

Framework for Excellence: Raising Standards and Informing Choice

March 2007

Of interest to everyone in the learning and skills sector, including employers and learners

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Foreword

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Further education (FE) makes a huge contribution to our economy and society. I am therefore delighted to endorse the important messages in this document.

Although much of the FE system is excellent in terms of providing high-quality provision and meeting users' needs, I know there is a real desire to strive for even higher standards. Our policies in the White Paper, *Further education: Raising skills, improving life chances* (Department for Education and Skills (DfES), 2006), will help everyone in their efforts to achieve real excellence.

The Framework for Excellence (the Framework) will play a major role in this. It will set out how each college and provider is performing in delivering high-quality, responsive provision to learners and employers. It will provide a balanced scorecard of information to enable each college and provider to benchmark itself. It will offer data to inform inspectors' assessments. Above all, it will provide learners and employers with clear information so that they can make informed choices and decisions in a user-oriented FE system. The present system of performance indicators can be too complicated and confusing.

The Framework will thus provide important evidence to help action to raise standards, as summarised in *Pursuing Excellence: the national Improvement Strategy*, published by the Quality Improvement Agency (QIA) in February 2007. It will also support the Government's policies in relation to the 14–19 age group and adult skills. The Framework complements the work being undertaken in parallel to support moves to self-regulation, and over time we intend that the two strands of work should be drawn together in a single approach.

This document summarises how we will take forward the Framework. It takes account of the views expressed by the respondents to the consultation run by the Learning and Skills Council (LSC) in summer 2006. We are very grateful to them for their input.

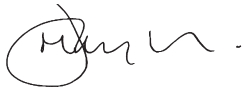
We are now asking learners, employers, colleges, providers and other stakeholders in the FE system to work with us to make the Framework for Excellence a success. The beneficiaries will be the learners and employers who look to further education to help them achieve their ambitions.



Bill Rammell MP
Minister of State for Lifelong Learning,
Further and Higher Education
March 2007

The Framework for Excellence will help the further education sector deliver the skills and learning that are vital for the long-term economic success of the nation. Well-managed, high-quality provision that is responsive to the needs of all learners and employers is at the heart of the work of the Learning and Skills Council. The Framework for Excellence is a key component in the drive to improve that quality of learning, by moving the FE sector towards a culture of self-improvement, supported by a single, coherent and integrated quality and performance framework.

As high-quality, responsive provision becomes the norm and poor performance disappears, further education will enjoy a well-deserved reputation for public service excellence. The Framework for Excellence will also make a major contribution to the achievement of self-regulation.



Mark Haysom
Chief Executive, LSC

The further education system as a whole makes a vital contribution to the life chances of a significant number of people. Ofsted welcomes progress towards an agreed set of key indicators against which to measure the progress of the sector. It is important that this new work is built on the solid foundations established in the Common Inspection Framework in order to develop a coherent approach that supports further improvement.



Christine Gilbert
Chief Inspector, Ofsted

The Framework for Excellence will be an important part of the self-improvement process, providing a means for colleges and providers to assess their performance and identify priorities for development. The Quality Improvement Agency launches a new programme in August 2007 that will help colleges and providers implement the Framework. The programme will support colleges and providers to improve their self-assessment processes, develop their capacity for self-improvement through working in peer groups, and help them respond to strategic change. QIA will provide the necessary support through our own programmes and services and through the national Improvement Strategy to make continuous self-improvement a reality.



Andrew Thomson
Chief Executive, QIA

Introduction

1 The Framework for Excellence takes forward the White Paper *Further Education: Raising skills, improving life chances* (DfES, 2006) and its overall themes and key policies in support of the Skills Strategy (DfES, 2003; 2005b) and 14–19 reform (DfES, 2005a) and will also support policies agreed in the light of Lord Leitch’s report on skills (Leitch, 2006) and the LSC’s consultation document on a demand-led system (LSC, 2007a). It is a key element of a comprehensive and cohesive package designed to support continuous self-improvement within colleges and providers. Taken together, the Framework, the LSC’s intervention policy, the national Improvement Strategy (QIA, 2007), inspection and the current work on self-regulation will help colleges and providers gain recognition for their success and identify areas for improvement.

2 The main aims of the Framework are to provide a single, unified framework for assessing and reporting achievement in all key areas of performance. The use of the Framework will lead to better and more relevant outcomes for learners and employers, and a better reputation for the FE system.

3 To achieve these aims, the Framework will:

- set out the areas and levels of performance to be achieved by each college and provider in delivering the highest quality of provision to learners and employers
- provide information to learners and employers to help them make decisions
- provide a management tool for providers to help them improve quality
- help Ofsted determine the timing and intensity of inspection, and inform inspection judgements

- provide a transparent mechanism to enable Ofsted, the LSC and QIA to support and to challenge colleges and providers, in line with their respective remits
- support moves towards self-regulation.

4 The goal of the Framework for Excellence is to raise quality and standards for the benefit of customers – learners and employers. Annex D sets out how the Framework complements the wider programme of reform for achieving excellence in further education through the national Improvement Strategy, the LSC’s intervention programme and the self-regulation work.

5 We will jointly develop the Framework with colleges and providers, and in close consultation with learners, employers and stakeholders, to ensure that it is fit for purpose. It will build on the Common Inspection Framework, self-assessment and the inspection process and the New Measures of Success programme. We expect the Framework for Excellence and the Common Inspection Framework to converge eventually into a single approach that will support quality assessment and reporting.

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From Consultation to Action

6

In July 2006, the LSC published a consultation paper: *Framework for Excellence: A comprehensive performance assessment framework for the further education system* (LSC, 2006a). This document presented proposals relating to the underlying principles and scope of the Framework and identified ways in which it would be used by learners and employers, colleges and providers, the LSC and all other stakeholders.

7

The consultation was undertaken between July 2006 and October 2006. The LSC published the outcomes of the consultation in December 2006 (LSC, 2006b).

8

The way forward set out in this document takes account of the views expressed in the consultation. A summary of feedback from the consultation and our responses is set out in Annex A.

9

The principles governing the design, development and implementation of the Framework have been refined as a result of the consultation. These are set out in Annex B.

