



Department  
for Business  
Innovation & Skills

**ADULT FURTHER EDUCATION**

Consultation: Outcome based  
success measures

AUGUST 2014

# Contents

<b>1. Foreword from the Minister for Skills &amp; Equalities .....</b>	<b>2</b>
<b>2. Executive Summary .....</b>	<b>3</b>
<b>3. The proposals.....</b>	<b>5</b>
3.1 Vision and aims .....	5
How and where the data will be published .....	7
3.2 The proposed measures and definitions .....	7
In-scope learners .....	8
Measure 1: Destinations .....	8
Measure 2: Progression.....	10
Measure 3: Earnings.....	10
Measure 4: Qualification Achievement.....	11
3.3 How the measures will be published and used.....	11
Improving learner and employer choice .....	12
Institutional improvement .....	13
Qualifications .....	13
Ofsted inspection .....	14
Minimum standards.....	14
Timetable.....	16
<b>4. Consultation questions.....</b>	<b>17</b>
<b>5. What happens next? .....</b>	<b>18</b>
<b>6. How to respond .....</b>	<b>19</b>
b) Additional copies.....	19
<b>7. Confidentiality &amp; Data Protection.....</b>	<b>21</b>

<b>8. Help with queries</b> .....	<b>22</b>
<b>Annex 1: Headline data</b> .....	<b>23</b>
Headline outcomes .....	23
<b>Annex 2: Data definitions</b> .....	<b>24</b>
Destination measures .....	24
Employment and benefit learners.....	24
Learning destinations .....	24
Progression measure.....	24
Earnings measure.....	25
<b>Annex 3: Consultation principles</b> .....	<b>26</b>
Comments or complaints on the conduct of this consultation .....	26
<b>Annex 4: Response form</b> .....	<b>27</b>

# Outcome based success measures for adult further education

This consultation sets out proposals for developing and using a new set of outcome based measures of performance for publicly funded post-19 education and skills, excluding higher education. These measures focus on three areas: learner destinations (into employment or further learning); progression within learning; and earnings. They will be used alongside existing measures of achievement to inform learner and employer choice, and ultimately as part of Government's performance management of the post-19 education and skills sector.

The first set of experimental data on these measures at provider level is published alongside this consultation and can be found at: <https://www.gov.uk/government/publications/adult-further-education-outcome-based-success-measures-experimental-data-2010-to-2011>.

The success measures have been designed to provide more accurate information to students and employers and more complete coverage than existing data (for example the FE Choices Learner Destinations survey). They will also align accountability measures more closely with 16-19 provision where greater focus will also be placed on progression and destinations, whilst still acknowledging some important and valid distinctions between pre-19 and adult education and training. The proposals in the longer term will inform performance monitoring and intervention regimes and we are consulting here on the options for delivering this for 2016.

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Enquiries to:

[FESuccessmeasures@bis.gsi.gov.uk](mailto:FESuccessmeasures@bis.gsi.gov.uk)

Outcome based success measures consultation  
Vocational Education Directorate  
Department for Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET

This consultation is relevant to businesses of all sizes, further education and training providers, learners, LEPs, careers IAG professionals, Trade Unions and FE sector representative groups.

# 1. Foreword from the Minister for Skills & Equalities



For many years the measure of success in further education has been student achievement of qualifications. By this measure English colleges and other providers perform very well, both relative to our international competitors and in absolute terms: averages in excess of 80% are common. This is to be welcomed. But it also requires us to raise our ambitions to a greater prize. More fundamentally, taken on its own, qualification achievement provides only a limited view of 'success'; it is a proxy for the real value of vocational education and training. That

should be whether learners make progress into, or within, employment or further learning. Qualification achievement may be the means to that end, but it is not the end in itself. Rather, we need to challenge all students to reach their potential.

That is why we have developed new measures of success based on learner outcomes to complement the measures we already use for qualification achievement: destinations (into employment, Apprenticeship or further learning); progression (within learning); and earnings. The measures are developed using data from across government, matched robustly and securely. Experimental data is published alongside this consultation.

We want to consult on how these measures will be used in the future – both to help learners, employers and other key stakeholders make informed decisions about adult vocational education, and for Government accountability. But more than that, this is part of a journey of recalibrating the way we all think about success in adult vocational education. This will help improve incentives on providers to stretch and challenge students, not incentivise courses students can easily pass. This is part of a wider picture on outcomes that includes our plans for 16-19 accountability, and our thinking on how we fund traineeships and apprenticeships. This agenda will only gain traction though if it engages everyone in the further education system: ambitious providers, operating in a world class skills system, engaging with employers to deliver education and training that gives learners the outcomes they need to succeed.

A handwritten signature in black ink, appearing to read 'Nick Boles', written in a cursive style.

**Nick Boles**

Minister for Skills & Equalities

## 2. Executive Summary

Evidence shows that the best education systems globally allow education providers the freedom and autonomy to provide excellent education and training, while ensuring that they are accountable and responsive to the needs of learners, employers and the nation as a whole. Since 2010 the Government has embarked on a significant programme of reform of the further education (FE) system – at the heart of which are greater freedoms and flexibilities for colleges and providers so that they can be responsive to the needs of learners and employers, complemented by a rigorous accountability regime.

The Government recently published its plans for reformed accountability systems for primary and secondary schools and for all 16-19 provision. BIS and DfE have published a document for FE College Governors setting out Government's expectations of governors. This consultation sets out a further key strand of accountability: namely how data on learner outcomes will be used to hold providers to account for the quality of their post-19 provision, and awarding organisations for the quality of their qualifications.

