



The following is an introduction to the performance indicators used within the Framework for Excellence. It should be used alongside the guidance to be published at the end of June 2008.

## **KEY PERFORMANCE AREA: RESPONSIVENESS TO LEARNERS**

### **Performance Indicator: Learner Views Survey**

#### **Applicability**

All providers in scope for the Framework for Excellence during 2008/09 will be included in this indicator.

Providers that have not participated in the voluntary Learner Views Survey or those which have participated but not delivered statistically robust results will be asked to undertake a mandatory, provider-led web-based survey in the period January-February 2009.

In 2008/09, the survey will apply to learners on LSC priority provision.

#### **Definition**

The performance measure is a score derived from a learner views questionnaire that captures learners' perceptions about their learning experience. Learners are also given the opportunity to give feedback on how their providers could improve and whether their provider is responsive to their views.

The data is obtained from a learner survey. The deadline for completion of the voluntary survey was June 16 2008. The mandatory survey will need to be carried out between January and early February 2009.

### **Performance Indicator: Learner Destinations**

#### **Applicability**

All learners who completed one of the LSC's priority programmes at providers in scope for the Framework for Excellence during 2008/09 will be included in this indicator.

#### **Exemptions**

This performance indicator does not apply to employers who deliver training to their own employees only or to less than 10 learners from other employers. Where an employer delivers training to 10 or more learners from other employers, they will be in scope for those learners (but not for their own staff).

#### **Definition**

The performance measure for Learner Destinations is the proportion of priority learners completing an LSC-funded programme in one academic year, and progressing in the next academic year to a positive destination. A positive destination includes remaining in their current employment with enhanced career prospects.

## **Data Source**

For the 2008/09 Framework, the learner destinations performance indicator will relate to the 2007/08 destinations of those learners who completed courses in 2006/07. ILR data will be used to match priority learners from one year into the next. Only completers of courses are included.

## **KEY PERFORMANCE AREA: RESPONSIVENESS TO EMPLOYERS**

### **Performance Indicator: Employer Views survey**

#### **Applicability**

Providers are required to ask all of the employers who have had any publicly funded training from them during the relevant Framework for Excellence period (2007/08) to participate in the employer views survey. This includes employers that have had subsidies for only a portion of their training costs as well as those who have accessed fully subsidised training.

Where a training package for an individual employer has involved both LSC and employer funded activity then the employer should be encouraged to complete the survey for all of the training undertaken wherever possible.

#### **Exemptions**

Any episode of employer based training that has not involved any public subsidy at all.

#### **Definition**

This measures a provider's responsiveness to employers using ratings based on employers' views of providers on key areas of delivery. These key areas correspond to the core elements of the Training Quality Standard for Employer Responsiveness.

#### **Data submission requirements**

Providers will need to ensure that all employer-sponsored training including that undertaken by self-employed people are identified on their ILR returns.

For 2008/09 the survey will be completed during a three-month window, October to December 2008. From 2009/10 onwards we expect the survey to be completed by employers three-six months after the completion of training on a rolling basis, with results 'banked' and available to view as they are captured.

Providers will use a common question set which will be available on the FfE website.

### **Performance Indicator: Amount of Training**

#### **Applicability**

Providers in scope of Framework for Excellence and who are contracted by the LSC deliver any volume of either Train to Gain or Apprenticeship training or £30,000 of other employer responsive funding in 2008/9 will be included.

The Amount of Training performance indicator will be derived annually for all providers in scope.

### **Exemptions**

Colleges not contracted to deliver any volume of either Train to Gain or Apprenticeship training or £30,000 of other employer responsive funding in 2008/9 are exempt from this performance indicator.

Employers who mainly or wholly train their own staff are also exempt in 2008/9 unless they are contracted to receive Train to Gain, Apprenticeship or £30,000 or more of other employer responsive funding in respect of training for a total of 10 or more trainees from other employers.

### **Definition**

The 'amount of training' performance indicator will be based on the amount of training that is delivered by providers, with particular emphasis on rewarding strong performance in key areas, such as Train to Gain and Apprenticeships. The volume of learners on these key programmes, weighted by provider size, will be used to calculate the score for this indicator.

The precise definition and scope of the measure will be described in the second (September 2008) edition of the provider guide.

### **Data sources**

The data source for the 2008/9 grade will be 2006/7 and 2007/8 ILR records.