10

The LSC will publish a prototype of the Framework in summer 2007 and approximately 100 colleges and work-based learning (WBL) providers will be invited to pilot it. The LSC will engage other types of provider, including voluntary sector and adult education providers, in tests and trials to ensure that the Framework is applicable to all providers. More details of the pilot process are set out in paragraphs 59–65.

11

Governing bodies and senior management teams of all colleges and WBL providers will need to ensure that their organisations are ready to implement the Framework from summer 2008. To this end, the LSC and Ofsted ask colleges and WBL providers to use the available elements from the prototype Framework as part of their normal self-assessment process from summer 2007.

12

There are many stakeholders with a current or potential interest in the Framework, from organisations representing learners and employers to local authorities and Awarding Bodies. The LSC asks stakeholders to work with us to ensure that the Framework can meet the needs of learners and employers, and contribute to the simplification of the quality landscape and the reduction of bureaucracy in the FE system. The Information Authority¹ will examine the Framework to undertake an assessment of the data and information requirements, and the Bureaucracy Reduction Group will be asked to scrutinise the proposed arrangements.

13

More information about the Framework is available at: www.lsc.gov.uk/ffe. The LSC has created an online forum for the exchange of information and views to enable the widest possible involvement of all parties in future developments. The forum can be accessed at: <https://forums.lsc.gov.uk/Internet/forums/17/ShowForum.aspx>.

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¹ The Information Authority is a new body that will champion and drive the development and promotion of better use of information in the further education system.

Developing the Framework

14

The Framework will be based initially on a small number of objective measures – performance indicators and external assessment and inspection. This is in order to keep the Framework as simple, clear and unbureaucratic as possible. The use of self-assessment will be restricted to those crucial aspects of the Framework where it is already well-established. Over time, as the work on self-regulation develops, we expect validated self-assessment to become a significant element of the overall approach.

15

Each version of the Framework will be jointly developed by the DfES, LSC, Ofsted and QIA, working in partnership with learners and employers, colleges and providers. Data will be collected and validated to enable like-for-like comparisons. The earliest point at which overall performance ratings will be calculated is spring 2009. The LSC will publish individual indicators and the overall performance ratings so that all the information is available from a single site.

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Performance Ratings

16

The Framework will have four levels:

- overall performance rating for each provider
- three performance dimensions (responsiveness, effectiveness and finance)
- two or three key performance areas for each of the dimensions
- a small number of indicators to measure performance for each key performance area.

17

The overall performance rating will be based on scores for the three dimensions, based in turn on scores for the key performance areas. Figure 1 sets out the way in which each organisation's overall performance rating will be derived.

18

During 2007/08, the LSC will compile data for all colleges and WBL providers for as many of the indicators as possible. We will develop draft assessment criteria and performance standards for each performance indicator and test them during the pilot year, 2007/08. The criteria will enable assessments of performance to be made using the same four-point scale used in inspection: outstanding, good, satisfactory and inadequate.

Responsiveness

19

The responsiveness dimension comprises two key performance areas:

- responsiveness to learners
- responsiveness to employers.

20

The responsiveness to learners key performance area will be based on learner satisfaction data and information on learner destinations.

21

All providers will be expected to adopt some common questions within their learner satisfaction monitoring that will be extracted and aggregated to form a consistent national data set.

22

We are currently designing a survey to collect data on learner employment destinations for learners whose priority is employment or career progression. In addition, we are exploring ways of matching data that is already collected as part of the tracking of learners' progression to education and training destinations.

Figure 1: Derivation of Framework for Excellence overall performance rating.

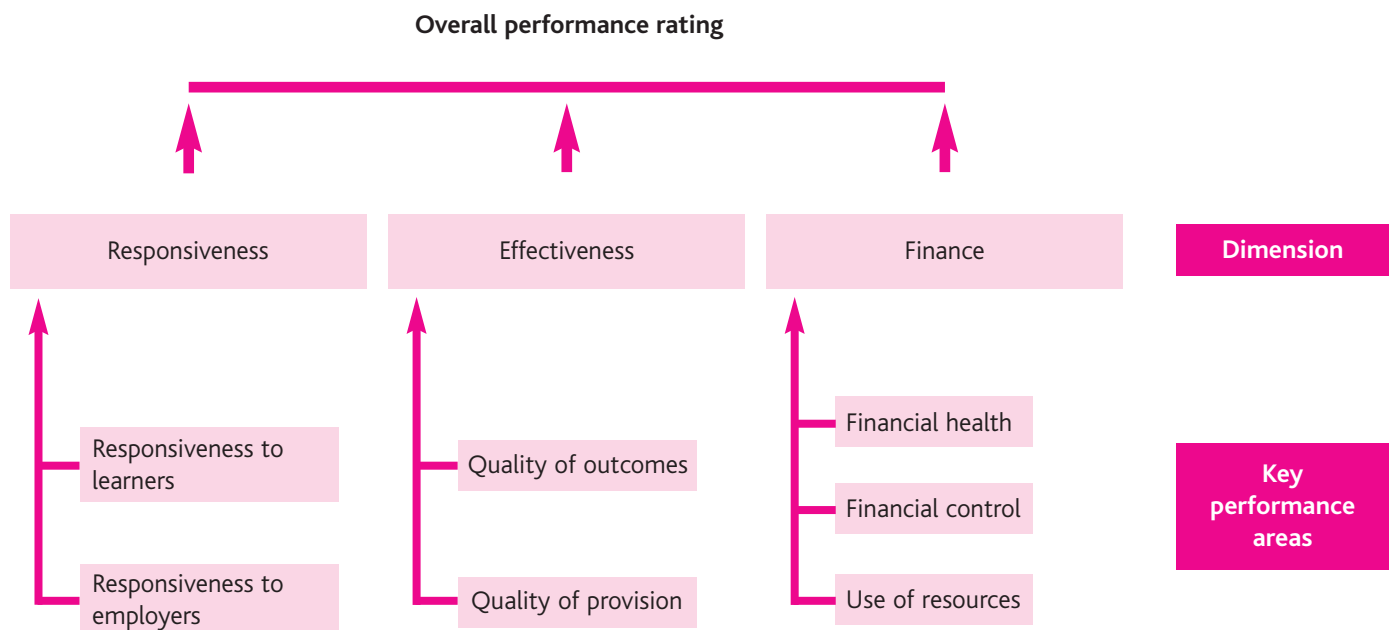


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23

Taken together, these two indicators should provide robust data for learners who are investing substantial amounts of time, and sometimes their own resources, in order to commence or advance their career. The data will be available at institutional, local, regional and national levels, and should also illuminate how far their education and training programmes have enabled learners to develop employability skills.