Data on learner outcomes will serve as an important accountability tool:

- by allowing learners and employers to make more informed choices about where and how they invest public, and increasingly their own, money;
- by giving wider information to customers on the impact teaching and learning, and different qualifications have on learners, businesses and communities; and ultimately
- by informing performance management of the FE sector and of individual training providers by Government to ensure that poor performance is swiftly dealt with, protecting the interests of learners, employers and taxpayers.

This approach fully aligns with proposals for 16-19 education set out in DfE's recent consultation<sup>1</sup> and proposals for reforms across the age range for Apprenticeships and Traineeships.

We have published experimental data (August 2014), based on three core measures of:

- Learner **Destinations** (into further learning, and into or within employment, including Apprenticeships)
- Learner **Progression** (progression to a higher level qualification)
- **Earnings** (following completion of learning)

We believe that, alongside existing measures of qualification **Achievement**,<sup>2</sup> these measures will provide a rounded picture of provider performance which will be used in a range of ways – including informing learner and employer choice of provider and qualification; informing a provider's own self-assessment and benchmarking; informing assessment of applications for institutions to join the Institution for Further Education; informing Ofsted's inspection regime; and informing Government's performance management of the FE sector.

Recognising that these data are purely experimental at this point we want to consult on how these data will be used in future, by whom, and for what, and where they can most effectively be published to achieve this. This consultation allows the users of these measures to give their

<sup>1</sup> <https://www.gov.uk/government/consultations/16-to-19-accountability-consultation>

<sup>2</sup> As currently measured by Qualification Success Rates

views on these questions, and their answers will inform how, and where, we publish future iterations of the data including data on qualification outcomes. We would particularly welcome the views of students, employers, awarding organisations and, individual colleges and providers. The consultation runs from 12 August 2014 until 10 October 2014.

## 3. The proposals

### 3.1 Vision and aims

This consultation proposes a new set of outcome based measures of performance for publicly funded post-19 education and skills, excluding those in higher education, from 2016.

To succeed in the global race, this country needs high quality post-19 education and training that provides the following outcomes:

- The skills that employers and businesses need and value;
- The skills individuals need and value to gain employment, change employment, progress in work or function in society;
- The strategically important skills the nation needs (and in which businesses and individuals might under invest); and
- Value for money for businesses, individuals and the state.

The Government has already undertaken significant reform of adult vocational education since 2010, including:

- Ending the culture of top-down bureaucracy in FE. Targets, and multiple separate funding lines for colleges, have been removed. Colleges and other providers have been given freedom and flexibility to respond to employer and learner needs.
- Reforming Apprenticeships to make them world class, by making them more rigorous and by putting employers in the driving seat so that Apprenticeships are more responsive to the needs of business, including giving them control of the funding so that they become more demanding customers.
- Taking strong steps to raise standards and cracking down on poor quality by introducing new minimum standards, a more challenging Ofsted inspection regime and swifter and more robust intervention action.
- Reform of the vocational qualification system, to ensure that qualifications (particularly those which are eligible for Government funding) are rigorous, responsive to real needs and understood and valued by employers and learners.
- Introducing Traineeships to support 16-24 year olds to enable them to compete for Apprenticeships or sustainable employment.

However, there is still further to go in making sure that the FE sector is responsive to the needs of employers and learners and that the training offered is rigorous and valued by end users. We are reviewing qualifications to ensure we fund only those that are fit for purpose. We are increasing a focus on outcomes through exploring how the funding system can reward progression rather than qualifications for unemployed learners. To this end, we launched a consultation on 19 June about a new funding regime for Traineeships.<sup>3</sup>

We want to ensure that the audit and accountability regime and the way we measure the success of provision, and hold providers to account for delivering it, matches the **outcomes** listed above. Also, with substantial progress having been made in raising achievement of qualifications and efficiency in delivery over recent years, there is an increasing need to raise

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<sup>3</sup> <https://www.gov.uk/government/consultations/traineeships-funding-reform-in-england>

our ambitions, and look harder at the effectiveness of FE provision. Confident FE providers, committed to achieving the best outcomes for learners, employers and their communities, need to be scrutinising not only how well they provide learning, but also what impact that learning makes.

So, we intend to develop a basket of measures for introduction from 2016/17 which show destination and progression for adult learners alongside measures of qualification achievement (Qualification Success Rates).

We will publish data on provider performance in ways that will maximise its use by the key customers of adult further education provision including learners, employers and Local Enterprise Partnerships (LEPs). This will allow them to make more informed choices about where they choose to invest money – allowing high quality successful provision to grow, and less good provision to be removed from the market. The information will of course also be available to providers and we would expect governors, leaders and managers of institutions to consider the performance of their institution against these measures and, where appropriate, make changes to their delivery based on them. In due course providers may also wish to use them in supporting their applications for membership of the Institution for Further Education.

