

London Performance Management Framework 2008/09



Leading learning and skills

1. Introduction and Aims

- 1.1 This is a refreshed version of the Greater London Learning and Skills Council (LSC) Performance Management Framework for 2008/09. It builds on the existing principles of performance management and is now shaped around the new Demand-Led Funding Model.
- 1.2 The framework is designed to ensure consistency of approach to contract and performance management in the region to ensure that:
 - High quality employer responsive provision is delivered
 - Minimum Levels of Performance (MLP) are met and exceeded
 - The LSC achieves its Public Service Agreement (PSA) targets
- 1.3 Ultimately, the framework aims to support the LSC in achieving:
 - 50% new measure success rate (overall) in Apprenticeships
 - 65% new measure success rate (overall) in Train to Gain
 - 55% positive progression rate in E2E
 - 60% Achievement in ESP, with 25% of total learners recruited on the programme gaining employment within six weeks of leaving the programme
 - 50% of SFJ learners to get a job, with over a third gaining sustainable employment

2. Scope

- 2.1 This framework applies to the Employer Responsive element of the Demand-Led Model. Specifically, it includes:
 - Apprenticeships (16-18 and 19+)
 - Train to Gain (Entry Level SfL, SfL, FLT, Levels 2/3/4, FE NVQ Transfer)
 - Entry to Employment (E2E) provision delivered as part of the 16-18 budget.
 - Employability Skills Programme (ESP)
 - Skills for Jobs (SfJ)
- 2.2 Adult Learner Responsive and 16-18 Learner Responsive provision will continue to be managed under existing local arrangements.
- 2.3 Planning and Performance lead on the communication of the Performance Management Framework, but there is shared responsibility for its delivery across the London region including partnership teams, Contracts, Finance and Audit.

3. Common Principles

- 3.1 [Mi-Figure](#) is London's Performance Management Tool which is based on data derived from the Individual Learner Record (ILR). For 2008/09 it is being updated to reflect the latest key performance indicators and the new demand-led system. It is the central source of performance information for partnership teams to use to monitor providers' performance.
- 3.2 [Mi-Figure](#) should be used to undertake:
- 3.3 MONTHLY PERFORMANCE REVIEW
- 3.4 Every month, partnership teams will assess providers' delivery and actively manage performance issues as they arise. Monthly management information reports are available on [Mi-Figure](#) from 20 - 22nd of each month, so that this review can take place.
- 3.5 [Mi-Figure](#) performance information should be used in conjunction with the knowledge partnership teams have gained through their direct provider contact and any other local business intelligence they feel is relevant.
- 3.6 Area Directors have the autonomy to make quick decisions about contract variations in-month if performance dictates, although the key review of performance takes places on a quarterly basis.
- 3.7 QUARTERLY PERFORMANCE REVIEW
- 3.8 For Employer Responsive Provision (i.e. TTG, Apprenticeships and E2E), formal quarterly review of performance will be undertaken at the Employer Responsive (ERG) Group. The Integrating Employment and Skills (IES) Group will undertake quarterly review of performance of the ESP and S4J programmes. For each programme the framework sets out the **recommended** action that needs to be taken for levels of performance (below) and [Mi-Figure](#) will summarise providers' performance accordingly.
- 3.9 YEAR END PERFORMANCE REVIEW
- 3.10 An end of year review of performance will take place to make a final assessment of how providers and the region have performed in each programme.