24

We propose to use four indicators to assess responsiveness to employers:

- an indicator of employer satisfaction with provider responsiveness
- the volumes of training delivered
- fee income or other direct contribution from employers
- achievement of the new standard.

25

Publicly funded providers will be assessed against the first three of these indicators, which will form a core of the new standard assessment criteria. In this respect, the core of the new standard would be mandatory for these providers. Only those providers who achieve a high score against these three indicators will, if they wish, be able to apply for the full new standard.

26

The full new standard is an independent and voluntary 'mark of excellence' in employer responsiveness and vocational excellence. No provider will be obliged to use the full new standard, which will be a comprehensive method of assessing all the major aspects of employer responsiveness, including self-

assessment and employer validation as well as quantified measures. Publicly funded providers who are awarded the new standard will have this reflected in their score for the employer responsiveness key performance area within the Framework. These aspects will be explored further through the pilot year.

27

The principles for developing the new employer satisfaction indicator are:

- satisfaction will be measurable by region, by sector and at provider level
- satisfaction ratings will be comparable across providers
- satisfaction will be shown alongside an indicator of how many employers have been customers, to provide context.

28

The new standard will be available from 2007, with further details being issued over the next few months. Interim arrangements will apply during the period between the launch of the new standard and the full application of the Framework.

29

In the Framework, responsiveness to employers will apply to all publicly funded providers, except for the small number of providers where this is demonstrably not appropriate. However, results will be viewed in the context of provider mission and funding. During the pilot year, the criteria determining which providers will be included in the employer responsiveness key performance area within the Framework will be further developed.

Effectiveness

30

The effectiveness dimension comprises two key performance areas:

- quality of outcomes
- quality of provision

31

It is planned to use qualification success rates to measure the quality of outcomes key performance area. Through the pilot, we will test how value-added data for learners aged 16–19 can feed into the calculation of performance ratings. We will also explore ways of incorporating outcomes from non-accredited learning within the measurement of this key performance area.

32

For the first version of the Framework, assessment of the quality of provision key performance area will be based on a college's or provider's most recent inspection outcome. In parallel, the LSC, working with Ofsted, will explore arrangements to assess the level of confidence that can be attributed to a provider's self-assessment, and the extent to which self-assessment may contribute to the score for quality of provision.

Finance

33

The finance dimension comprises three key performance areas:

- financial health
- financial control
- use of resources.

34

The aim of the financial health key performance area is to assess the quality of the organisation's financial health using a transparent and robust model suitable for all provider types. As set out in the Framework for Excellence consultation document (LSC, 2006a), the proposed assessment is by means of three key ratios (reduced from the current six), which are:

- solvency (current ratio)
- sustainability (operating surplus or deficit)
- status (borrowing as a percentage of certain reserves and debt).

35

It is envisaged that the financial health scores will be most relevant to colleges and providers and to the LSC under its obligation to ensure the provision of education and to safeguard public funds. It will also be of interest to stakeholders that have a remit to assess a provider's capacity to deliver and sustain quality.

36

The financial control assessment will be based on the evidence already available from auditors and other financially based reviews of providers. We propose to rely on outcomes from audits already carried out in the normal course of business for the first version of the Framework.

37

Use of resources considers the proportion of LSC funding applied to national priorities, as defined in Public Service Agreement (PSA) targets and set out in the LSC's *Annual Statement of Priorities* document.

38

The indicator proposed for use in this area is the percentage of LSC funds spent on priority provision. The performance of each college and provider will vary according to its mission and specialisation, and assessment criteria will have to take this into account. During the development work, we will also explore the feasibility of indicators relating to how economically and efficiently colleges and providers conduct their operations in delivering LSC-funded provision.

39

We welcome the work being undertaken by the 157 Group² of colleges to explore possible measures of the wider economic impact that colleges have. This may produce useful indicators that could in the future form part of the Framework or provide a broader basis for self-assessment.

² The 157 Group is a new representative body comprising some of the biggest and most influential FE colleges in the country. The name derives from paragraph 157 of the Foster review of FE (Foster, 2005), which calls for principals of larger, successful colleges to have a greater involvement in policy-making.

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Performance Indicators

40

Over the next few months, we will model the available data and consult closely with colleges and providers and other stakeholders, in order to develop assessment criteria and performance standards to be tested in the pilot year 2007/08.

41

The performance indicators and other evidence that will be used to produce overall performance ratings are set out in Annex C. This shows when we expect each indicator to be developed (subject to the outcomes of the pilot), to be available for use, and when data will be collected between 2006/07 and 2010/11.

Informing learner and employer choice

42

Learners and employers are particularly interested in feedback from other users of the service. We need to do a great deal more work with learners and employers to identify the information they need, looking at how such information can be made user friendly and easily accessible. We will explore a number of options for achieving this: one option could be the use of a website to enable learners and employers to explore the further information standing behind the Framework. We will develop this work alongside the pilot from summer 2007.

Recognising different types of provider

43

The Framework should be sensitive to mission, should not increase bureaucracy and should not give rise to perverse incentives that would undermine the delivery of services to learners and employers. We recognise that providers will be concerned to ensure that their distinctive

missions and unique characteristics are reflected in the Framework. However, at every stage, we have to balance that against the need to keep the Framework simple, clear and unbureaucratic. As a general rule, we propose to collect the same data from each provider.

44

We will use the pilot to investigate the interplay between data, benchmarks and judgement, and to develop assessment criteria and performance standards that can take account of provider mission and other contextual factors where appropriate. We will also consider what data should be published.