However, where the market fails to improve provision the Government will intervene – and we will explore the extent to which these measures can be used to inform both Ofsted inspections and minimum standards, the two key measures of provider quality which underpin the Government's intervention approach. Currently qualification success rates, and minimum standards based on these, are used to assess the performance of FE colleges and training providers. In the last decade there has been an increase in achievement of qualifications at all levels and sizes across the sector. For example, the national average classroom-based learning Qualification Success Rate across post-19 provision has increased from 80.3% in 2009/10 to 86.8% in 2012/13. This improvement is to be welcomed and we recognise that these rates are extremely high by international standards. However, a focus on qualifications provides only a partial and, taken on its own, potentially misleading view of success. Qualifications are not the sole measure of the worth of education and training: rather that should be whether people progress into employment, and progress through employment; and whether learners progress from their starting point, as opposed to recycling through the same level of learning repeatedly.

Furthermore, we want to extend these measures beyond provider performance to look at the performance of individual qualifications and qualification types. This will give us for the first time robust, comparable data on the outcomes of different qualifications which will allow learners and employers to make more informed choices of qualification. As well as aiding qualification choice, such data will help learners think clearly about alternative career pathways in today's labour market. We will undertake further work on presenting the data at this level.

The measures will not impose any additional data collection burdens on training providers, employers or members of the public as they will be based on robust and statistically valid matching of currently collected administration datasets from across BIS, DfE, DWP and HMRC. Further detail on the data matching process is available at Annex 2 to this document. Nevertheless, we expect that providers will want to collect their own data on learner outcomes and many already do. Changes to the Individualised Learner Record (ILR) will require provider collection of data on destinations for Traineeships and other unemployed learners for 2014/15. Provider collection is also useful for other uses to which matched data cannot be put – for example identifying individual learners and tailoring careers advice.

## How and where the data will be published

The Government is committed to publishing data it holds openly and transparently. All the data behind these measures will be published on GOV.UK in Comma Separated Values (CSV) format. Ultimately we hope that third parties will use this data creatively to produce further tools for presenting the information in useful and different ways for the variety of end users who can use the information.

We have published experimental data alongside this consultation at:

<https://www.gov.uk/government/publications/adult-further-education-outcome-based-success-measures-experimental-data-2010-to-2011>.

We know that these measures will be used for different purposes by different users and subsequent sections of this consultation cover these different uses. This will impact on where and how they are most appropriately published. In future we intend to publish the data:

- *For open data purposes:* We will publish in CSV format on GOV.UK.
- *For improving learner and employer choice:* We will publish headline measures and important sub-measures on an easy-to-use provider comparison website using FE Choices initially and making links to other relevant websites such as the National Careers Service, the Apprenticeships System and the new customer facing qualifications website being developed jointly by UKCES, Ofqual and the Skills Funding Agency.
- *For institutions:* We will provide headline measures and underlying data in a single report (similar to existing Qualification Success Rate reports) through the Skills Funding Agency. Ofsted will also include the headline measures as part of their governors' data dashboard.
- *For LEPs:* We will provide headline measures and underlying data through the Skills Funding Agency.

## 3.2 The proposed measures and definitions

We are proposing headline success measures focussed on four areas for each provider:

1. Destinations
2. Progression
3. Earnings
4. Achievement

These success measures have been designed to provide more accurate information and more complete coverage than existing information, for example those based on data collected by individual providers or FE Choices survey data. We intend as far as possible to align the success measures with the 16-19 accountability arrangements on which DfE have recently consulted.<sup>4</sup> Where there remain differences, they reflect differences in the nature of provision and types of learners served by different types of provision, and the relationship between FE providers and adult learners.

Measure 4 (Achievement) is already calculated using data collected through the FE data collection system – the ILR - and is currently known as Qualification Success Rates (QSR). In order to describe more clearly what this measure represents we propose to rename it 'Achievement' and include it within a single set of success measures. Most recent data was

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<sup>4</sup> <https://www.gov.uk/government/consultations/16-to-19-accountability-consultation>

published for academic year 2012/13 in National Success Rate Tables in April 2014.<sup>5</sup> We have published experimental data on measures 1-3 for academic year 2010/11 alongside this consultation at:

<https://www.gov.uk/government/publications/adult-further-education-learners-matched-data-earnings-analysis>.

These measures have been specifically chosen as we believe they serve the overall objectives of this piece of work – to increase transparency and drive improved performance across the full spectrum of post-19 learning. These measures differ from those proposed in the Traineeships funding reform consultation, where the purpose is to ensure a timely link between outcome funding and targeted training for unemployed learners hoping to move directly into employment.

### In-scope learners

We propose that the following learners should be in scope of these success measures:<sup>6</sup>

- All adult (19+ at the start of the relevant academic year) completers funded by the Skills Funding Agency as included on the ILR and reported in the Statistical First Release.
- Learners funded under the Adult Skills Budget, Offender Learning and Skills Service or Advanced 24+ Loans. This would include Post-19 Apprenticeships and Traineeships but not learners undertaking Adult and Community Learning. The latter are excluded at the moment because progression destinations may be less relevant for this group.
- If more than one learning aim is completed in the academic year, the data for the measures will be based on the highest aim completed.

### Measure 1: Destinations

This measure will show the proportion of adult learners who progress to a positive destination following completion of their learning: either entry into further learning or employment.

There are a wide range of measures that could feasibly be used. For this piece of work it is essential that we have a measure that can reasonably be compared at provider level across different types of adult learning and levels. However, for comparing performance between providers on specific types of training (e.g. work-focussed provision for the unemployed such as Traineeships), more specific, targeted measures may be appropriate – this is consulted on in detail in the recent Traineeship funding consultation.<sup>7</sup>

The headline measure will show the proportion of learners moving into sustained employment and/or sustained learning; below this there will be three breakdowns of the measure:

- i. **Sustained employment:** The proportion of adult learners who remain or move into employment.
- ii. **Sustained learning:** The proportion of adult learners who are in training regardless of whether they are in employment or other economic activity.
- iii. **Sustained employment for benefit learners:** The proportion of adult learners in sustained employment that were claiming benefits (subject to more stringent labour market requirements) the day before the start of their training.