4. Train to Gain and Apprenticeship Performance

- 4.1 The Performance Management Framework for 08/09 sets-out the process for monitoring performance in terms of both participation and quality of outcome.
- 4.2 The four key performance areas against which providers' performance will be measured for Train to Gain and Apprenticeships are:
- 4.3 **Starts** - All providers have been given an allocation of starts for 2008/09, which will be used as their annual target. Progression against this target will be measured by using the quarterly starts milestones set out in Figure 1 (for TTG) and Figure 2 (for Apprenticeships). These milestones are based on the regional average of start volumes delivered at each quarter in 2007/08.
- 4.4 **Achievements for Train to Gain** - Achievement performance will be measured by comparing the achievements delivered by providers to the starts they have delivered (as a percentage). The quarterly milestones providers should be working towards are set out in Figure 1 and have been created by using 07/08 regional delivery as a benchmark for performance.
- 4.5 **Completions for Apprenticeships** - Completion performance will be measured by comparing the completions delivered by providers to the starts they have delivered (as a percentage). The quarterly milestones providers should be working towards are set out in Figure 2 and have been created by using 07/08 regional delivery as a benchmark for performance.
- 4.6 **Success Rates** – For Apprenticeships and TTG the new measure success rates (overall) will be used.¹ The Minimum Level of Performance (MLP) for Train to Gain is 65% and 50% for Apprenticeships. Quarterly milestones for success rates are set out in Figure 1 (for TTG) and Figure 2 (for Apprenticeships) incrementally rising to 65% MLP for TTG and 50% MLP for Apprenticeships by the end of the year.
- 4.7 Figures 1 and 2 set out the quarterly milestones expected for the four key performance areas for TTG and Apprenticeships, and the **recommended** action required in terms of adjusting contracts. Quarterly review will be undertaken by ERG which will decide whether to implement the recommended actions of the framework for particular providers.
- 4.8 Providers' performance against these quarterly milestones will be recorded on a monthly basis in Mi-Figure so it will be clear where improvement is required to reach quarterly milestones.

¹ The new measure success rate is the proportion of learners whose planned end date is in year (academic) and who achieved, or learners who achieved in year (academic). For TTG if a learner achieves in the current academic year and their planned end date was in the previous academic year it will count towards that previous academic year success rate. For WBL the learner would be counted in the current academic year irrespective of when their planned end date was.

Figure 1: Train to Gain Quarterly Milestones

Quarter	QUARTERLY MILESTONES			ACTION		
	Starts (% of Annual Allocation)	Achievements (% of starts)	Success Rate	Outside 15% of either starts or achievements milestone or success rate not met	Within 15% of starts and achievements milestone and success rate met	All Quarterly milestones met or exceeded
Q1	20%	15%	50%	Decrease contract to reflect actual rate of delivery	Continue close performance monitoring until next quarter	Increase contract to reflect actual rate of delivery OR Increase by 10% above rate of delivery for exceptional performance
Q2	40%	20%	55%			
Q3	70%	30%	60%			
Q4	100%	45%	65%	Reduce or run down contract for 09/10	Continue contracting in 09/10	Contract Increase for 09/10

Figure 2: Apprenticeships Quarterly Milestones

Quarter	QUARTERLY MILESTONES			ACTION		
	Starts (% of Annual Allocation)	Completions (% of starts)	Success Rate	Outside 15% of either starts or achievements milestone or success rate not met	Within 15% of starts and achievements milestone and success rate met	All Quarterly milestones met or exceeded
Q1	20%	15%	35%	Decrease contract to reflect actual rate of delivery	Continue close performance monitoring until next quarter	Increase contract to reflect actual rate of delivery OR Increase by 10% above rate of delivery for exceptional performance
Q2	40%	20%	40%			
Q3	70%	30%	45%			
Q4	100%	45%	50%	Reduce or run down contract for 09/10	Continue contracting in 09/10	Contract Increase for 09/10

