

Improving Student Performance

How English further education colleges can
improve student retention and achievement

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
HC 276 Session 2000-2001: 2 March 2001



Improving Student Performance

How English further education colleges can
improve student retention and achievement



REPORT BY THE COMPTROLLER AND AUDITOR GENERAL
HC 276 Session 2000-2001: 2 March 2001

This report has been prepared under Section 6 of the National Audit Act 1983 for presentation to the House of Commons in accordance with Section 9 of the Act.

John Bourn National Audit Office
Comptroller and Auditor General 15 February 2001

The Comptroller and Auditor General is the head of the National Audit Office employing some 750 staff. He, and the National Audit Office, are totally independent of Government. He certifies the accounts of all Government departments and a wide range of other public sector bodies; and he has statutory authority to report to Parliament on the economy, efficiency and effectiveness with which departments and other bodies have used their resources.

For further information about the National Audit Office please contact:

National Audit Office
Press Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Tel: 020 7798 7400

Email: enquiries@nao.gsi.gov.uk
Website address: www.nao.gov.uk

Contents

Summary 1

Part 1 7

Introduction

The further education sector in England	7
Initiatives to improve retention and achievement	8
Reasons for the National Audit Office study	8
Methodology	9

Part 2 11

Trends and reasons why students do not achieve their qualifications

Overall trends in retention and variations in college performance	11
Reasons why students do not complete their courses	12
Overall trends in achievement and variations in college performance	14
Reasons for non-achievement	16

Part 3 17

Helping students choose the right course

Pre-course enrolment information	17
Admissions procedures	18
Mid-course review	18

Part 4

19

Providing effective induction and support

Helping students to settle in to their course and/or college	19
Identifying and following up students with poor attendance	20
Identifying and helping students who are not motivated or who are disaffected	21
Providing additional learning support to students at risk of non-achievement	21
Helping students in need of financial or other support	22
Identifying and supporting students who are combining studies with employment	23
Helping students to study effectively	23

Part 5

25

Improving teaching quality and learning methods

The importance of good quality teaching	25
National initiatives to improve the quality of teaching and learning	25
The role of the Funding Council's inspectorate	26
College level initiatives to raise the quality of teaching and learning	26

Part 6

29

How colleges assess their performance in improving student retention and achievement

Monitoring retention and achievement	29
Measuring "value added" or "distance travelled"	29
Performance measurement and benchmarking	31
Monitoring the destinations of students	32
Surveying students	32
Quality of data on student retention and achievement	33

Glossary

34

Appendices

1 Initiatives by the Department and the Funding Council to help colleges improve student retention and achievement	36
2 Relevant previous conclusions and recommendations by the National Audit Office and the Committee of Public Accounts	40
3 Study methodology	42
4 Data supporting the management of retention and achievement	45

Bibliography

47

Photographs by kind permission:

Cover: Knowsley Community College
 Others: Knowsley Community College
 Hertford Regional College
 Hammersmith & West London College

summary

In this summary

Summary	1
Our main findings	2
Choosing the right course	3
Induction and support	4
Teaching and learning methods	5
Assessing performance	5

Summary

- 1 Further education is a crucial part of the Government's strategy to combat social exclusion, unemployment and skills shortages. Raising educational standards is critical to the Government's social and economic agenda. The Government has set targets to achieve substantial improvement in students' participation and achievement in education by 2002, and further education has a key role in the achievement of these National Learning Targets.
- 2 In England there are 3.8 million students studying for some 6 million qualifications in over 400 further education colleges, at a cost to the public purse of some £3 billion. In 1998-99, the last year for which there are complete data, some 15 per cent of students did not complete their courses; and of those courses completed, the students failed to achieve 26 per cent of their qualification aims. In the light of this, and concerns expressed by the Committee of Public Accounts (63rd Report 1997-98, HC 665) on the variability of student achievement, we examined the reasons for student non-completion and non-achievement in colleges, and recommend ways in which retention and achievement rates can be improved.



- 3 We identified the reasons why students do not complete or fail to achieve their qualifications by interviewing some of those who have left their courses, and by holding discussion groups with students still at college. We analysed student and college performance data to gain further quantitative insights into student performance. We also surveyed a third of all colleges, and visited eight. This enabled us to identify best practice, and make recommendations on what more colleges can do to help students achieve their qualifications.

Our main findings

- 4 Over the past five years, the sector has increased student numbers by 70 per cent. Achievement rates have improved whilst overall retention rates have remained steady. This is due, in part, to successful initiatives launched by the Department for Education and Employment (the Department) and the Further Education Funding Council, aimed at improving teaching quality and providing incentives for colleges to raise completion and achievement rates. These include:
 - annual targets set from 1998-99 for retention and achievement for colleges, based on benchmarking data introduced in 1997; and
 - the Standards Fund, introduced in 1999 to support colleges in improving the quality of provision and raising standards of achievement. It funds:
 - improvements at colleges causing concern;
 - improvements in teaching and learning;
 - training and development for principals and senior management teams;
 - a good governance programme; and
 - dissemination of good practice and an achievement fund (for 2000-2001 only). This includes the introduction of "beacon" status and college accreditation, whereby colleges with high standards are provided with money to disseminate good practice.
- 5 In addition, the Department has introduced a number of measures to encourage people from disadvantaged backgrounds to enrol at college and complete their studies. These include Access Funds (introduced in 1993 but much increased in 1999), the Education Maintenance Allowance (piloted since 1999), the Connexions Service (planned to roll out from April 2001) and the Connexions Card (planned for Autumn 2001).
- 6 A new Learning and Skills Council will be operational from April 2001 and will take over the role of the existing Further Education Funding Council. The new Council will also take over responsibility for adult and community learning and for funding work-based training for young people. From September 2002 the new Council will also be responsible for funding school sixth forms.
- 7 The overall success rate - the proportion of qualification aims embarked upon that are successfully achieved - is 56 per cent for 16-18 year olds and 51 per cent for older students. Although this represents a substantial improvement in recent years, the success rates will need to be greater if the sector is to meet the Government's National Learning Targets for 2002. Retention rates in general and sixth form colleges for full-time students vary between 98 per cent and 72 per cent. The variation in achievement rates is much greater, between 98 per cent and 33 per cent. This variation is only partly explainable by factors external to colleges (such as funding or student deprivation).