<sup>5</sup> <https://www.gov.uk/government/statistical-data-sets/sfa-national-success-rates-tables-2012-to-2013>

<sup>6</sup> For Achievement the in-scope learners currently used for QSR will continue to be used. This is set out here: <https://www.gov.uk/government/collections/success-rates-2012-to-2013>

<sup>7</sup> <https://www.gov.uk/government/consultations/traineeships-funding-reform-in-england>

Measure	Definition	Rationale
Headline measure	Those learners in a positive destination as captured in either sub measure i or ii, expressed as a percentage of eligible learners e.g. 74% of all learners were in a positive destination.	
Sub-measure i (sustained employment)	The proportion of learners who are in employment in five of the six months between October and March of the following academic year.	This aligns with the measure used for 16-19 accountability. It seeks to measure sustained employment, and allow a period of time between the completion of learning and the employment outcome.
Sub-measure ii (sustained learning)	The proportion of learners who are in learning, at any level, in all six months within the October to March period after the academic year in which the learning was completed.	This aligns with DfE's into-learning measure for 16-19 provision and allows us to consider only sustained learning. We will also calculate the proportion of learners who go into any learning in the following academic year and send this to providers. But this sub set of information will not be published to inform choice or used for performance management.
Sub-measure iii (sustained employment for learners)	The same definition as sub-measure i but showing only those learners claiming either Job Seeker's Allowance or Employment Support Allowance (in the Work Related Activity Group) on the day before the start of their learning.	As at sub-measure i this seeks to show learners moving into sustained employment but for a defined subset of learners.

**Question 1: Do you believe that the definitions for the headline destination measure and sustained employment and sustained learning measures are appropriate?**

When publishing the measures for learner choice we intend to provide the headline measure and the three primary sub-measures so that learners can make choices based on their personal intended outcomes (e.g. some learners will be taking a course that they hope will lead to employment, others will be taking a course because they intend subsequently to take further learning).

When using the measure for Government accountability purposes we will use the headline destination measure.

We recognise that outcomes for different levels of provision will be different. For example provision at Entry Level may be more likely to lead to further learning, whereas at higher levels of adult provision it is more likely that employment will be the outcome. We will explore producing data broken down by levels for transparency purposes where the data allows.

**Question 2: Do you agree that for accountability purposes the headline measure covering all levels of provision should be used?**

Over time and as more data becomes available we will continue to expand and improve the data, for example to include learners who move into self-employment as an outcome.

**Measure 2: Progression**

This measure will give the proportion of learners that progress to a qualification at a higher level than their existing highest level of attainment.

Ideally, this measure will be able to demonstrate progress for all adults but in the first instance, we are constrained by the limitations of the data held. To avoid delay in delivering this measure we have produced a progression measure that covers 19 and 20 year old learners up to the age of 20 in the first instance. To do this, we will use the National Pupil Database (NPD) – the DfE’s data source of school information which also links to FE and HE data sources, for younger learners. In future the measure would use data from the Personal Learning Record (PLR), which takes in the NPD and links to the full FE dataset using the Unique Learner Number,

Our intention is to extend this to a 19-24 measure (and to extend this further to even older ages when possible) but further work will be needed to explore the best option for extending the NPD. This measure would be expressed as a percentage of all learners who had progressed to a higher level of qualification.

We plan to develop new arrangements to measure learner distance travelled in English and maths from autumn 2014, initially on a trial basis. We will require providers to record their initial learner assessment results on the ILR and we will then compare these with qualification achievement data. This will provide for a measure of skills gain for English and maths that could be published alongside the other success measures described in this document.

The Government is committed to promoting the uptake of GCSE maths and English for learners who do not achieve grades A\*-C at age 16. The 16-19 accountability measures will include a measure of achievement of GCSE maths and English. We would also like to develop a measure for 19-24 year olds and/or all adults which shows achievement of GCSEs in these subjects.

**Question 3: What should be the main features of a measure which records achievement of GCSEs in maths and English?**

**Measure 3: Earnings**

This measure will compare the earnings of all learners achieving Full Level 2 and Level 3 courses one year after completing the course. The measure shows annualised average earnings and sustained employment rates by vocational subject areas. The measure would use matched data from administrative records from BIS, DWP and HMRC. Initial data based on 2009/10 has been published at sector subject area (e.g. Animal Care and Veterinary Science or

Manufacturing Technologies) and Local Enterprise Partnership level.<sup>8</sup> As part of the development of this policy, we will explore whether we can provide other measures such as time series of earnings information at course and qualification level.