### **Data submission requirements**

There are no new requirements. Providers will not need to submit any additional data for this measure but will need to ensure that all employer-sponsored training including training undertaken by self-employed people is identified on ILR returns.

## **Achievement of the Training Quality Standard**

### **Applicability**

The Training Quality Standard is applicable to all providers (LSC funded or not) as a mark of excellence in employer responsiveness.

### **Definition**

Launched in May 2008, the Training Quality Standard is a comprehensive quality badge available to all providers across the entire training market – both publicly and privately funded provision. Assessment is voluntary and is verified in consultation with employers. Accreditation to the Training Quality Standard is based on assessment against criteria which look at the ways in which providers meet employers' needs, and the outcomes achieved by providers.

Providers who achieve the Training Quality Standard will automatically be rated 'outstanding' across the whole Responsiveness to Employers KPA, for the period for which the Training Quality Standard is awarded (normally three years).

For detailed information about the Training Quality Standard please refer to [www.trainingqualitystandard.co.uk](http://www.trainingqualitystandard.co.uk)

## **KEY PERFORMANCE AREA: QUALITY OF OUTCOMES**

### **Performance Indicator: Success Rates**

#### **Applicability**

This is applicable to all provider types delivering accredited learning aims that contribute to qualification success rates (QSR).

#### **Exemptions**

Providers with fewer than 10 learners will be exempt from this performance indicator as they will not generate a statistically valid sample for comparative purposes.

#### **Definition**

The indicator is the graded value of the starts-weighted aggregate score (performance measure) for QSR and value added. The aggregate score is derived from a scoring grid applied to five qualification success rates:

- FE long courses, excluding A-levels
- FE short courses
- A-levels, including A2 and AS
- Apprenticeship completion rates (including advanced apprenticeships)
- Train to Gain qualification success rates

A-level QSR point scores are supplemented by value added from the LSC's Learner Achievement Tracker (LAT).

#### **Data source**

The data sources for this performance indicator are LSC success rates derived from the 2007/08 FE and 2007/08 WBL ILRs, and 2007/08 A-level amended value added from the LAT (utilising SERAP and Achievement and Attainment Tables data). Success rates and value added results, together with drill-down, are available through the Provider Gateway.

#### **Data submission requirements**

There are no new data submission requirements.

## **KEY PERFORMANCE AREA: QUALITY OF PROVISION**

### **Performance Indicator: Inspection Grade**

#### **Applicability**

All providers are in scope and there are no exemptions.

#### **Definition**

The Framework for Excellence score for the overall quality of provision will be the same as the current inspection view of overall effectiveness. This will be derived from the most recent inspection judgement.

#### **Data source**

The data source is Ofsted inspection reports and there are no new requirements.

## **KEY PERFORMANCE AREA: FINANCIAL HEALTH**

### **Performance Indicator: Financial Health**

#### **Applicability**

All providers in scope for the Framework in 2008/09 other than:

- Non Departmental Public Bodies
- Other Public Bodies and Agencies
- NHS Trusts, primary care trusts and Strategic Health Authorities
- Police and Fire Authorities
- Designated charities and voluntary organisations whose main source of funding is not from the LSC
- Established Public Listed Companies and other registered companies for which total LSC contract values no more than 5% of annual turnover

#### **Definition**

Financial Health is a measure of a provider's financial status in terms of current financial performance and ability to meet ongoing financial commitments.

Financial Health will be graded based on the following:

- Current assets against current liability ratio (solvency)
- Operating surplus or deficit as a percentage of turnover/income (sustainability)
- Borrowing as a percentage of certain reserves and debt (status).

#### **Data Source**

For Version 1 of the Framework the data required to calculate the above will be sourced as follows:

- For colleges: from the Finance Record for the year ending 31 July 2008
- For other providers in scope: from the latest available statutory financial statements (full accounts or equivalent, not abbreviated accounts).

#### **Data submission requirements**

Colleges are required to submit their Finance Record returns to the LSC in accordance with the published timetable and other providers will continue to be required to make their financial statements available to the LSC on request.

## **KEY PERFORMANCE AREA: FINANCIAL MANAGEMENT AND CONTROL**

### **Performance Indicator: Financial Management and Control**

#### **Applicability**

All providers who receive LSC funding. The only exception will be Higher Education Institutions (HEIs) where the LSC has agreed with HEFCE to rely on their assurances for both financial health and financial management and control.

