

Executive Summary

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.