#### **Measure 4: Qualification Achievement**

Data on qualification achievement has been collected and used to measure provider performance for nearly 20 years. Qualification success rates (QSR) show the proportion of learners who started a course and went on to complete it and achieve their qualification. At present separate reports are produced for classroom-based learning, workplace learning and Apprenticeships. Additionally, for Apprenticeships, timely QSR are published which show the proportion of learners who completed and achieved within the time in which the providers assessed they should have achieved. Historically, although achievement rates have been high, many learners achieved later than expected; publication of timely success rates focus attention on timely completion and therefore help to improve this. Overall success rates are calculated at provider level and are used to inform minimum standards (see next section on 'How the measures will be published and used'). The latest methodology is available on the success rates page of GOV.UK.<sup>9</sup>

We believe achievement continues to be a useful measure – both to inform learners, for whom likelihood of achieving a qualification may be a significant influence in choice of provider, and to inform performance management as a valid measure of quality of teaching. Therefore we will continue to produce a measure of completion and achievement to the same definitions as currently used for QSR. However, to align better with measures used for provision at 16-19 and to give a clearer sense of what this measure shows, we propose renaming this measure 'Achievement'. We will also be aligning the three separate reports for classroom-based learning, workplace learning and Apprenticeships into a single provider level report.

### **3.3 How the measures will be published and used**

We envisage that the measures will be used by a range of customers and agencies in a number of different ways. We hope, now that experimental data is in the public domain, people will use it creatively to produce useful tools and different analyses on the impact of different providers and qualifications. We want these measures to drive quality in providers and in the development of qualifications.

There are a number of uses for which matched administrative data is not currently suitable. At present, for legal reasons, this data cannot be used in a way that potentially identifies individual learners. Therefore at present it is not suitable for use in a funding system based on the progression of individual learners, for example from a Traineeship, and the Traineeship funding consultation sets out that destination collection by providers will be used for this purpose.

Nevertheless there is scope for publishing data on provider performance in ways that will maximise its use by the key customers of adult further education provision including learners,

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<sup>8</sup> <https://www.gov.uk/government/publications/further-education-learners-average-earnings-initial-outputs-of-emerging-results-from-earnings-analysis-of-matched-data>

<sup>9</sup> <https://www.gov.uk/government/collections/success-rates-2012-to-2013>

employers, LEPs and local authorities to allow them to make more informed choices about where they invest money.

Where the market fails to deliver good quality provision the Government will intervene – we want to explore how these measures could inform both Ofsted inspections and minimum standards, the two key measures of provider quality which underpin the Government’s intervention approach.

In the following section we consider how the measures might be used by specific customers and by Government from 2016/17.

### **Improving learner and employer choice**

The proposed new measures will be published annually for transparency, helping learners, employers and others to make an informed choice about which provider and/or qualification to choose and helping careers advisers engage in informed dialogue with prospective learners. It will also help colleges, providers and awarding organisations understand their own performance and how they benchmark against others in the market. Publication will also allow LEPs and other community stakeholders to assess the performance of their local provision. It is envisaged that these measures would provide learners and employers with a greater and better range of information on the performance of colleges and providers and the value of qualifications. This is an important part of managing the performance of the further education sector because it allows for the effective functioning of the market: informed learners and employers will invest their money, and the public money which follows their choices in providers and qualifications which deliver strongest outcomes, and divert money away from poorer provision.

We propose that the measures of destination (including sub-measures), progression, earnings and achievement should be published on an easy-to-use provider comparison and qualification comparison website (like FE Choices). This will allow learners to see headline measures at a glance for institutions they are interested in and make comparisons between providers. We will also publish trend data; by 2016 we will have at least three annual sets of experimental data and this will give a useful view of a provider’s performance over time. At present FE Choices is the established provider comparison website. We are currently reviewing the service this provides and the site may develop between now and 2016.

We will also consider whether developing national performance tables for adult provision is appropriate. As for pre-19 education these would show all providers’ performance against the headline and sub-measures and allow for quick, effective comparison between providers by local authority and postcode or nationally. Performance tables would include all providers funded by the Skills Funding Agency in that academic year.

### **Question 4: What are your views on using performance tables for post-19 provision as an effective means of comparing provision?**

We are aware that to allow learners to make a fully informed choice we will need to contextualise the measures with, for example, information about the local labour market in which providers are operating. It is also important to contextualise provider level information by showing how they perform relative to similar providers.

One option is simply to publish labour market information alongside the measures so that users can see the area in which a provider operates and set performance in that context. Alternatively we could explore developing a methodology to compare providers with ‘similar providers’ along

the lines of the 'similar schools' measure used by DfE. This could use information on provider function and type of provision delivered, local labour market, or prior attainment of adult intake.

**Question 5: What contextual data/information (if any) should be published alongside the data to ensure that learners and employers are able to make an informed decision about the relative performance of providers?**

For 16-19 accountability purposes providers will be required to host a widget on the front page of their website showing the headline accountability measures; this will be automatically populated from DfE data. As 16-19 provision represents only one element of provision for many colleges and providers, we propose that this should also include the headline post-19 measures covered in this consultation to provide a more rounded picture of provider performance.

**Question 6: Do you agree that headline measures should be included on individual providers' websites?**

### Institutional improvement

Providers are likely to benefit from the publication of these measures because they will have better information on their own performance and consequently, on where to channel their resources and activities to improve provision. Ofsted launched a performance dashboard for FE college governors in spring 2014 which includes data on various performance indicators, including several of those included in these measures. In future years Ofsted will use these outcome measures to compile their dashboard. For college governors and non-executive directors of independent providers, the measures will give a clear view of performance and allow them to hold the senior executive team to account.