- 8 Our analysis showed that there are no marked differences in retention and achievement rates between different subjects studied. Broadly, there are also no clear patterns in retention for different kinds of student, although some types of students find particular difficulty in achieving their qualification objectives. These include those employed for long hours of part-time work in parallel with their studies and students experiencing various kinds of deprivation. Colleges have a range of methods available to support such students, and should be able to identify those at greater risk of non-completion or non-achievement who would benefit from support.
- 9 We have identified best practice by which colleges, with the support of the new Learning and Skills Council, can improve student performance. Our recommendations are discussed in the following paragraphs.

Choosing the right course

- 10 Students often decide not to complete their studies because the courses are not what they expected, or because they only wish to acquire certain skills or knowledge rather than a qualification. Also, when they are not enjoying the work, or find it too difficult, they are more likely to fail their exams. The problems are of various types:
 - students may have chosen the wrong subject; in particular, the wrong course for their career ambitions;
 - they may have chosen the wrong level (and therefore difficulty) of course. Students will sometimes ignore college advice and sign up to the highest level course offered to them, and subsequently find it difficult to keep up; and
 - students may not be fully aware of the commitments they are taking on. Particular problems may occur for those students who also have part-time jobs, or who have other responsibilities, especially if they did not at first appreciate the hours of course work required. And students with limited finances may have difficulties if they are presented with unexpected bills for materials or awarding body registration fees.
- 11 Although we found that most colleges provide detailed information sheets to supplement the college prospectus, a minority do not provide full information on time commitments and costs. We recommend that:
 - i) Some colleges could do more to get prospective students on the right courses and ensure that the college experience matches students' expectations by providing better pre-enrolment information about courses.



Induction and support

- 12** In addition to students who find themselves on the wrong course, various categories of students are more at risk of non-completion or non-achievement. These include students who:
- find it difficult to settle into their courses and college, including late entrants who miss the normal induction processes;
 - have poor attendance;
 - are not motivated or are disaffected;
 - have not met, or who have only just met, the minimum entry requirements for the course, and who therefore need additional learning support;
 - need other support, including child-care or financial assistance;
 - combine their studies with long hours of part-time employment; and
 - get behind with their assignments.
- 13** Colleges provide a range of financial and other support to help students complete their courses. For some of these, including child-care and transport initiatives, they receive assistance from the Department and the Further Education Funding Council. However, we recommend that:
- ii) Colleges should consider providing more effective activities or other support to help students' integration into the college during the first few weeks, and give special support to late applicants and late joiners.
 - iii) Colleges should encourage students to set up "buddy" schemes or self-help groups, in order to help students to support each other throughout their course.
 - iv) Colleges should monitor student absence closely and allocate clear responsibility for timely follow-up of absences. Where necessary they should also arrange training for staff in how to follow up promptly and sensitively any student absences.
 - v) Colleges need to identify and provide support to students with poor numeracy and literacy skills, including students for whom English is not their first language.
 - vi) Colleges should continue to provide help to students who have weak study techniques, including advice on how to read and take notes effectively, and on how to set out written work coherently.



Teaching and learning methods

- 14 Our analysis showed that the quality of teaching is a major factor affecting achievement, and students told us that issues to do with teaching quality and feedback are important to them. Quality of teaching, together with class size and equipment, are important for all courses, particularly vocational courses where practical assistance may be required.
- 15 A number of colleges have introduced ways of improving teaching and feedback, and these could usefully be promulgated across the sector. Our recommendations are:
- vii) Colleges need to increase the rigour of methods used to identify and improve the weakest teaching and course delivery, and ensure consistency in the quality of courses.
 - viii) Colleges should ensure prompt, regular and constructive feedback to students on their performance and should set targets for students (deadlines and target grades, where appropriate).
 - ix) The Learning and Skills Council should extend ways of sharing good practice (for example by workshops and seminars).

Assessing performance

- 16 Colleges need to assess the performance of students in order to provide the right support, but also to assess the quality of colleges' courses and general management. Colleges do this by:
- monitoring retention and achievement;
 - assessing the progress students are making towards their qualification;
 - monitoring the destinations of students; and
 - surveying student satisfaction with the college and their courses.
- 17 The information collected by colleges has been useful to the Further Education Funding Council in its monitoring of the sector, and to colleges when they benchmark their own performance against the rest of the sector.



- 18 However, some colleges make limited use of data collection and monitoring, and some improvements could be made to the national performance measurement system. There are limitations in the definitions of retention and achievement, so that, for example, achievement is only measured for students who complete their courses. Moreover, data on retention and achievement are not published until 14 months after the end of the academic year to which they relate, largely because the data are based on those used for funding and are subject to external audit in the February following the year end.
- 19 We recommend that:
- x) Colleges should collect better information on the reasons for non-completion, including data on student employment while at college.
 - xi) Colleges should make full use of the destinations data that they collect, for example in informing future course provision.
 - xii) In order to focus on the risks of non-completion and non-achievement associated with different groups of students, colleges should set specific retention and achievement targets for groups of students which they have identified as being at risk of non-completion and non-achievement.
 - xiii) The Learning and Skills Council (the Council) should continue to work with the Department and colleges to develop and recommend measures of "value added" or "distance travelled".
 - xiv) The Council should encourage more benchmarking between like colleges, focusing on improving performance at poorest performing and middle-ranking colleges which have not improved their inspection grade over the last four years.
 - xv) When designing new systems for funding and performance, the Council should seek opportunities to improve the timeliness of published data.
 - xvi) The Council should continue to work with the Department to develop a unique student reference number to facilitate student tracking and the measurement of performance.

Part 1

Introduction

The further education sector in England

- 1.1 The further education sector provides a wide range of education and training opportunities to people from school leaving-age upwards. The 417 further education colleges in England (**Figure 1**) enable 3.8 million students to study for some 17,000 different qualifications from about 480 awarding bodies. Further education involves over twice as many students as higher education (undergraduates and postgraduates).
- 1.2 The further education sector is a crucial part of the Government's overall strategy to combat social exclusion, unemployment and skill shortages. Given that the sector delivers 54 per cent of all vocational qualifications acquired each year, it is also one of the principal contributors to achieving the Government's National Learning Targets (**Figure 2** overleaf).
- 1.3 In 1998-99 there were 3.1 million students enrolled on provision funded by the Further Education Funding Council (the Funding Council) in further education sector colleges. About 79 per cent were adults, over 90 per cent of whom were attending part-time courses. Around a quarter of all adults studied in the evening only. The remaining 21 per cent were students aged under 19, most of whom were on full-time, full-year courses lasting a year or more. General further education colleges are typically the largest (with up to 9,500 full-time equivalent students) and sixth form and specialist colleges usually the smallest (ranging from between 130 and 2,900 full-time equivalent students).
- 1.4 In 1998-99, some £3 billion of colleges' total annual income of £4 billion was grant from the Department for Education and Employment (the Department), administered by the Funding Council. Under the Comprehensive Spending Review, the Government

1 Types of college

About two-thirds of colleges are general further education colleges, and another quarter are sixth form colleges.