45

The significance of the indicators in relation to each provider's characteristics, and the factors that are appropriate to take into account when considering whether performance is satisfactory or not, will be part of the discussion between each provider and the LSC.

School sixth forms

46

In view of the existing performance management, accountability and improvement arrangements for schools, ministers have decided that the Framework should not apply to school sixth forms. However, consistent assessment of the performance and quality of each school sixth form and other post-16 institutions should be ensured, as far as possible. The LSC is currently working with the DfES and local authorities to develop accountability arrangements for school sixth forms that will focus on a small set of consistent data.

47

We will develop as far as possible comparability of data for school sixth forms and other post-16 organisations. We will monitor the evolution of the Framework and will seek to align this and the challenge and support framework for schools as closely as possible.

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Working with Ofsted and the Quality Improvement Agency

Self-assessment

48

The prototype Framework for Excellence will be based primarily on a set of quantitative performance indicators. An organisation's self-assessment will be used within the Framework only where there is insufficient quantitative evidence or where organisations' assessments are already used.

49

Evidence for the Framework will also be relevant to:

- self-assessment
- inspection judgements
- decisions about the timing and intensity of inspections
- continuing work on peer review.

50

Ofsted will use both Framework data and providers' self-assessment reports as important sources of information and evidence.

51

Within the wider work on self-regulation, the LSC, Ofsted and QIA will support the development of a set of principles and standards for both the process and outcomes of self-assessment. Such principles will be designed to secure the credibility of individual provider self-assessment across the FE system. Inspectors will continue to evaluate the rigour and accuracy of providers' self-assessment as part of their inspection judgements. Ofsted will explore the development of risk assessment of providers' own judgements through an annual desk review of self-assessment reports and work with the LSC to identify the response to cases where self-assessment judgements are not consistent with performance data and other forms of available evidence.

52

In the future, we anticipate that the Framework for Excellence and Common Inspection Framework will converge into a single approach to performance, quality assessment and quality improvement in the FE system, supporting moves towards self-regulation.

53

QIA will work with the LSC to develop rigorous validation processes for provider self-assessment through peer review. Through a new programme due for launch in autumn 2007, QIA will also provide support for colleges and providers to:

- implement the Framework for Excellence
- improve the quality of their self-assessment processes
- develop their capacity for self-improvement through good practice guidance and case studies
- work in peer groups to benchmark performance, validate self-assessment judgements and share effective practice.

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Relationship with the national Improvement Strategy

54

The national Improvement Strategy (QIA, 2007) was produced in collaboration with the LSC and other national agencies including the Centre for Excellence in Leadership (CEL) and Lifelong Learning UK (LLUK). The Improvement Strategy will support all colleges and providers within the FE system, from those needing particular support or intervention to those already performing very well and wanting to maintain their high standards.

55

Where underperformance is identified by the LSC or Ofsted, QIA will target intervention through its improvement adviser service. This work will include support for effective self-assessment as a platform for self-improvement.

Supporting the move to self-regulation

56

Initial proposals for developing self-regulation in the FE system are being developed in a project led by Sir George Sweeney on behalf of the sector. The Government welcomes this work. Depending on how rapidly the project progresses, the aim is to test a prototype model from autumn 2007, building on existing good practice in the sector and stripping out unnecessary bureaucracy.

57

By 2012, we envisage self-regulating arrangements in which colleges and providers in the FE sector collectively play a leading role in planning, quality assurance and quality improvement. In such a system, with true self-regulation, the sector itself will intervene to identify and address poor provision; the best providers will work with those who need help to improve, in order to ensure that learners and employers have access to the high-quality provision they need. External quality assurance will be proportionate to risk, and external

intervention will be by exception in instances where the sector itself fails to act in the interests of learners and employers.

58

The Framework will support these moves towards self-regulation by enabling access by learners, employers, colleges, other providers and other FE system stakeholders to timely, relevant, robust and reliable information about the performance of each provider.

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Piloting and Next Steps

59

From summer 2007, the prototype Framework will be piloted with a group of approximately 100 colleges and WBL providers.

60

The pilot will be rigorously evaluated and a report published on its outcomes. Following this, a first version of the Framework will be published in summer 2008 for use by all colleges and WBL providers in 2008/09.

61

The objectives of the pilot are to:

- trial processes to produce scores for key performance areas and dimensions and the combination of these to produce an overall performance rating
- agree with learners and employers the information they need to make informed choices, and the best format for this

- compare overall performance ratings with inspection judgements and assessments of quality and performance
- develop assessment criteria applicable to each performance indicator, together with associated processes for deriving assessments and ratings
- test the fitness for purpose of the prototype from the perspectives of learners and employers, providers and stakeholders
- explore possible arrangements for accreditation and/or external validation of self-assessment based on Ofsted reviews and drawing on the evaluation of peer referencing pilots managed by QIA
- test the interaction with the performance and quality framework being developed for Jobcentre Plus provision.

62

The LSC will compile data during 2007/08 for all colleges and WBL providers for as many of the indicators in Annex C as

possible. Depending on the outcomes of the pilot, initial calculations of provisional performance ratings should be available in March or April 2009. The pilot processes will test the validity of these performance ratings. The evaluation of the pilot will help us to decide how best to feed back provisional ratings to providers.

63

A further phase of piloting will take place from summer 2008 involving specialist colleges, and adult education and voluntary sector providers.

64

A second and more complete version of the Framework will be implemented from summer 2009 by colleges, WBL providers, specialist colleges, and adult education, charitable and voluntary sector providers.

65

A summary timetable is set out in Table 1.

Table 1: Summary timetable for the Framework.