**Question 7: Do you agree that the measures as currently proposed will help governors and non-executives to hold colleges and providers to account and challenge underperformance?**

### Qualifications

While we are publishing the measures at provider level at this stage, there may be other breakdowns of the data which could be useful. Nigel Whitehead's Review of Adult Vocational Qualifications recommended that these measures be used at qualification level as well, to provide learners, employers and education providers with more detailed information on the outcomes and impact of different qualifications.<sup>10</sup> In our Vocational Qualifications Reform Plan – Getting the Job Done<sup>11</sup> - we agreed that publishing information on the outcomes from different qualifications will allow learners, providers and employers to make more informed choices of the qualifications they take and drive improved quality in the qualification market. Now that data can be published at provider level we would like to explore the mechanics of publishing at qualification level too.

**Question 8: Do you think results should be published at qualification level and/or at qualification by Awarding Organisation too?**

**Question 9: Do you have views on where and in what format this information should be published?**

<sup>10</sup> <http://www.ukces.org.uk/assets/ukces/docs/publications/review-of-adult-vocational-qualifications-in-england-final.pdf>

<sup>11</sup> <https://www.gov.uk/government/publications/vocational-qualification-reform-plan>

We also believe that these measures will usefully inform other customers and commissioners of post-19 education and training such as LEPs. LEPs can use this information to better understand the outcomes of the publicly funded training undertaken in their areas and to inform their commissioning of training from providers; and performance against local priorities can inform discussions with the Skills Funding Agency in any funding allocations process. The measures and background data will be provided to LEPs by the Skills Funding Agency. We will explore whether other breakdowns of the data could be used to provide LEPs with a full picture of local performance.

**Question 10: Are there are other breakdowns such as different reference periods or delivery by subcontractors that could be used by local players (e.g. LEPs)?**

### Ofsted inspection

In future, the measures could be used by Ofsted to inform their inspection regime, for example to inform discussions with a provider during inspection. Outcomes for Learners are one of Ofsted's headline inspection judgements and the Common Inspection Framework<sup>12</sup> shows that a judgement on this is reached by considering the extent to which:

- all learners achieve and make progress relative to their starting points and learning goals,
- achievement gaps are narrowing between different groups of learners,
- learners develop personal, social and employability skills, and
- learners progress to courses leading to higher-level qualifications and into jobs that meet local and national needs.

These measures could be used to inform judgements in these areas, alongside existing measures. Ofsted have set out in recent guidance that they will consider the range of data available through reformed Key Stage 5 performance tables and new performance measures being produced by DfE and BIS including data on progression and destinations.<sup>13</sup>

### Minimum standards

As set out above, giving learners and employers more and better information about outcomes allows them to exercise choice more effectively – ensuring that more money is invested in good quality provision, and less in weaker provision. However, there is still a role for Government, and *Rigour and Responsiveness in Skills* makes clear that where performance is poor, Government will take rigorous action to secure improvement with immediate effect. The intervention process is set out in *Rigour and Responsiveness* and expanded in further guidance available [here](#).

Monitoring and identification of providers at risk is undertaken by the Skills Funding Agency. We would expect that the outcome measures would be used to inform the conversations that the Agency's provider service managers have with colleges and providers.

The formal intervention process is triggered where colleges or providers have inadequate financial health and financial controls, are judged Inadequate by Ofsted or fall below Minimum Standards. Outcome based success measures will be informative for Ofsted (see above) and we also intend to use them in a Minimum Standard.

Currently Minimum Standards use QSR to define a threshold below which performance is considered unacceptable and Government will intervene. As noted above we will continue to

<sup>12</sup> <http://www.ofsted.gov.uk/resources/common-inspection-framework-for-further-education-and-skills-2012>

<sup>13</sup> [www.ofsted.gov.uk/resources/120154](http://www.ofsted.gov.uk/resources/120154)

refine Minimum Standards based on QSR (known as Achievement Rates in future) over the next couple of years. However, as we develop more meaningful measures of performance it is right that we base Minimum Standards on these, intervening where outcomes for learners fall below the minimum acceptable threshold.

We believe that the following principles should apply to future Minimum Standards from 2016/17:

- **Outcome-based:** As we move to the more outcome focussed assessment of performance, with less primacy given to qualification achievement, it is appropriate to revise the methodology for setting Minimum Standards also.
- **Simple and transparent:** The process should be easy for providers and others to understand. We propose to use the headline measures referred to above and compare them against a defined threshold, without complex exemptions or weightings.
- **Proportionate:** Only providers who demonstrate failure over a significant volume and proportion of their provision should be in scope of intervention. For example, we would not intervene where provision with very small numbers of learners is failing. However we would expect providers to use the data to identify where they need to improve and take appropriate action.
- **Rigorous:** The standard should be achievable for most providers but should nevertheless be rigorous in defining what is acceptable.

#### Question 11: Do you agree with these principles for future Minimum Standards?

There are a number ways we might do this:

- i.* Set a minimum standard for each measure. Providers would be considered to be below the standard only if they fell below the threshold across **all** the measures.
- ii.* Set a minimum standard for each measure. Providers would be considered to be below the standard if they fell below **two of the four** thresholds.
- iii.* Set a minimum standard for each measure, but then look to arrive at a single figure and set the threshold on that. We would then intervene if providers fall below this threshold.

At this stage it is not possible to consult on a specific methodology as we need to understand the data more fully and have more than one year of experimental data (the second set of experimental data will be published in November 2014). We will consult in detail later in 2014.

We also intend to further refine the Minimum Standards process to include information on the amount of money invested in under-performing provision (e.g. provision which is below the standard for either the Achievement measure or the Destination headline measure). For example we would be able to say that in provider 55% of learners did not progress on to a positive destination which is equivalent to £xx,000 of money spent on provision that did not have a positive outcome.