Colleges making up the further education sector consist of:

Types of college	Number of colleges (as at 31 July 2000)	Description of college types
General further education colleges	276	Provide a wide range of education and training courses for full- and part-time students of all ages, for example basic skills, recreational courses, GCSEs ¹ , A- levels and vocational qualifications including some professional qualifications
Sixth form colleges	105	Provide mainly full-time education to 16-19 year old students, primarily A-levels, GCSEs and their equivalents
Agricultural and horticultural colleges	24	Provide specialist education and training in agriculture and horticulture
Art, design and performing arts colleges	7	Provide specialist education and training in art, design and the performing arts
Designated institutions	5 ²	Specialist institutions providing a range of education and training courses
Total	417	

Note: For the purposes of statistical analysis later in this report, the National Audit Office has adopted the practice of the Further Education Funding Council of categorising all but general and sixth form colleges as "specialist" colleges.

Source: National Audit Office

¹ General Certificate of Secondary Education

² Excludes six long-term residential colleges

2 National Learning Targets for young people and adults

The National Learning Targets represent the Government's aim of making a substantial improvement in participation and achievement in education and training at every level.

	Position when targets were launched in 1998	Position in Autumn 1999	Target for December 2002
19-year olds with "Level 2" (5 GCSEs at A*-C, an NVQ ³ level 2, intermediate GNVQ ⁴ or equivalent)	73.9%	74.9%	85%
21-year olds with "Level 3" (2 A-levels, an NVQ level 3, an Advanced GNVQ or the equivalent)	52.2%	53.2%	60%
Adults with "Level 3" (as above)	45.1%	46.2%	50%
Adults with "Level 4" (NVQ level 4, i.e. having a degree or a higher level vocational qualification)	26.1%	26.6%	28%
Learning participation target - reduction in non-learners	26% of population not in learning	Data not yet available	24% of population not in learning

Source: Department for Education and Employment

allocated an additional £725 million to further education over the period 1999-2000 to 2000-2001. These funds are linked to raising standards and improving retention and achievement.

Inspectorate will inspect work-based training and education provision for adults aged 19 and above. Where provision falls within the remits of both inspectorates, there will be a joint inspection, led by OFSTED. All inspections will use a common inspection framework. The relationship between the providers and inspectorates from April 2001 - excluding higher education - is shown in [Figure 4](#) on page 10.

Initiatives to improve retention and achievement

1.5 The Department and the Funding Council have always recognised the importance of student retention and achievement. The Funding Council provides funds for agreed levels of activity at each college. Funding arrangements provide incentives for colleges to maximise recruitment, retain students on courses and enable them to achieve their qualifications. On average about 10 per cent of funding for individual courses relates to pre-enrolment, guidance and developing learning agreements with students, and a further five per cent is linked to student success. Colleges accumulate funding units for each term wholly or partly completed by the student. In line with the Government's policy of widening participation to embrace people who have not traditionally taken advantage of learning opportunities, the system also weights funding to reflect the higher cost of recruiting, retaining and teaching learners who are disadvantaged. The funding system to be introduced by the new Learning and Skills Council is expected to give further weight to this factor. In addition to the funding arrangements, the Department and the Funding Council have introduced a number of initiatives aimed at improving student retention and achievement ([Figure 3](#) on page 9).

1.6 Currently, the Funding Council inspects colleges at least once every four years. From April 2001, new inspection arrangements will be introduced to support the Learning and Skills Council's quality agenda. OFSTED⁵ will inspect education provision for 16 to 18-year-olds and the new Adult Learning

Reasons for the National Audit Office study

1.7 We examined student retention and achievement in further education because:

- we consider that so far progress against the National Learning Targets for young people at ages 19 and 21 has been slow;
- improved retention and achievement would bring clear benefits to individual students and to economic effectiveness;
- following our report on "The Management of Growth in the English Further Education Sector"⁶, published in October 1997, the Committee of Public Accounts⁷ expressed concerns that 10 per cent of colleges had student achievement rates of 50 per cent or lower. The Committee also identified possible anomalies in achievement data for National Vocational Qualifications and urged the Funding Council to review its data capture arrangements to reflect partial completion of courses ([Appendix 2](#)); and
- the study provided an opportunity to identify good practice and to draw together the results of qualitative and quantitative research to inform systems being established by the new Learning and Skills Council.