4.9 Train to Gain Firstness

- 4.10 The new flexibilities allow for a maximum of 30% additional Level 2, and 20% additional Level 3 qualifications at a regional level. These additional qualifications only apply to those identified by Sector Skills Councils (SSCs) through their Sector Qualification Strategies (Level 2 only) and the emerging sector compacts.
- 4.11 In 2008/09 Train to Gain will also incorporate NVQs delivered in the workplace by FE providers, which had previously been funded through the Adult FE budget. The current 2007/08 balance of this provision is 70% additional Level 2 and 30% first Level 2. 2008/09 is a transitional year for these providers who will need to make significant progress so that the split is reversed to at least 30% additional Level 2 and 70% first by the end of 08/09.
- 4.12 To ensure that London achieves the correct 30/70 split the following limits have been agreed:
- FE providers should have up to 30% additional Level 2 and a minimum 70% first Level 2 of their total contract by the end of 2008/09. Mi-Figure will identify these providers and show their progress towards this target on a monthly basis.
 - Non FE providers have demonstrated their ability to deliver increasing numbers of learners who have previously not attained a Level 2. We expected this high number to continue in 2008/09 whilst allowing for a proportion of additional Level 2s to be delivered. To take into account the concentration of additional Level 2 provision currently being delivered in the FE NVQ transfer, private and independent providers should not exceed 20% additional Level 2 at any point in 2008/09 (i.e. 20/80 split). Mi-Figure will show the level of firstness for these providers on a monthly basis and highlight providers who have exceeded this limit. This percentage may be revised in year in light of the regions overall pattern of delivery.

5. Entry to Employment (E2E) Performance

- 5.1 E2E provision will be managed using principles similar to those applied to Apprenticeships and Train to Gain. The framework for E2E applies only to private/independent providers in 2008/09.
- 5.2 Figure 3 sets out the quarterly milestones expected for progression rates performance and the action required in terms of adjusting contracts (i.e. reducing/increasing planned places). As for Train to Gain and Apprenticeships E2E performance will be reviewed by ERG.

- 5.3 The milestones have been set to take into account individual provider delivery patterns (as they can vary quite significantly) for quarters 1-3. By the final quarter, however, the milestone is 55% progression rate (for 08/09 providers are expected to deliver **at least** 50% progression rate).
- 5.4 Providers' performance against these quarterly milestones will be recorded on a monthly basis in Mi-Figure so it will be clear where improvement is required to reach quarterly milestones.

Figure 3: E2E Quarterly Milestones

Quarter	QUARTERLY MILESTONE	ACTION		
	Progression Rate	Outside 5% of milestone	Within 5% of milestone	Milestones met or exceeded
Q1	5% Increase on performance at Q1 in 07/08	Decrease contract to reflect actual rate of delivery	Continue close performance monitoring until next quarter	Increase contract to reflect actual rate of delivery OR Increase by 10% above rate of delivery for exceptional performance
Q2	5% Increase on performance at Q2 in 07/08			
Q3	5% Increase on performance at Q3 in 07/08			
Q4	55%	Reduce or run down contract for 09/10	Continue contracting in 09/10	Contract Increase for 09/10

6. Employability Skills Programme

- 6.1 The Employability Skills Programme will be covered by the Performance Management Framework in 2008/09.
- 6.2 The three key performance areas against which providers' performance is measured for ESP are starts, achievements, and job outcomes.
- 6.3 Figure 4 sets out the quarterly milestones expected for **starts** and **achievements** and the action required in terms of adjusting contracts depending on providers performance at each quarter (which will be reviewed at the IES Group).
- 6.4 Providers' performance against these quarterly milestones will be recorded on a monthly basis in Mi-Figure so it will be clear where improvement is required to reach quarterly milestones.

Figure 4: ESP Quarterly Milestones

Quarter	QUARTERLY MILESTONES		ACTION		
	Starts (% of Annual Profile)	Achievements (% of Annual Profile)	Outside 10% of either starts or achievements milestone	Within 10% of starts and achievements milestone	All Quarterly milestones met or exceeded
Q1	25%	15%	Decrease contract to reflect actual rate of delivery	Continue close performance monitoring until next quarter	Increase contract to reflect actual rate of delivery OR Increase by 10% above rate of delivery for exceptional performance
Q2	50%	30%			
Q3	75%	45%			
Q4	100%	60%	Reduce or run down contract for 09/10	Continue contracting in 09/10	Contract Increase for 09/10

7. Skills for Jobs

- 7.1 Skills for Jobs will be covered by the Performance Management Framework in 2008/09.
- 7.2 The three key performance areas against which providers' performance is measured for Skills for Jobs are starts, job outcomes and sustainable job outcomes.
- 7.3 Figure 5 sets out the quarterly milestones expected for **starts** and **job outcomes** and the action required in terms of adjusting contracts depending on providers performance at each quarter (which will be reviewed at the IES Group).
- 7.4 Providers' performance against these quarterly milestones will be recorded on a monthly basis in Mi-Figure so it will be clear where improvement is required to reach quarterly milestones.