#### Question 12: Do you have specific views on a future Minimum Standards methodology?

## Timetable

We propose to implement outcome based success measures for 2014/15 completers, based on their destinations in 2015/16 which will be published in 2016/17.

It is important that data used to inform learner and employer choice and performance management is produced in a timely enough fashion to be useful to end-users as a fair representation of a provider's performance. There is a necessary lag in any destination measure as the measure cannot be generated until the destination reference period (i.e. six months after the end of the academic year in which learning took place) has been completed, and matching and quality assuring the data adds time to the process. In future we will look to streamline the process and make data publication as timely as possible. Going forward we propose to publish data to the following timetable:

Date	Activity
January 2014	Earnings data published based on 1 <sup>st</sup> August 2009 to 31 <sup>st</sup> July 2010 learners
January 2014	Publish QSR and Minimum Standards for 2012/13 learners
August 2014	Experimental data published on 2010/11 learners (including 2011/12 destinations)
August - October 2014	Consultation on uses of measures
November 2014	Experimental data published on 2011/12 learners (including 2012/13 destinations)
November 2014	Consultation response published and further detail on the substance of Minimum Standards
January 2015	Publish Achievement Rates and Minimum Standards for 2013/14 learners.
Summer 2015	Data published on 2012/13 learners (including 2013/14 destinations)
Summer 2016	Data published on 2013/14 learners (including 2014/15 destinations); shadow Minimum Standard reports
Summer 2017	Data published on 2014/15 learners (including 2015/16 destinations) and used for accountability purposes as set out in this consultation

This timetable reflects both the time required to produce high quality data and the need to give providers sufficient time to prepare for the new system. This will allow several rounds of ever more refined data to be published before the data are used for accountability purposes as set out in this consultation.

## 4. Consultation questions

**Question 1: Do you believe that the definitions for the headline destination measure and sustained employment and sustained learning measures are appropriate?**

**Question 2: Do you agree that for accountability purposes the headline measure covering all levels of provision should be used?**

**Question 3: What should be the main features of a measure which records achievement of GCSEs in maths and English?**

**Question 4: What are your views on using performance tables for post-19 provision as an effective means of comparing provision?**

**Question 5: What contextual data/information (if any) should be published alongside the data to ensure that learners and employers are able to make an informed decision about the relative performance of providers?**

**Question 6: Do you agree that headline measures should be included on individual providers' websites?**

**Question 7: Do you agree that the measures as currently proposed will help governors and non-executives to hold colleges and providers to account and challenge underperformance?**

**Question 8: Do you think results should be published at qualification level and/or at qualification by Awarding Organisation too?**

**Question 9: Do you have views on where and in what format this information should be published?**

**Question 10: Are there are other breakdowns such as different reference periods or delivery by subcontractors that could be used by local players (e.g. LEPs)?**

**Question 11: Do you agree with these principles for future Minimum Standards?**

**Question 12: Do you have specific views on a future Minimum Standards methodology?**

## 5. What happens next?

Once the consultation closes on 10 October 2014, responses will be analysed and used to inform the next steps. The Government will provide a response to the consultation. Alongside it we will publish experimental data based on 2011/12 academic year performance and a further consultation about how the measures will be used from 2016/17 as part of a rigorous accountability framework for post 19 education and skills system, aligned as far as possible with the pre-19 system.

## 6. How to respond

When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.

Responses must be submitted by 10 October 2014.

If possible, please respond online at:

<https://bisgovuk.citizenspace.com/digital/further-education-how-do-we-measure-success>

Alternatively, a consultation response form is available electronically on the consultation page:

<https://www.gov.uk/government/consultations/adult-further-education-how-do-we-measure-success> (until the consultation closes).

The form can be submitted by email or by letter or fax to:

Felicity Moore  
Vocational Education Directorate  
Department of Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET

Tel: 0207 215 6313

Fax: 0207 215 5155

Email: [Fesuccessmeasures@bis.gsi.gov.uk](mailto:Fesuccessmeasures@bis.gsi.gov.uk)

### b) Additional copies

You may make copies of this document without seeking permission. This consultation can be found at:

<https://www.gov.uk/government/consultations/adult-further-education-how-do-we-measure-success>

If required printed copies of the consultation document can be obtained from:

BIS Publications Orderline  
ADMAIL 528  
London  
SW1W 8YT

Tel: 0845 015 0010

Fax: 0845 015 0020

Minicom: 0845 015 0030

<https://www.gov.uk/government/publications?departments%5B%5D=department-for-business-innovation-skills>

Other versions of the document in Braille, other languages or audio-cassette are available on request.

## 7. Confidentiality & Data Protection

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

## 8. Help with queries

Questions about the policy issues raised in the document can be addressed to:

Felicity Moore  
Vocational Education Team  
Department of Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET

Tel: 0207 215 6313  
Fax: 0207 215 5155  
Email: [Fesuccessmeasures@bis.gsi.gov.uk](mailto:Fesuccessmeasures@bis.gsi.gov.uk)

The consultation principles are in Annex 3.

# Annex 1: Headline data

## Headline outcomes

Out of the total 1.5 million learners that completed an eligible course in 2010/11

- **72%** had a sustained positive destination, into either employment or learning.
- **61%** were in sustained employment, of which 10% were in also in sustained learning.
- **21%** were in sustained learning, of which 10% were in also in sustained employment.