³ National Vocational Qualifications - see Glossary

⁴ General National Vocational Qualifications - see Glossary

⁵ Office for Standards in Education

⁶ National Audit Office, HC 454 1999-2000

⁷ 63rd Report 1997-98, HC 665

3 Recent initiatives by the Department and the Funding Council for improving student retention and achievement

Initiative	Details of initiative
Research (1996 - present)	The Learning and Skills Development Agency, formerly the Further Education Development Agency (FEDA), undertakes research broadly agreed with the Funding Council. Work includes reports on improving retention (1997), raising achievement (2000) and achievement at colleges with high "widening participation factors" (due 2001).
Performance indicators (February 1997 - present)	At the request of the Department, the Funding Council first published indicators for student retention and achievement for individual colleges for the academic year 1994-95. Subsequent data have been published annually, normally in September.
Quality Improvement Strategy (June 1998 - present)	The Funding Council's strategy covers a number of aspects, including: <ul style="list-style-type: none"> ■ annual retention and achievement targets for colleges from 1998-99; ■ publication of benchmarking data for the first time in August 1998 for 1995-96 and 1996-97. Data are also available on the Funding Council's website by college type, qualification type and programme area, as well as national data for individual qualifications; and ■ greater emphasis on retention and achievement in the current cycle of four-yearly inspections of colleges.
Access Funds (April 1993 - present)	Provided by the Department, and allocated by the Funding Council to colleges to support students whose financial needs could prevent their participation or achievement in further education. From 1999-2000 the funds were extended to cover increased child-care support and between 1998-99 and 2000-01 £152 million will be allocated.
Standards Fund (April 1999 - present)	Distributed by the Funding Council to provide: targeted support for colleges causing concern or judged in need of additional support; post-inspection support for all colleges; training for governors, principals and teachers; and dissemination of good practice. Since 1999 all colleges have benefited, and by 2001-02 £275 million will have been made available to colleges.
College accreditation (April 1999 - present)	To acquire accredited status colleges must demonstrate achievement of high standards across the range of their activity. Since 1999, 41 colleges have been accredited. The Funding Council has made Standards Fund money available to help these colleges disseminate good practice.
Beacon colleges (May 1999 - present)	The Department initially awarded 10 colleges Beacon status. A further 5 colleges were designated as Beacons in February 2000. The Funding Council allocates Standards Fund money to help them disseminate good practice.
Education Maintenance Allowance (September 1999 - present)	A pilot scheme to encourage more 16 to 19-year-olds from low-income families to stay on and achieve in learning beyond 16. Payment of a weekly allowance is dependent on attendance, with bonuses payable at the end of term and on successful completion of the course. Pilots in 15 areas were extended in September 2000 to 41 additional areas.
New inspections (October 1999 - present)	The Government introduced new style area-wide inspections to ensure that all students, including those from inner cities, have access to high quality learning.
Connexions Service (April 2001)	A new youth support strategy for all 13 to 19-year-olds to be phased in from April 2001 - with pilots from April 2000 - to help meet the National Learning Target for 19-year-olds (Figure 2 on page 8).
Connexions Card (Autumn 2001)	Announced by the Government in September 1999 as an incentive for 16 to 19-year-olds to remain in learning. The Card will carry entitlement to free or reduced-cost travel and leisure activities and to commercial discounts. Young people will be rewarded for participation in learning with opportunities to undertake activities of interest. It will also direct young people to a website containing information on the range of learning options. Demonstration and Pathfinder projects are underway.

Source: National Audit Office

Methodology

1.8 Against this background we examined the levels of student retention and achievement, the reasons for students not completing their courses and why students do not achieve their qualifications (Part 2). We then looked at what colleges, and where appropriate the Funding Council, are doing to:

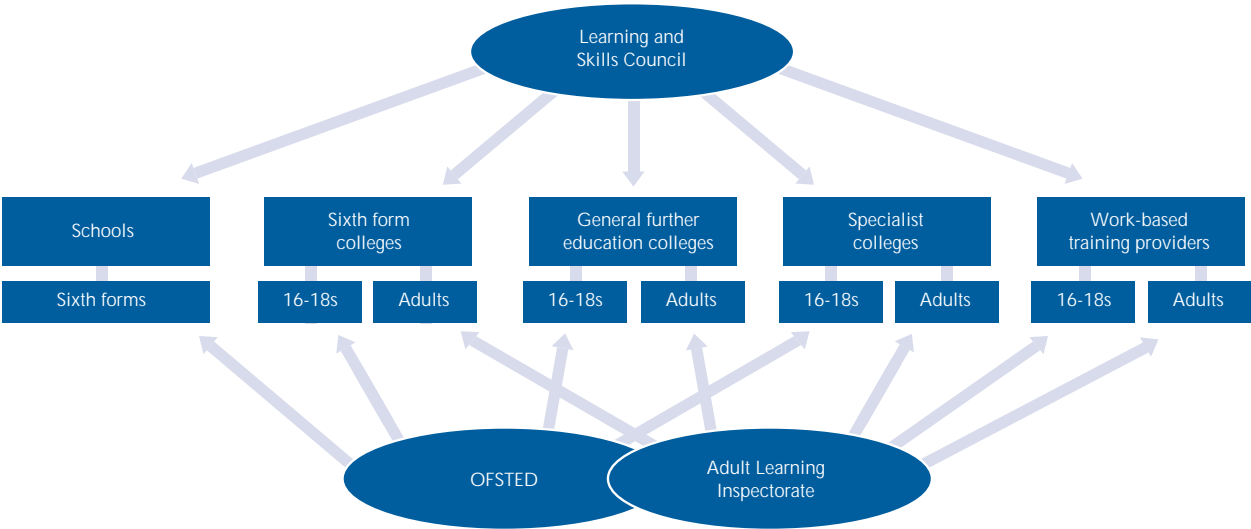
- help students to choose the right course (Part 3);
- provide effective induction and support to students throughout their courses (Part 4);
- improve teaching quality and learning methods (Part 5); and
- measure their performance in improving student retention and achievement (Part 6).

1.9 Our examination excluded the 737,000 students who are not funded by the Funding Council. For practical reasons and because of data availability we also excluded the 373,000 students funded by the Funding Council but taking courses run by some 256 institutions in the voluntary sector, in local education authorities or in higher education institutions.

1.10 We describe fully our methodology for the study in Appendix 3. We are grateful to everybody who helped us throughout the study, including the staff of the colleges we visited, the colleges we surveyed, staff at the Funding Council, staff at the other organisations that assisted us and members of our expert panel.

