in Autumn 2003.

# Annex B: Illustrative Examples

Illustrative examples of how to calculate an institutions premium funding indicator.

Overall mean success rates by qualification types for the period 2002/2001 to 2001/2002

	long level 1 courses	long level 2 courses	long level 3 courses excl /A/AS/A2	long level 3 courses A/AS/A2 only	long level H courses	long level X courses	all short courses
Overall FE success rates	50%	50%	49%	65%	37%	62%	72%

Data for example institutions

Inst name	Actual Institution success rate	Breakdown of number of learning aims started for different qualification types						
		long level 1 courses	long level 2 courses	long level 3 courses excl /A/AS/A2	long level 3 courses A/AS/A2 only	long level H courses	long level X courses	all short courses
Institution A	70%	100	150	200	10000	500	2000	2250
Institution B	79%	300	250	4000	750	2000	500	11250
Institution C	72%	5000	6000	1250	1000	5000	2000	19250
Institution D	50%	1000	1500	1250	1000	5000	2000	10750

**Institution A**

Actual success rate = 70%

Curriculum adjusted mean success rate =  $(100*0.5 + 150*0.5 + 2000*0.72)/2250 = 69\%$

Therefore the institution's premium funding indicator is 1% (70-69)

**Institution B**

Actual success rate = 79%

Curriculum adjusted mean success rate =  $(300*0.50 + 250*0.50 + 200*0.49 + 10000*0.65 + 500*0.62)/11250 = 64\%$

Therefore the institution's premium funding indicator is 15% (79-64)

**Institution C**

Actual success rate = 72%

Curriculum adjusted mean success rate =  $(5000*0.50 + 6000*0.50 + 4000*0.49 + 750*0.65 + 1000*0.37 + 2000*0.62 + 500*0.72)/19250 = 51\%$

Therefore the institution's premium funding indicator is 21% (72-51)

**Institution D**

Actual success rate = 50%

Curriculum adjusted mean success rate =  $(1000*0.50 + 1500*0.50 + 1250*0.49 + 5000*0.62 + 2000*0.72)/10750 = 60\%$

Therefore the institution's premium funding indicator is -10% (50-60)

# Annex C: *Success for All* Framework for Quality and Success Advisory Groups

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## Further Education Advisory Group membership

Name	Organisation
Lynne Sedgmore (Chair)	Guildford College of Further and Higher Education
Dr Roger Bennett	Lindsey College
Fiona Jordan	Department for Education and Skills (DfES)
Dr John Brennan	Association of Colleges (AoC)
Dr David Collins	South Cheshire College
Carol Gibson	Waltham Forest College
Julian Gravatt	City Literary Institute
Geoff Hall	New College Nottingham
David Igoe	Sixth Form Colleges' Employers' Forum, Cadbury College
Graham Jones	Sutton Coldfield College
Alan Tuckett/Dr Peter Lavender	National Institute of Adult Continuing Education (NIACE)
Fiona McMillan	Bridgwater College
Judith Norrington	Association of Colleges (AoC)
Bob Powell	HOLEX
Ian Pryce	Bedford College
Sheila Soul-Gray	The London Institute
Ian Todd	City of Sunderland College
Paula Webber	Ufi/ <b>learn</b> direct Ltd

**Adult Learning Advisory Group membership**

<b>Name</b>	<b>Organisation</b>
Donald Rae (Chair)	Derbyshire County Council/ LEAFEA
Anne Armstrong	London Borough of Hounslow
Fiona Jordan	Department for Education and Skills (DfES)
Michael Bowes/Christine Bradshaw	Essex County Council
Joanna Boyd-Barnett	Local Government Association
Sue Cara/Annie Merton	National Institute of Adult Continuing Education (NIACE)
Peter Elliott	Manygates Education Centre
Anna Gorton	Devon County Council
Dr Maureen Green	Waltham Forest Community Learning and Skills Service
Richard Hooper	Lancashire County Council
Marc Mason	Stockton-on-Tees Borough Council
Alan Noble MBE	Buckinghamshire County Council
Dr Paul Oliver	Herefordshire County Council
Bob Powell	HOLEX

# Notes

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