Figure 5: Skills for Jobs Quarterly Milestones

Quarter	QUARTERLY MILESTONES		ACTION		
	Starts (% of Annual Profile)	Job Outcomes (% learners achieving a job outcome)	Outside 10% of either starts or job outcomes milestone	Within 10% of starts and job outcomes milestone	All Quarterly milestones met or exceeded
Q1	25%	20%	Decrease contract to reflect actual rate of delivery	Continue close performance monitoring until next quarter	Increase contract to reflect actual rate of delivery OR Increase by 10% above rate of delivery for exceptional performance
Q2	50%	30%			
Q3	75%	40%			
Q4	100%	50%	Reduce or run down contract for 09/10	Continue contracting in 09/10	Contract Increase for 09/10

APPENDIX: Three Performance Management Scenarios/Examples

NB: The three performance scenarios below are based upon TTG, but the principles are common across the rest of the programmes covered in the framework. The examples can be adapted to the measures and milestones specific to each programme (see Figures 1 – 5).

1. TTG PROVIDER A at Quarter 3 (refer to Figure 1)

Provider's Performance

- **Starts:** Provider A's annual starts allocation is 200. At Quarter 3 it has delivered 105 starts which is 53% of its annual allocation and 17% below the quarterly milestone of 70% = Red performance category
- **Achievements:** At Quarter 3 Provider A has delivered 11 achievements which is 10% of its starts delivery (105 starts) and 20% below the quarterly milestone of 30% = Red performance category
- **Success Rate:** Provider A's success rate is 70% which exceeds the quarterly milestone of 60% = Green performance category.

Overall performance category = **Red**

- Although the provider has met the success rate milestone for Quarter 3, its starts and achievement performance is outside 15% of the quarterly milestones and therefore the provider is in the red performance category
- The framework recommends the contract is reduced to reflect the actual rate of delivery

2. TTG PROVIDER B at Quarter 2 (refer to Figure 1)

Provider's Performance

- **Starts:** Provider B's annual starts allocation is 150. At Quarter 2 it has delivered 90 starts which is 60% of its annual allocation and exceeds the quarterly milestone of 40% = Green performance category
- **Achievements:** At Quarter 2 Provider B has delivered 15 achievements which is 16% of its starts delivery (90 starts) and 4% below the quarterly milestone of 20% = Amber performance category
- **Success Rate:** Provider B's success rate is 66% which exceeds the quarterly milestone = Green performance category

Overall performance category = **Amber**

- Although the provider has exceeded the starts and success rate milestones, its achievement milestone was not met by 4% which means the provider is in the Amber performance category.

- As a result, the framework recommends that close performance monitoring is continued until next quarter, whilst encouraging the provider to improve achievement performance to create the opportunity for an increase to the contract in quarters three or four

3. TTG PROVIDER C at Quarter 4 (refer to Figure 1)

Provider's Performance

- **Starts:** Provider C's annual starts allocation is 500. At Quarter 4 it has delivered 550 starts which is 110% of its annual allocation and 10% above the quarterly milestone of 100% = Green performance category
- **Achievements:** At Quarter 4 Provider C has delivered 300 achievements which is 55% of its starts delivery (550 starts) and is 10% over the quarterly milestone of 45% = Green performance category
- **Success Rate:** Provider C's success rate is 70% which exceeds the quarterly milestone of 65% = Green performance category

Overall performance category = **Green**

- All quarterly milestones were exceeded and therefore the provider qualifies for a contract increase going into 09/10

[Mi-Figure](#) will present providers' performance in accordance with the milestones and performance categories set-out in the framework, making it straightforward to identify what action should be taken at quarters 1 – 4.