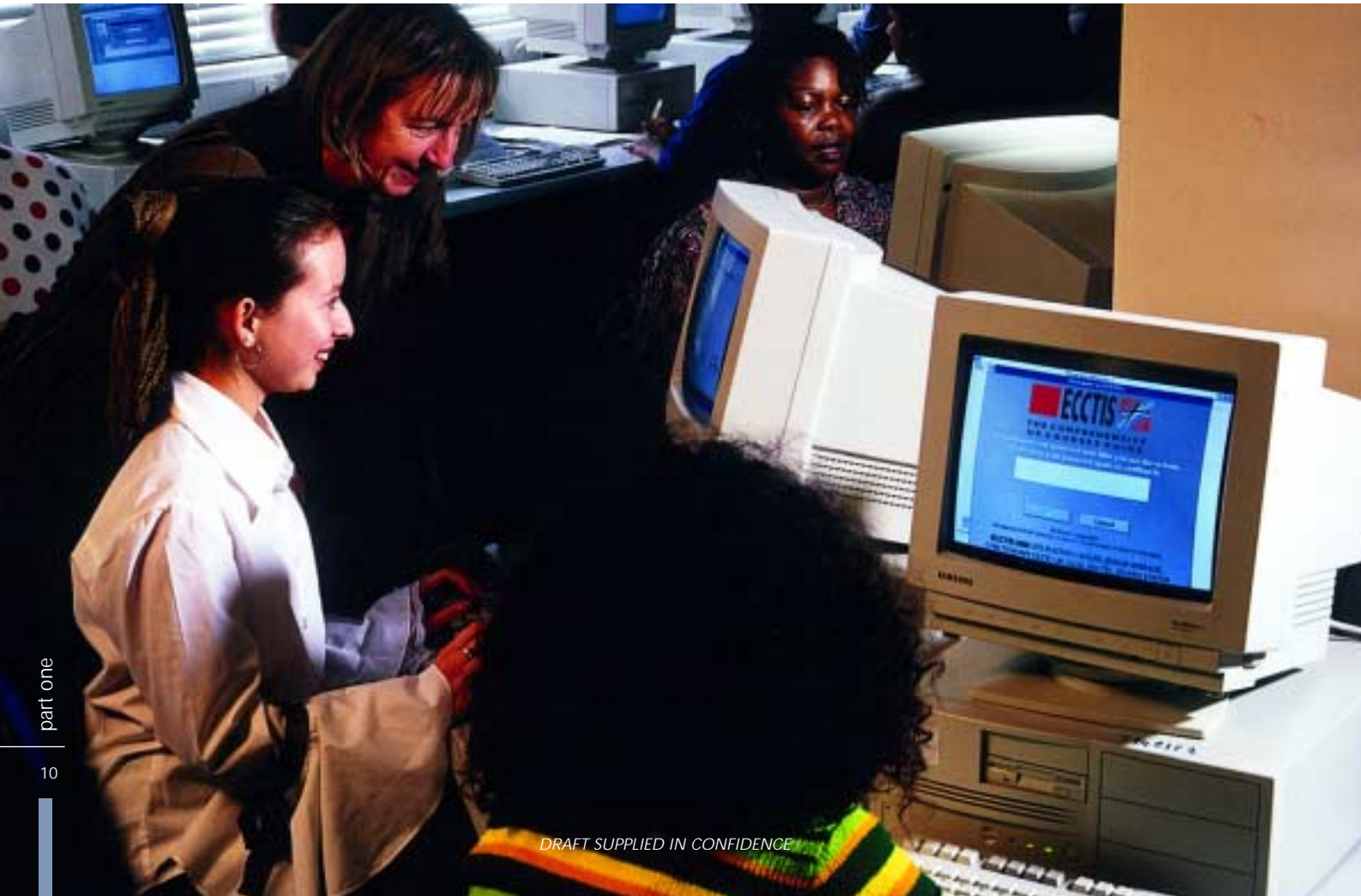
4 Relationships between providers and inspectorates of education and training

OFSTED and the Adult Learning Inspectorate will both inspect many colleges



Note: In those institutions in which adults and 16 to 18-year-old students study together, there will be joint inspections by OFSTED and the Adult Learning Inspectorate. These joint inspections will evaluate the experience of all students and not just that of particular age-bands.

Source: National Audit Office



Part 2

Trends and reasons why students do not achieve their qualifications

2.1 This part of our report sets out the overall trends in student retention and achievement, and the extent of variation in colleges' performance. We then summarise the results of our qualitative research on why students do not complete or do not achieve their qualifications.

Overall trends in retention and variations in college performance

2.2 The Funding Council, in its published performance indicators for colleges and statistical first releases, defines the retention rate⁸ as the percentage of students who, having enrolled on a learning programme of at least 12 weeks duration, continue to attend at least one of the courses to the end of the course or of the college year, whichever is sooner. Using the statistical first releases, we calculated that the percentage of those retained has remained steady at about 85 per cent despite a substantial increase in the number of students since 1994-95 (Figure 5).

2.3 There is a wide range in retention rates between different colleges, between 98 per cent and 72 per cent for full-time students at general and sixth form colleges (Figure 6 (a) overleaf). The highest performers are mainly

sixth form colleges, while general further education colleges, which provide a wider range of courses to all age groups, represent the majority of the lowest performers.

2.4 Our analysis of the Funding Council's data⁹ on individual students showed that:

- females and males have broadly similar retention rates;
- students aged 19-24 have the lowest retention rates;
- amongst students aged 19 or over, the lowest retention rates apply to those who have their fees remitted because they are unwaged, are studying basic education, or are speakers of other languages studying English;
- overall, students recruited from deprived areas have the lowest retention rates;
- retention rates for part-time students are similar to those for full-time students;
- there are no marked differences in retention rates between ethnic groups; and
- retention rates are generally higher for courses leading to higher level qualifications but there are no marked differences between subjects studied.

5 Levels of retention of further education students (Funding Council funded students in the further education sector)

Figure 5 shows that although the number of students has increased by 70 per cent since 1994-95, the percentage completing their studies has remained steady.

	1994-95	1995-96	1996-97	1997-98	1998-99
Total number of students on courses of at least 12 weeks	1.36 million	1.71 million	2.32 million	2.34 million	2.35 million
Number of students completing or continuing their studies	1.15 million	1.42 million	1.98 million	2.00 million	2.00 million
Percentage retained	85 per cent	83 per cent	85 per cent	85 per cent	85 per cent

Note: In the early years some colleges' data were unreliable.

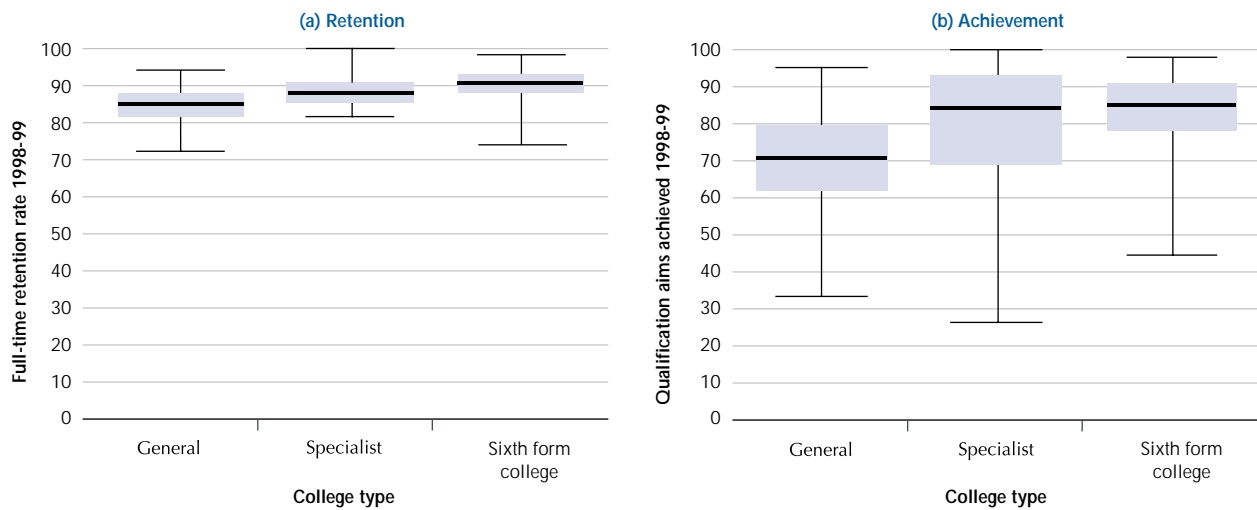
Source: National Audit Office

⁸ "In-year retention rate". When the Department or Funding Council refer to a national retention rate they generally use the median of all the individual college rates for full-time and part-time students (separately) as in the Funding Council's published performance indicators. For 1998-99, these college medians were 87 per cent (full-time students) and 84 per cent (part-time students).