Date	Activity
Spring 2007	Testing and trialling phase 2
Summer 2007	Publication of prototype Framework Colleges and WBL providers to use the available elements from the prototype Framework as part of normal self-assessment
Summer 2007	Publication of draft guidance on the implementation in 2008
Summer 2007 – early 2008	Pilot of prototype Framework
Autumn 2007	Launch of new QIA programme to support robust self-assessment Implementation of the Framework and organisational review and development
Summer 2008	Publication of first version of the Framework
Summer 2008	Publication of definitive guidance on implementation
Summer 2008	Specialist colleges and adult education and voluntary sector providers pilot the Framework Single self-assessment process for use in Ofsted inspection and the Framework is tested
Summer 2008	Framework operational in colleges and WBL
Summer 2009	Publication of second version of the Framework
Summer 2009	Framework operational across the whole FE system

Annex A:

Consultation Feedback and our Responses

Consultation feedback	Our response
There was widespread support for a single Framework that integrates with the Common Inspection Framework.	There is a commitment by Ofsted and the LSC to merge the Common Inspection Framework and the Framework for Excellence and develop a single self-assessment process.
An overall star rating is not sufficient to inform learner and employer choice.	Alongside a performance rating, we will identify with learners and employers what additional information they require and their preferred means of access to such information.
There was a strong preference for the use of the four-point scale from the Common Inspection Framework throughout the Framework for Excellence.	We will use the four-point scale from the Common Inspection Framework throughout the Framework.
The timescale for implementation was unrealistic, with a view that this should be delayed until 2008.	We have adopted a revised schedule for piloting from summer 2007 for FE colleges, sixth form colleges and WBL providers, and from summer 2008 for all other providers.
There was widespread support for self-assessment being the basis of the Framework, with strong views that qualitative as well as quantitative judgements should inform the overall performance assessments.	Over time, the streams of work on self-assessment and the Framework will converge into a single approach to performance and quality assessment and improvement in the FE system. As the first step, however, we want to put in place a clear, simple framework based on key performance areas and quantitative indicators.
There were strong views that school sixth forms should be included in the Framework.	There is a commitment by the LSC, DfES and Ofsted to maximise comparability between school sixth forms and other providers. A decision has been made not to include school sixth forms at this point, because of the separate performance framework applied to schools. However, we will align performance data between school sixth forms and other post-16 providers as far as possible.
A star rating on its own is too simplistic and should at least be combined with an accompanying statement.	In partnership with learners, employers, colleges and providers, we will explore whether we should publish a statement to accompany the star rating.
There was a majority view that key performance areas should be weighted, with a strong preference for weighting more heavily elements relating to quality and learner success. There was a significant minority view that the proposed key performance areas were not applicable to some colleges and providers.	We will use the pilot to develop rules and criteria for any differential and any proportionate application of the Framework. We will also investigate whether and how any weighting of key performance areas or dimensions should apply.
There were widespread views that, given the growth and expansion of mixed-economy organisations, not only the LSC, DfES, Ofsted and QIA needed to endorse and use the Framework, but so should the Higher Education Funding Council for England (HEFCE), the Higher Education Statistics Agency (HESA) and the Quality Assurance Agency (QAA).	The LSC has widened the number of bodies involved in consultations on the Framework. They now include Awarding Bodies, HEFCE, QAA, Qualifications and Curriculum Authority (QCA), the Cabinet Office, the Audit Commission and the National Audit Office.
There were serious concerns that the Framework would increase rather than reduce bureaucracy.	The Framework is linked inextricably with progress towards self-regulation. The LSC asks stakeholders to work with us to ensure that the Framework can contribute to the simplification of the quality landscape and the reduction of bureaucracy in the FE system. The LSC has agreed with Ofsted that there will be no additional burden. The Information Authority ³ will examine the Framework, and the Bureaucracy Reduction Group will be asked to scrutinise the proposed arrangements.

³The Information Authority is a new body that will champion and drive the development and promotion of better use of information in the further education system.

Annex B:

Principles of Design, Development and Implementation

Design

1
A number of principles underpin the design of the Framework. These are that the Framework should:

- have as its core purpose serving the needs of customers, that is, learners and employers. That means giving priority to the views of learners and employers in the event of a major divergence of opinion between stakeholders
- be clear, simple and transparent so that performance information is easily available for users, in forms they find helpful
- be valid, providing information that is a robust and reliable guide to the major aspects of an institution's performance
- build on the Common Inspection Framework and New Measures of Success
- be based on absolute rather than relative performance measures
- be fair, in that it does not unduly advantage or disadvantage any organisation or type of organisation
- be transparent in the way that indicators and ratings are chosen and constructed.

2
Performance indicators and the definitions of key performance areas should:

- be fit for their diverse purposes, including informing learner and employer choice, organisational management, quality improvement and external accountability
- be capable of 'drill down' to produce detailed performance information to inform learner and employer choice
- where new, not be included without testing and piloting and the advice of the Information Authority and the Bureaucracy Reduction Group.

Development

3
The principles underpinning the development process of the Framework are that it should be:

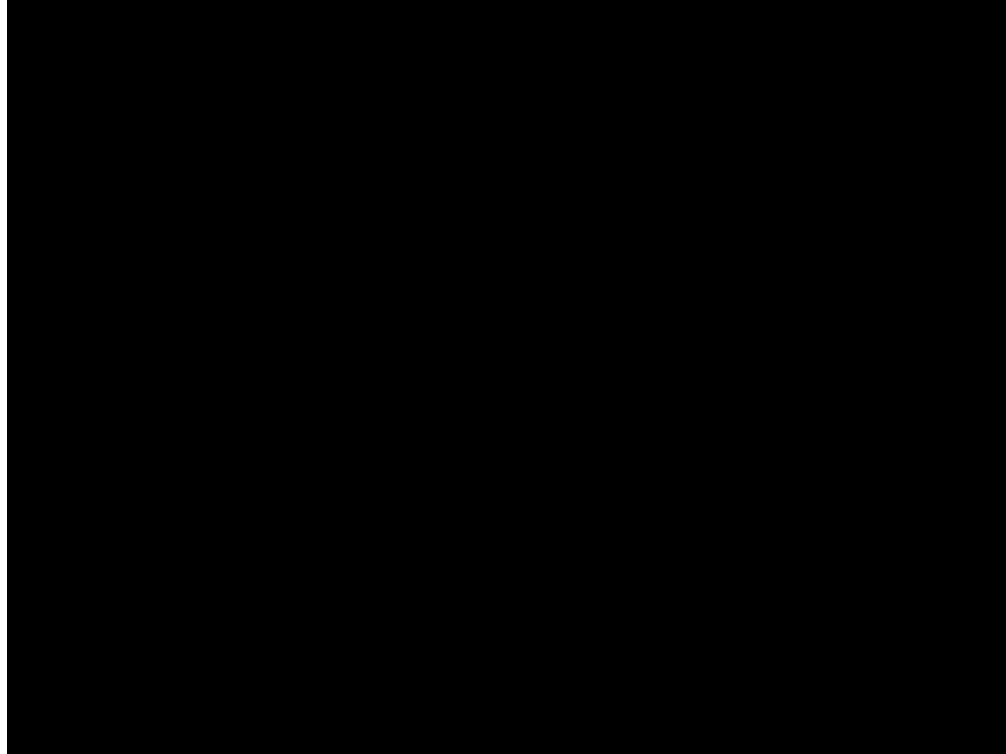
- open and transparent, with the publication of regular progress reports
- based on continuing dialogue and consultation with providers and learners and employers.