For completers with a Full Level 3 as their highest qualification

- The sustained positive destination rate rises to 80%.
- The sustained employment rate rises to 71%, of which 13% were also in sustained learning.
- The sustained learning rate rises to 22%, of which 13% were also in sustained employment.

Using a secondary, non-sustained learning measure, requiring learning at any point between October 2011 and March 2012 rather than in all of the six months

- The learning rate increases from 21% to 33%...  
... and for learners with Entry/Level 1 English and Maths as their highest qualification it increases from 31% to **47%**.
- The learning rate increases from 21% to 33%...  
... and for learners with Entry/Level 1 English and Maths as their highest qualification it increases from 60% to **69%**.

Out of the total 135,000 learners that completed an eligible course in 2010/11 and were claiming JSA or ESA (WRAG) immediately before the start of their course

- 34% were in sustained employment, which rises to 44% for Full Level 2.

Out of the 121,000 learners aged 19-20 achieving either a Full Level 2 or Full Level 3 qualification in 2010/11

- 71% achieved a Full Level 3 for the first time.
- 32% achieved a Full Level 2 for the first time.

Full data can be found on gov.uk:

<https://www.gov.uk/government/publications/adult-further-education-outcome-based-success-measures-experimental-data-2010-to-2011>

# Annex 2: Data definitions

## Destination measures

### Employment and benefit learners

The employment destinations have been produced using a matched dataset of person level administrative data sources from BIS, DWP and HMRC. The 2010/11 completers from the ILR are matched to DWP benefit records, and HMRC P45 and P14 income tax returns using a mixture of National Insurance Number and matching on other personal details.

Once the match is established, the next step is to merge the different data files (employment, benefits, and learners) on the basis of the person level record linkage defined by the matching. The DWP and HMRC datasets provide a record of those receiving benefits and those paying tax through the Pay As You Earn (PAYE) system respectively. Processing rules are then applied to transform the data into useable information on employment and benefit receipt to support all analysis. The coverage of the different datasets is set out further below.

**Benefit data** are taken from the underlying DWP payments systems and are supplemented by the information entered by Jobcentre advisers. The data therefore captures basic information accurately, but non-compulsory fields in either the labour market system or the payment system may be incomplete. Due to the size and technical complexity, these systems are not accessed directly, but at regular intervals scans are taken that build up a longitudinal picture from repeated snapshots of the data.

The **employment data** largely covers those who pay tax through PAYE through employer submission of P45. The core purpose of this process is to collect tax from those who are eligible to pay it through this mechanism, as such there is not complete coverage due to the taxation system. Employers are not required to supply information to HMRC for individuals who earn below the tax threshold, although for large employers these individuals are thought to be included due to methods of data transfer.

### Learning destinations

The learning destinations have been produced using a combination of two matched datasets. First, 2010/11 completers from the ILR data are matched to ILR data for 2011/12 to observe FE learning outcomes across that academic year. Second, the same 2010/11 completers are also matched with Higher Education Statistics Authority (HESA) data for 2011/12 ILR to observe HE learning outcomes. Both matching exercises use the Unique Learner Number alongside other personal details. The two matched data sets are then combined to measure learning outcomes in the following academic year.

## Progression measure

It is intended that the progression measure will be calculated using data from the National Pupil Database (NPD) merged into the Personal Learning Record (PLR). Whilst work continues to develop the measure using that source, the measures have been created using NPD data matched with ILR, HESA and awarding body data. This is the same source that DfE use to produce their statistics on Level 2 and 3 attainment by young people aged 19. A link to the latest version of that publication is given below

## [Level 2 and 3 attainment by young people aged 19 in 2013](#)

### **Earnings measure**

The earnings outcomes have been produced using the same matched dataset of person level administrative data sources from BIS, DWP and HMRC as described above for employment data.

The earnings administrative data largely covers those who pay tax through PAYE through employer submission of P14. The core purpose of this process is to collect tax from those who are eligible to pay it through this mechanism, as such there is not complete coverage due to the taxation system. Like for P45 records, employers are not required to supply information to HMRC for individuals who earn below the tax threshold, although for large employers these individuals are thought to be included due to methods of data transfer.

In addition any earnings recorded through self-assessment will not be in the data. The lack of self-assessment data means that the self-employed will not be in the data and the earnings of the highest paid are likely to be underestimated as they are most likely to have additional earnings recorded through self-assessment. It is planned to improve the data to include self-assessment information in the future.

## Annex 3: Consultation principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

### Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

John Conway,  
BIS Consultation Co-ordinator,  
1 Victoria Street,  
London  
SW1H 0ET

Tel: 020 7215 6402

Email: [john.conway@bis.gsi.gov.uk](mailto:john.conway@bis.gsi.gov.uk)

**However if you wish to comment on the specific policy proposals you should contact the policy lead.**

## Annex 4: Response form

<b>Full name:</b>
<b>Job title:</b>
<b>Organisation:</b>
<b>Contact address:</b>
<b>Telephone number:</b>
<b>Email:</b>

<b>Summary of key response points:</b>
----------------------------------------

**Question 1: Do you believe that the definitions for the headline destination measure and sustained employment and sustained learning measures are appropriate?**

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Any enquiries regarding this publication should be sent to:

Department for Business, Innovation and Skills  
1 Victoria Street  
London SW1H 0ET  
Tel: 020 7215 5000

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