⁹ Widening Participation Statistical Evidence 1997-98 and Widening Participation and Raising Standards, May 2000.

6 In-year retention rates (full-time students) and achievement rates (all qualifications) by college type for 1998-99

The median retention rates and achievement rates are better for full-time students at specialist and sixth form colleges than for general further education colleges. There is wide variability in retention and - particularly - achievement rates between colleges.



Note: In the graphs above, the boxes show the 25th and 75th percentiles and the bar within in each box is the median value. The vertical lines extend to the highest and lowest values.

Source: National Audit Office

2.5 We analysed the Funding Council's performance indicators¹⁰ for colleges to quantify the extent of variation in retention rates which could be explained by some of the factors discussed above. Details of the analysis are included in Appendix 3. We identified the following relationships, when all the factors were taken into account:

- sixth form colleges had, on average, retention rates about 7 per cent higher, and specialist colleges 3 per cent higher, than general colleges;
- colleges with higher inspection grades for their curriculum areas (representing better teaching and materials) had higher retention rates; and
- colleges with higher proportions of students from deprived areas had lower retention rates.

2.6 The Funding Council publishes separate benchmarks for colleges with high proportions of students from deprived areas, as the retention and achievement rates for these colleges as a group are significantly below those of other colleges of the same type. Nevertheless, even within this group there are major variations in the achievement rates of different colleges. Research by the Learning and Skills Development Agency¹¹ indicates that less than half of these variations can be explained by relative differences in the profiles of students attending the colleges.

Reasons why students do not complete their courses

2.7 The Funding Council does not collect centrally data on reasons why students do not complete their courses, but 98 per cent¹² of colleges do so. **Figure 7** shows the most common reasons recorded. However, the Responsive College Unit¹³ concluded that there are substantial variations between college-recorded reasons for leaving and students' own explanations. Colleges' information on the reasons why students have left is limited¹⁴:

- 60 per cent of colleges' information systems permit only one reason to be recorded. In practice, the reasons are complex, various and inter-related; and
- 80 per cent of colleges use exit interviews to identify students' reasons for leaving, but many are conducted by college staff who have had some involvement with the student, for example the course tutor (22 per cent of colleges) or personal tutor (56 per cent). Students may be less likely to give reasons related to, for example, the quality of teaching or tutoring, if they are interviewed by such members of staff when they leave.

¹⁰ 1997-98, published September 1999

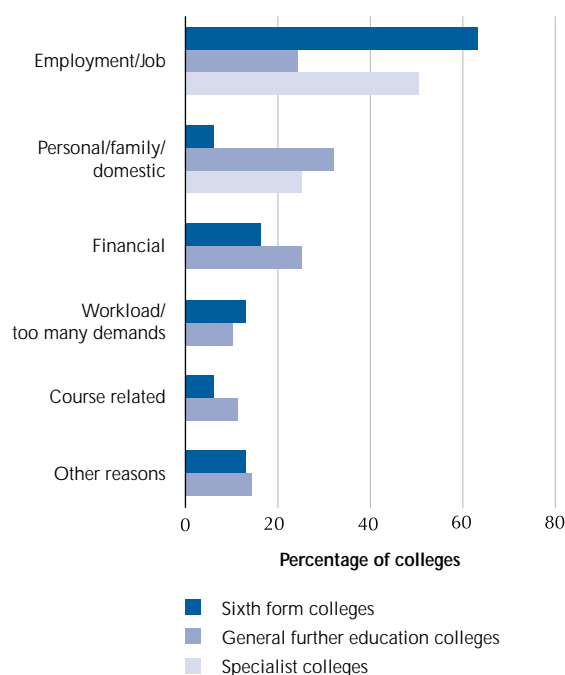
¹¹ formerly the Further Education Development Agency (FEDA)

¹² National Audit Office survey of colleges

¹³ 20 Steps to Researching and Improving Student Retention, 1999

¹⁴ National Audit Office survey of colleges

7 Most common reasons recorded by colleges for students withdrawing from their studies



Source: National Audit Office

- 2.8 The Responsive College Unit found that 42 per cent of students who had left early complained that the course had not been as expected and 38 per cent were unhappy with the teaching¹⁵. Neither category was specifically available as a code on colleges' information systems, although dissatisfaction with the course was usually available.
- 2.9 We commissioned consultants (MORI) to undertake focus groups of current students, with an emphasis on students aged 19 and over who make up the bulk of the student population in terms of numbers. MORI also conducted for us in-depth one-to-one interviews with 19 students who withdrew before completing their courses or who did not take their final examinations.
- 2.10 Using MORI's work to illustrate the issues that students perceive as important, together with the results of earlier research by the Further Education Development Agency (FEDA)¹⁶ and the Responsive College Unit¹⁷, we found that the main reasons why students decide to leave are associated with:
- a) their experience of the course;
 - b) motivation;
 - c) the quality of teaching; and
 - d) outside commitments.

a) Course experience

- 2.11 The diversity of courses in further education is both an advantage and a disadvantage to the prospective student. The range of provision should make it possible for potential students to undertake a suitable course - but at the same time, they are faced with a bewildering choice. Sometimes students shop around to secure a place on the most advanced qualification. They subsequently leave because their expectations of what the course will cover are not realised, either in terms of difficulty, or in the depth and breadth of curriculum or its relevance to their chosen career path.
- 2.12 Although most colleges are improving the information they make available to prospective students, many still feel they are given poor quality or insufficient information when choosing a course. Some find the course too technical or insufficiently practical. Others find they do not have the necessary skills, or that the course makes greater than expected demands on their resources (either in terms of time or money). In Part 3 we look at good practice on helping students to choose the course that best meets their needs and abilities.

b) Student motivation

- 2.13 Our research¹⁸ identified two distinct types of students: those who have made a choice to be in further education (for example, to study vocational qualifications enabling them to realise their particular job aspirations), and those who have drifted into college because they "don't know what else to do". Adult students tend to have a clearer idea about what they want to do and why, but some school leavers drift into further education because it represents a natural progression from school or because of parental pressures to stay in education.
- 2.14 Many school leavers choose college because they perceive it as a new and more relaxed environment in which they expect to be "treated as an adult", with the responsibility for their own work management and achievement. For many, however, the onus on individual self-motivation and self-discipline is difficult, especially for some school leavers who are used to the more structured approach in schools. Most students recognise that getting behind on coursework, or on assignments set during holiday periods, increases the risks of them not completing their studies. Motivating students at the beginning and throughout their courses is therefore critical to improving retention rates. In Part 4, we look at good practice in motivating students.