Implementation

4
Implementation of the Framework will be undertaken according to the following principle.

- Framework scores and ratings should be available in a public form to learners, employers and communities.

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Annex C: Performance Indicators for Framework for Excellence 2007/08 and 2008/09

Not all proposed indicators are currently available in a suitable form, so the purpose of the trialling and development programme is to establish indicators that meet the principles described in Annex B.

Key performance area	Proposed measures	Data sources	2007/08	2008/09
Responsiveness Responsiveness to learners	Learner feedback	Learner survey: plans in place to expand 2007/08 provider surveys to include a set of standard, core questions	To be tested in pilot Questions available for providers to include in their learner satisfaction survey 2007/08 (voluntary) Provider level data collection methodology developed	Collection across all providers
	Learner destinations (further learning) Learner destinations (jobs)	Based on management information matching Learner survey currently being developed	To be tested in pilot Pilot data collection during 2007/08 in respect of learners who complete programmes in 2005/06	Full results available end 2008 Data collection targeted for 2008/09 in respect of learners completing programmes in 2006/07

Key performance area	Proposed measures	Data sources	2007/08	2008/09
<p>Responsiveness Responsiveness to employers</p>	<p>Employer satisfaction rating</p>	<p>Train to Gain satisfaction survey used as interim measure Employer satisfaction measure covering all providers directly contracting with employers. This will be developed in line with the criteria for employer satisfaction within the new standard</p>	<p>Data available but not all providers included Data collection during pilot</p>	<p>Use 2007/08 data for calculation of performance ratings in 2009 Data collection targeted for 2008/09 for use in 2010 performance ratings</p>
	<p>Fee income or other direct contribution from employers</p>	<p>Standard finance returns to LSC</p>	<p>First results available Pilot to explore use of data in calculation of performance ratings</p>	<p>Use data in line with development during 2007/08</p>
	<p>Number of employees trained or volume of programmes delivered to employees</p>	<p>Individualised Learner Record (ILR)</p>	<p>First results available Pilot to explore use of data in calculation of performance ratings</p>	<p>Use data in line with development during 2007/08</p>
<p>Effectiveness Quality of outcomes</p>	<p>Achievement of new standard</p>	<p>LSC new standard database</p>	<p>Data available</p>	<p>Data available</p>
	<p>Qualification success rates</p>	<p>ILR</p>	<p>Results available</p>	<p>Results available</p>
	<p>Value-added measure</p>	<p>DfES Achievement and Attainment Tables data, ILR and Awarding Bodies' data</p>	<p>Pilot to explore use of data in calculation of performance ratings</p>	<p>Use data in line with development during 2007/08</p>
<p>Effectiveness Quality of provision</p>	<p>Ofsted inspection reports</p>	<p>Ofsted</p>	<p>Results available</p>	<p>Results available</p>
	<p>Self-assessment that has been risk assessed by Ofsted</p>	<p>Ofsted desk review of self-assessment reports</p>	<p>Pilot to test inclusion</p>	<p>Results available</p>

Key performance area	Proposed measures	Data sources	2007/08	2008/09
Finance Financial health	Based on three key ratios: <ul style="list-style-type: none"> • Solvency (current ratio) • Sustainability (operating surplus or deficit) • Status (borrowing as a percentage of certain reserves and debt) 	Financial plans, financial accounts and financial forecasts	Results available for FE colleges, information for other providers to be developed	Results available for FE colleges, information for other providers to be developed
Finance Financial control	Based on independent audit opinions and audited self-assessment exercise	Audit opinions and findings Audited self-assessment exercise Financial accounts	Results available for FE colleges, information for other providers to be developed First results available Pilot will explore use of data in calculation of overall performance rating	Results available for FE colleges, information for other providers to be developed Use data in line with development during 2007/08
Finance Use of resources	Percentage of income spent on priority provision Economic and efficient use of resources by providers			

Annex D: Achieving Excellence in Further Education

1
This annex summarises how the four components of the programme for achieving excellence in further education fit together: the Framework for Excellence (the Framework), the LSC intervention programme, the national Improvement Strategy (the Improvement Strategy), and the self-regulation project.

