



Leading learning and skills

Performance Management Framework

02

The Key Drivers



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The framework is designed to ensure consistency of approach to contract and performance management to secure:

- 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

Builds on **existing principles of performance management** and is now shaped around the new **Demand-Led Funding Model**

Scope



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The 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) ***New to 2008/09***
- Skills for Jobs (SfJ) ***NEW to 2008/09***

NB: Adult Learner Responsive and 16-18 Learner Responsive provision will continue to be managed under existing local arrangements

PM Framework Aims



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- 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 rate 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

PM Framework Aims



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Monthly Review of Performance

- Provider performance is reviewed on a monthly basis
- Partnership teams assess provider's performance and progression towards quarterly milestones
- Level of interaction/contact with providers is risk based – i.e. dependent on volume of delivery, newness of provider, current and historical performance

Quarterly Review of Performance

- Regional review of performance that recommends action based on provider's performance against the quarterly milestones
- Final decision on contract variation lies with Area Directors

Key Dates



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Quarter	Period	Month
Quarter 1	Period 3	November 2008
Quarter 2	Period 6	February 2009
Quarter 3	Period 9	May 2009
Quarter 4	Period 12	August 2009

Train to Gain Performance Measures



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STARTS

- 2008/09 starts allocation used as annual target
- Progression against this target will be measured by using quarterly starts milestones
- Milestones are based on the quarterly regional average starts volumes in 2007/08

ACHIEVEMENTS

- Measured by comparing the achievements delivered to starts delivered (as a %)
- Progression against this target will be measured by using quarterly milestones
- Milestones are based on 07/08 regional delivery as a benchmark for performance

SUCCESS RATES

- MLP (65%) used as annual target
- New measure success rate (overall) used
- Progression against this target measured by using quarterly milestones incrementally rising to MLP levels

Train to Gain Milestones



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Quarter	QUARTERLY MILESTONES			ACTION		
	Starts (% of Annual Allocation)	Achievements (% of starts)	Success Rate (Timely)	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

Train to Gain Firstness



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- New flexibilities allow maximum 30% additional Level 2 and additional Level 3 qualifications
- Only applies to qualifications identified by SSCs through Sector Qualification Strategies (Level 2 only) and the emerging sector compacts
- 08/09 TtG incorporates NVQs delivered in the workplace by FE providers (previously funded through the Adult FE budget) – current balance of this provision is 70% additional Level 2 and 30% first Level 2. This split will need to be reversed for 08/09

TARGETS TO ENSURE CORRECT 30/70 SPLIT:

- Private and independent providers – should not exceed 20% Level 2 at any point in 08/09 (i.e. 20/80 split)
- Firstness data will be shared with providers

Apprenticeship Performance Measures



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STARTS

- 2008/09 starts allocation used as annual target
- Progression against this target will be measured by using quarterly starts milestones
- Milestones are based on the quarterly regional average starts volumes in 2007/08

COMPLETIONS

- Measured by comparing the completions delivered to starts delivered (as a %)
- Progression against this target will be measured by using quarterly milestones
- Milestones are based on 07/08 regional delivery as a benchmark for performance

SUCCESS RATES

- MLP (50%) used as annual target
- New Measure success rates (overall) used
- Progression against this target measured by using quarterly milestones incrementally rising to MLP levels

Apprenticeship Milestones









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Quarter	QUARTERLY MILESTONES			ACTION		
	Starts (% of Annual Allocation)	Completions (% of starts)	Success Rate	Outside 15% of either starts or completions milestone or success rate not met	Within 15% of starts and completions 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

Success Rate Definitions



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Success Rate Name	Definition	Programme	Use for 08/09?	MLP Measure?
Old Measure	Learners who left in year. Transfers excluded	WBL		
New Measure (Timely)	The proportion of learners whose planned end date is in year and who achieved on or before the planned end date. Early leavers, transfers and planned break excluded	WBL		
New Measure (Overall)	The proportion of learners whose planned end date is in year and who achieved, OR, learners who achieved in year. Early leavers, transfers and planned break excluded	WBL and TtG		

*In year = academic year

*A 6 week period of grace is taken into account when calculating the success rate methodologies

Key Success Rate Subtlety



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For the New Measure (Overall) there is a key difference between TtG and Apprenticeships:

TtG

- If a learner achieves in the current academic year and their planned end date was in the previous academic year they will count towards that previous academic year success rate

Apprenticeships

- For Apprenticeships if a learner achieves they will be counted in the current academic year irrespective of when their planned end date was

E2E Performance Measures



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PROGRESSION RATES

- The annual target is 55% progression rate (providers are expected to delivery at least 50% progression rate in 2008/09)
- The quarterly milestones have been set to take into account individual provider delivery patterns as they can vary quite significantly for E2E
- The framework for E2E applies only to private/independent providers in 2008/09

E2E Milestones



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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

ESP Milestones



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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

SfJ Milestones



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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

Worked Example: TtG Provider A at Q3



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- **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

Worked Example: TtG Provider B at Q2



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 milestones of 40%

Green Performance Category

- **Achievements:** At Quarter 2 Provider B has delivered 12 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% putting it 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 a contract increase in Q 3 or 4

Worked Example: TtG Provider C at Q4



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- **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

Summary



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OVERALL RESULT OF USING THE PERFORMANCE MANAGEMENT FRAMEWORK:

- Improved performance and outcomes**
- Productive relationships with providers**
- Employer responsive and demand-led activity**



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Any Questions?