¹⁵ National Retention Survey Report, 1999

¹⁶ Improving Student Retention: a guide to successful strategies, 1997; 9,000 Voices: Student persistence and drop-out in further education, 1998

¹⁷ National Retention Survey Report, 1999

¹⁸ National Audit Office/MORI research

c) Quality of teaching

2.15 For many students, the quality of teaching is the most important factor affecting their satisfaction with college, and their decisions on whether to complete the course. Our research¹⁹ showed that the pace of teaching (either too fast or too slow) is also a major issue, especially amongst students who subsequently left. The need for timely feedback from teachers on coursework, and students' perceptions about the level of interest that teachers show in them, are also common themes. In Part 5 we look in more detail at the importance of teaching quality.

d) Outside commitments

2.16 Our survey²⁰ showed that colleges record employment as one of the key reasons why students decide not to complete their courses, although research by the Responsive College Unit²¹ suggests that employment is often a consequence of leaving rather than a cause of it. However, our qualitative research confirmed the findings of FEDA²² that although personal circumstances are particularly problematic for some groups of students, this is the case for some who stay at college as well as some who leave. Financial hardship can make course continuation difficult, particularly for those on practical courses who are required to buy their own materials and those who are forfeiting work to attend classes during the day. Students who are experiencing financial hardship or who have not made a conscious decision to enter further education may be more likely to accept work opportunities. Students who leave their courses early to enter employment may regard such an outcome as a success, but it is not recognised as a success for the Funding Council's performance measures. The Funding Council believes that where students secure employment during their courses of study, their employers should release them to enable them to complete their courses. The presumption is that students who complete their course successfully will subsequently obtain better jobs.

2.17 Research by Professor Claire Callender for the Department and the Funding Council based on a survey of around 1,000 students²³ found that 23 per cent had considered leaving for financial reasons. Over a third thought that financial difficulties had negatively affected their academic performance. The research also showed that two-thirds of students

had received no information about financial support, and about half of students were unaware of the sources of support.

2.18 Many full-time students have part-time jobs and some find it hard to balance employment and coursework. Research by the Institute of Education²⁴ and FEDA²⁵ found that over 80 per cent of students aged 16 to 19 take up paid employment during the academic year, two-thirds of them working for 10 hours or more a week during term-time, and a third working for 15 hours or more. The University of Durham²⁶ found that students with some part-time work (10 hours or less a week) are more likely to stay at college, but those with more than 15 hours a week are particularly at risk of non-completion, mainly because of the competing demands on time from both job and study.

2.19 There are other reasons why students decide not to complete their courses. Some do so, or fail to achieve their qualifications, for reasons outside of colleges' control (for example because of illness or bereavement). Issues such as timetabling, transport and college facilities can also be important, and we consider these in Parts 3 to 5.

Overall trends in achievement and variations in college performance

2.20 The Funding Council defines the achievement rate²⁷ as the number of qualification aims achieved, expressed as a percentage of the total number of qualification aims for which students have completed the learning programmes. Using the Funding Council's statistical first releases, we calculated that the number of qualification aims completed has increased considerably over recent years, and that achievement levels are continuing to rise, reaching 74 per cent in 1998-99 (**Figure 8**).

2.21 Achievement rates, however, relate only to those qualification aims completed. To measure overall success - the proportion of qualification aims embarked upon that are successfully achieved - we had to combine achievement with retention. This could only reasonably be done with the benchmarking data, which is for retention over the whole course (rather than in-year) and is at the qualification level (rather than student level). This combination is not precise but gives a broad indication of the overall "success rate".

¹⁹ National Audit Office/MORI research

²⁰ National Audit Office survey of colleges

²¹ National Retention Survey Report, 1999

²² 9,000 Voices: Student persistence and drop-out in further education, 1998

²³ The Hardship of Learning: Students' Income and Expenditure and their Impact on Participation in Further Education, 1999

²⁴ Earning and Learning: A local study of part-time paid work among 14 to 19-year-olds, March 2000

²⁵ published in FEDA: Learning and Earning: the impact of paid employment on young people in full time education, 1999

²⁶ published in FEDA: Learning and Earning: the impact of paid employment on young people in full time education, 1999

²⁷ When the Department or the Funding Council refer to a national achievement rate they generally use the median of all the individual college rates as in the Funding Council's published performance indicators. For 1998-99, the college median for all qualifications was 76 per cent.

8 Levels of achievement of further education students (Funding Council funded students in the further education sector)

Figure 8 shows that the percentage of qualifications achieved in 1998-99 was 74 per cent.

	1994-95	1995-96	1996-97	1997-98	1998-99
Number of qualification aims completed	2.32 million	3.17 million	3.36 million	3.57 million	3.33 million
Number of qualification aims achieved	1.52 million	2.13 million	2.34 million	2.62 million	2.48 million
Percentage achievement	65 per cent	67 per cent	70 per cent	73 per cent	74 per cent

Note: Colleges' data has improved significantly over recent years, but some of the apparent improvement since the early years may be due to enhancements in the data rather than any real changes in students' outcomes.

Source: National Audit Office

Figure 9 shows that the overall success rate for long qualifications²⁸ is 56 per cent for 16 to 18-year-olds and 51 per cent for students aged 19 and over.

2.22 Achievement rates for individual colleges vary far more than retention rates - between 98 per cent and 33 per cent for general and sixth form colleges (Figure 6 (b) on page 12) - but are improving²⁹, especially at colleges with the lowest achievement rates. Moreover, since the Committee of Public Accounts³⁰ expressed concern that 10 per cent of colleges had an achievement rate of 50 per cent or less in the academic year 1995-96, the number of colleges with achievement rates below this level has decreased substantially - from 61 in 1995-96 to 10 in 1998-99 (Figure 10). Only two colleges have had consistently low achievements over the last four years. The improvement shows that the various initiatives outlined in Figure 3 (page 9) have produced positive results.