#### **Definition**

Providers will self assess and grade their financial management and control arrangements using the financial management and control evaluation (FMCE). The LSC will provide guidance to help providers do this in a consistent manner and the

LSC's audit teams will validate these, taking into account the results of audit work at providers and any other relevant, available information.

### **Data submission requirements**

Providers will be required to complete the Financial Management and Control Evaluation (FMCE). It is envisaged that colleges and providers will complete the FMCE annually as an integral part of their own self assessment reporting process and share it with the LSC.

## **KEY PERFORMANCE AREA: USE OF RESOURCES**

### **Performance Indicator: Funding Economy**

The funding economy performance indicator assesses to what extent a provider has used LSC funds to deliver priority provision and has delivered in relation to their original allocation or contract value.

The funding economy performance indicator comprises two performance measures: Use of Resources 1 and Use of Resources 2.

#### **Use of Resources 1**

##### **Definition**

This is the proportion of LSC funding applied to priority provision based on learner numbers and priority funding data expressed as a percentage. The methodology calculates the amount of LSC funding spent on LSC priorities.

##### **Data definition and source**

This indicator requires a specification of priority areas and funding data by provider both in total and for the priority areas (excluding any safeguarded funding).

The definitions are those used by Summary Statement of Activities (SSoA)/Mix of Provision, and the sources of data are the various categories of LSC funding and aims originating from the Individualised Learner Record (ILR) (F05) with planning data being taken directly from the SSoA.

##### **Data submission requirements**

There are no new requirements. The data will be collected through LSC existing systems.

#### **Use of Resources 2**

##### **Definition**

This measures delivery as a percentage of funding allocation or contract value and is calculated by taking the reported out-turn value of provision supplied and expressing it as a percentage of the final allocation or contract value before the start of the year concerned.

Where a provider supplies training across more than one funding stream, the measure is calculated for each funding stream and the score applied takes account of the performance in each funding stream.

### **Data definition and source**

This uses the funding allocation or original contract value and out-turn by provider for each funding stream. This data will be obtained from the funding database/AMPS and out-turn records

### **Data submission requirements**

There are no new requirements.

## **Performance Indicator: Resource Efficiency**

The resource efficiency performance indicator assesses a provider's use of LSC funds per successful outcome and their high level comparative cost per learner.

The resource efficiency performance indicator comprises two performance measures: Use of Resources 3 and Use of Resources 4.

### **Use of Resources 3**

#### **Definition**

This is defined as LSC funding per successful outcome.

The methodology follows demand led funding principles and uses a provider's average national funding rate adjusted by a) provider qualification success rates to represent outcome performance and b) programme weighting and disadvantage factor to represent additional resources a provider uses.

#### **Data definition and source**

This uses national funding rates, SLNs, disadvantage factor, programme weighting and success factor by provider for each funding stream and uses the definitions of the Funding Calculation.

The data sources for this performance indicator are LSC success rates derived from the 2007/08 ILRs, and funding data from the Demand Led Funding models.

#### **Data submission requirements**

There are no new requirements.

### **Use of Resources 4**

#### **Definition**

The provider level unit cost is obtained by dividing a provider's total operating cost by a weighted standard learner number (WSLN). Recognition is given to the costs a provider incurs in servicing other income and funding through assigning a level of additional WSLN to this other income or source of funding:

#### **Data definition and source**

The total operating costs incorporate staffing costs and other operating expenses. Other income is other income less other funding less any capital grants received by the provider.

Cost and income data is obtained from the Finance Record.

#### **Data submission requirements**

There are no new requirements.

## **Performance Indicator: Capital (Use of Resources 5)**

### **Definition**

Use of Resources 5 is the Capital performance indicator and consists of two elements, condition and renewal. Condition is defined as the current condition of the college's building stock and renewal defined as progress a college is making in renewing its building stock. A Renewal Factor that takes into account the current condition i.e. the base from which the renewal is taking place is used to adjust the Renewal Measure.

### **Data source**

The data sources are: the e-Mandate return; data obtained from condition assessment spreadsheets supplied to National Office Infrastructure and Property Services team by Regional Property Advisors (RPA); other condition data contained within property strategies, feasibility studies and capital applications; and approval record spreadsheets held by National Office Infrastructure and Property Services team. The data is moderated by the RPAs' professional assessment.

### **Data submission requirements**

There are no new requirements. The data will be collected from the data sources listed in the previous paragraph.