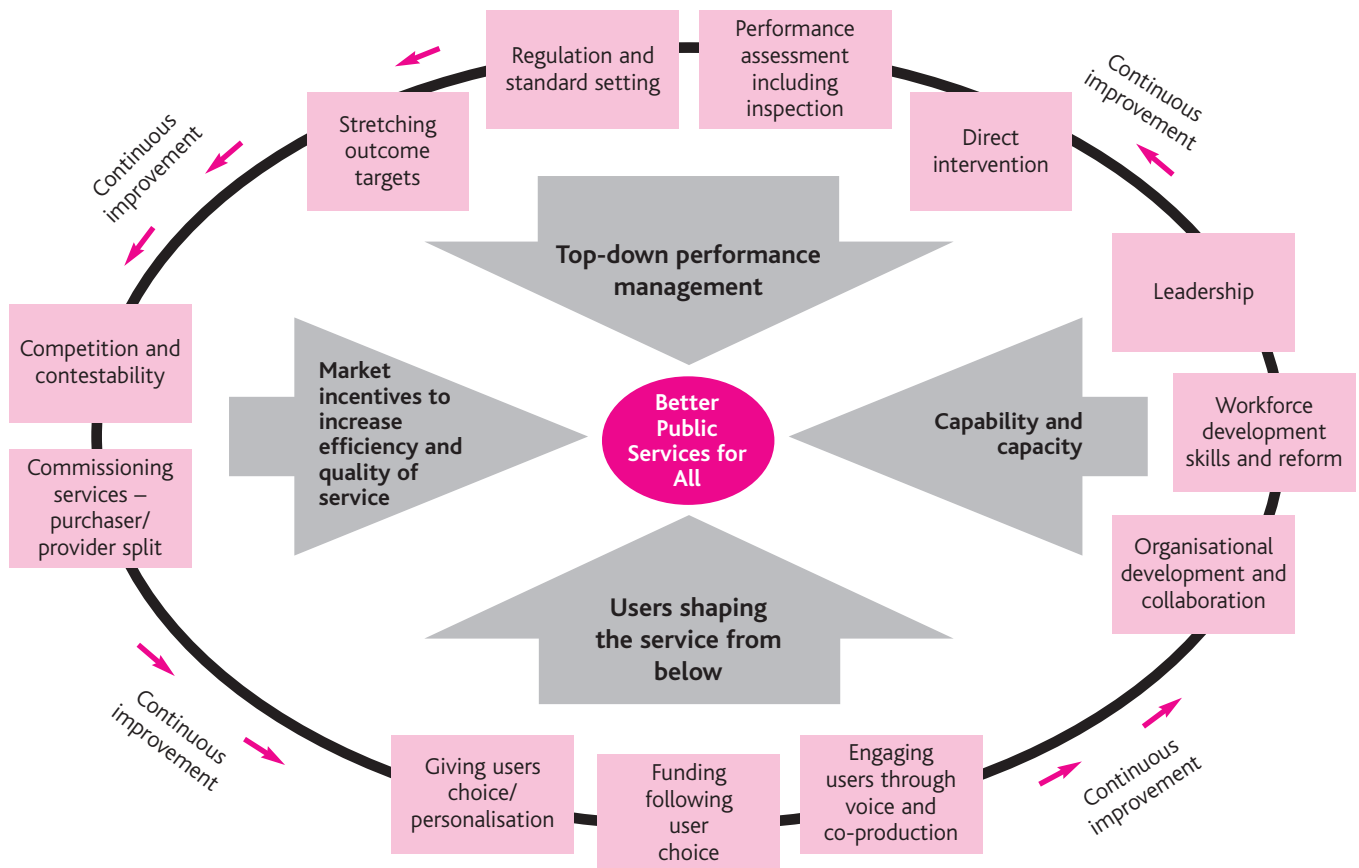
Better public services

2
The wider context is set by the model developed by the Prime Minister's Strategy Unit (PMSU) for how public services can be improved. Its components include:

- customers and clients shaping the services they use
- action to develop the capability and capacity of service providers
- regulation, target-setting and performance management
- market forces, competition and contestability.

3
When these components are combined, the result will be a high-quality and responsive system, delivering excellent services to the public and offering value for money to the taxpayer (Figure D1).

Figure D1: Model for public service reform.



Pursuing excellence

4

The responsibility for quality and improvement lies with colleges and providers themselves. Each organisation knows what is best for it and where its strengths and weaknesses lie. The pursuit of excellence calls for a strong and enduring commitment on the part of individual organisations. The aim of the Government and its national partners is to support the efforts of individual colleges and providers to improve by:

- regular and open assessments of their performance and quality
- managing and improving their performance
- developing over time the capacity for self-regulation by the sector.

5

Figure D2 and paragraphs 6–8 show how these fit together.

Securing information on performance and quality

6

The first step in achieving excellence is to have reliable, easily understood, publicly available information on performance. Colleges, providers and national agencies need to have a robust and consistent basis for identifying performance and quality. They can then assess to what extent their current provision matches this.

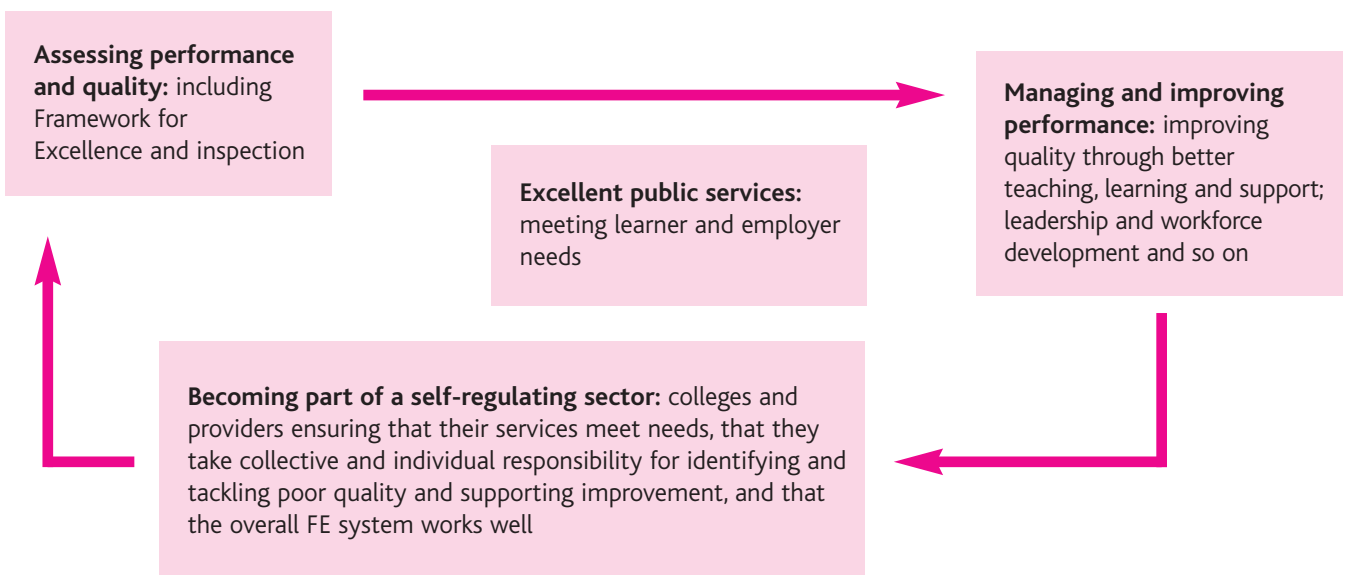
7

Inspection is well-established, and Ofsted and the Adult Learning Inspectorate (ALI) have long worked with colleges and providers, using the Common Inspection Framework. Inspection is now undergoing reform. The new single inspectorate (the Office for Standards in Education, Children's Services and Skills) will operate from April 2007, and a more selective and proportionate inspection regime is being introduced. The result will be to reduce the burden on colleges and providers.

8

We have reviewed the type and quality of data on which assessment may be based. There is much information available. However, it has not always been used to full effect in ways that give a balanced assessment of performance and inform plans for improvement or public understanding of the sector. The Framework for Excellence, which will enable much more effective use of information, will operate for colleges from the academic year 2008/09 and for all providers from 2009/10.

Figure D2 : Assessment, improvement and self-regulation.



LSC intervention programme

9

The second key element of the Framework for achieving excellence is to remove inadequate provision. Where the published performance indicators show that quality and standards are not satisfactory, that must provide a basis for action.

10

We have seen sustained improvement in the FE system in recent years. But there are still areas of provision that are not acceptable. The Government is committed to eliminating inadequate provision by 2008. In January 2007, the LSC published *Identifying and Managing Underperformance* (LSC, 2007b), which sets out a robust intervention policy.

11

Learners and employers should not have to experience inadequate provision. Where it exists and is publicly funded, the LSC will act to secure improvement or, if there is insufficient improvement, replace it. The LSC will not itself make judgements about quality but will use the available performance indicators to inform its commissioning decisions. When the LSC issues an Improvement Notice specifying the deficiencies to be remedied within a specified timescale, this means that the college or provider is given time and, through the Improvement Strategy, support to remedy the problems. If there is insufficient improvement, funding will be withdrawn.

12

The environment of contestability and competition in which colleges and providers will increasingly operate will also act as a powerful spur to improving services and achieving excellence.

Managing and improving performance

13

Intervention to remove inadequate provision will apply in only a very small proportion of cases. In the great majority of cases, provision is already at least satisfactory and the goal is to support continuing improvement. The impetus for quality improvement and responsiveness to learners and employers has to come from within the college or provider. The support that is becoming available through the Improvement Strategy will enable individual colleges and providers to develop and implement their plans for improvement. This is the third element of the programme for achieving excellence.

14

Pursuing Excellence, the national Improvement Strategy (QIA, 2007), will be fully operational by April 2007. A collaboration between all the national improvement partners (listed at paragraph 18 and Table D1), it will offer a wide range of products and services from which colleges and providers can choose what they need. This includes the Excellence Gateway, which will offer examples of good practice, networks to support self-improvement, suppliers of improvement services and resources to support teaching and learning. The Improvement Strategy addresses all the major aspects of institutional development that impact on quality, improvement and responsiveness, including meeting learners' needs via personalisation, curriculum, teaching approaches, assessment, workforce development and leadership.

A self-regulating sector

15

The Improvement Strategy is being developed and implemented by QIA working with national partners. Over time, the Government's objective is that the initiative to drive quality improvement rests increasingly with the FE sector as it further develops the capacity for self-assessment, self-improvement and self-regulation. Excellence is more likely to be achieved when the FE system 'owns' the factors and programmes available, and is confident that these reflect sector priorities.

16

In November 2006, the Secretary of State for Education and Skills asked colleges and providers, under the leadership of Sir George Sweeney, to develop proposals for a self-regulating FE sector. This will mean simplifying and rationalising some current functions and processes with a view to reducing bureaucracy. It is also likely to mean continuing to use the Framework for Excellence to highlight good quality and, conversely, to identify where improvements are needed.

17

Subject to progress with the self-regulation project, the Government aims to test proposals from September 2007. This means that the sector itself will intervene to ensure quality and responsiveness: the best providers will work with those who need help to improve, and individual colleges and providers will be able to focus their energies on delivering what learners and employers need and want.

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Sourcing help

18

Details of the sources of advice and help available are shown in Table D1.

Table D1: Sources of advice and help.

Organisation	Abbreviation	Responsible for	Website
British Educational Communications and Technology Agency	Becta	Delivery of <i>Harnessing Technology</i> , the Government's e-strategy	www.becta.org.uk
Centre for Excellence in Leadership	CEL	Developing strategies for succession planning and building leadership and management; offering programmes and other support for leaders, managers and aspiring leaders	www.centreforexcellence.org.uk
Department for Education and Skills	DfES	Setting policy and strategy for the FE system	www.dfes.gov.uk/furthereducation
Federation of Awarding Bodies	FAB	Working with employers, sector skills councils and others to develop and deliver vocational qualifications; approving providers to offer qualifications and monitoring their performance	www.awarding.org
Jobcentre Plus and the Department of Work and Pensions	JCP and DWP	Planning and funding Welfare to Work (WtW) provision	www.jobcentreplus.gov.uk www.dwp.gov.uk
Learning and Skills Council	LSC	Commissioning and funding provision, and assuring quality	www.lsc.gov.uk
Lifelong Learning UK	LLUK	Developing the professional framework for all those who work in the lifelong learning system (including FE), and defining and developing the sector qualifications strategy and standards for occupational competence	www.lifelonglearninguk.org
Ofsted and Adult Learning Inspectorate	Ofsted and ALI	Inspecting the quality of provision (Ofsted and the ALI will merge in April 2007 and the new Ofsted will be responsible for inspecting education, children's services and skills)	www.ofsted.gov.uk www.ali.gov.uk
Qualifications and Curriculum Authority	QCA	Overseeing the national curriculum and accrediting qualifications	www.qca.org.uk
Quality Improvement Agency	QIA	Leading the Improvement Strategy and developing improvement programmes and services	www.qia.org.uk http://excellence.qia.org.uk
Skills for Business network (comprising the Sector Skills Development Agency and the 25 sector skills councils)	SSDA	Working to increase investment in skills in each sector	www.ssda.org.uk

Annex E: References

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