2.23 We analysed the Funding Council's data³¹ for any correlation between achievement and characteristics of students and found that, like retention (paragraph 2.4), achievement rates are similar for men and women, but that female students aged between 16 and 18 have the highest achievement rates. Amongst male students those aged 25 and over do best. Also, in line with our findings on retention (paragraph 2.4 above), we found that adult basic skills students and those studying English for speakers of other languages have the lowest achievement rates. (The aim of such courses is often to enable students to progress to higher level qualifications, and many colleges measure the success of these courses on this basis). For both full-time and part-time students, white students have a higher achievement rate than other ethnic groups.

2.24 In the light of the Government's increasing emphasis on "widening participation", we looked in more detail at achievement rates for colleges recruiting higher percentages of students from postcodes triggering "widening participation uplift" funding. This showed

that achievement rates for these colleges are significantly worse, with a median of 69 per cent compared to 76 per cent for all colleges. This and research by the Learning and Skills Development Agency (formerly FEDA)³² suggests that not only are students from deprived areas more likely to leave their courses (paragraphs 2.4 and 2.5 above) but they also find it more difficult to meet the appropriate standard for qualification. Colleges with large numbers of such students may therefore find it harder to secure better overall achievement rates - although the research shows that there are a number of colleges with high proportions of students from deprived backgrounds who have high overall achievement rates.

9 Success rates for long qualifications 1997-98 and 1998-99

Figure 9 shows that success rates are higher for 16-18 year-olds than for older students and have improved over the period 1997-98 to 1998-99

	1997-98		1998-99	
	16-18 year olds	Students aged 19 and over	16-18 year olds	Students aged 19 and over
Retention	78	79	78	79
Achievement	70	63	72	65
Success	55	50	56	51

Source: National Audit Office (using data supplied by the Department for Education and Employment).

10 Numbers of colleges with achievement rates below 50 per cent

Figure 10 shows that the number of colleges with achievement rates below 50 per cent has dropped substantially over the last four years

	1995-96	1996-97	1997-98	1998-99
Number of colleges (including those who have since merged)	61	40	23	10

Note: Four of the ten colleges (1998-99) have since merged with others

Source: National Audit Office

28 Data used were for "long qualifications", i.e. those lasting over 24 weeks

29 Statistical first release, July 2000

30 Managing Growth in the English Further Education Sector (63rd Report 1997-98, HC 665)

31 Widening Participation Statistical Evidence 1997-98

32 Differential Achievement: What does the ISR tell us?, December 2000

- 2.25 The final stage of our analysis was to look at the performance indicators for colleges to quantify the extent to which the variation in achievement rates could be explained by external factors. We found that the factors affecting achievement are the same as those affecting retention rates (paragraph 2.5). Details of the analysis are shown at Appendix 3.
- 2.26 Overall, our research and that of the Learning and Skills Development Agency/FEDA lead to the conclusion that the main explanations for variations in achievement rates relate to:
- factors outside the direct influence of the college, which are not captured by the Funding Council's data, particularly prior attainment; and
 - differences in institutional ethos, systems, procedures and practices that affect student performance.

Reasons for non-achievement

- 2.27 The Funding Council's information system does not distinguish between students who took the exams³³ and failed, and those who did not take the exams at all. Our survey showed that 56 per cent of colleges are unable to say how many students completed the course but did not take the exams. However, data from those colleges that did collect the relevant statistic put the figure at seven per cent. Students at general further education colleges were the most likely not to take the exam (10 per cent of students, compared to one and two per cent respectively at specialist and sixth form colleges).
- 2.28 The Funding Council and the colleges we visited explained to us that many adults are interested only in acquiring or updating their skills rather than achieving qualifications. Some participate only in certain modules of courses. Others complete the course but are discouraged from taking the examinations by the cost of registering with the qualification's awarding body. In Part 4 we provide examples of good practice in encouraging students to complete their qualification.
- 2.29 Our statistical analysis shows that the factors that determine achievement levels are broadly the same as those that affect retention. FEDA's research on retention of GNVQ students³⁴ also showed that similar factors affect both retention and achievement. In both cases teaching quality and course provision are the main factors determining success. Achievement on many qualifications involves more than taking exams; students are also required to reach pre-determined standards on course work. Insufficient information technology equipment or lack of access to the library, for example, may both affect students' ability to complete their assignments and to the appropriate standard. In Part 6 we explore how colleges can obtain students' views about college facilities and the importance of listening to and responding to student complaints.
- 2.30 Models developed at Durham University and Greenhead College show that there is a good correlation between exam grades and previous academic achievement; thus students with low levels of achievement are more likely to fail their exams. It is important that students sign up to the right level of course, as well as the right subject. In Part 3 we discuss how colleges can advise students to choose the course that best meets their needs and abilities.

³³ "Exam" is used here to cover all forms of final assessment

³⁴ Non-completion of GNVQs, January 1998

Part 3

Helping students choose the right course

- 3.1 Our analysis in Part 2 shows that students often decide not to complete their qualifications because their expectations of what the course will cover are not realised, either in terms of difficulty, or in the depth and breadth of curriculum, or its relevance to their chosen career path. In addition, many people have strong misconceptions about further education and the possible value of certain qualifications³⁵. This part of our report examines what colleges are doing to address these issues, through the provision of pre-course enrolment information and through admissions procedures which help to ensure that students enrol for courses which most suit their needs and abilities.

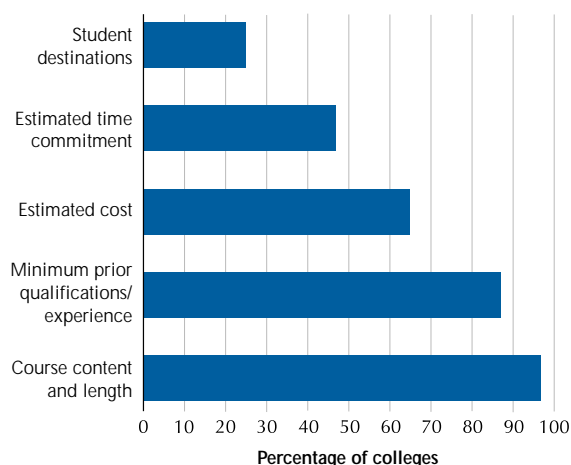
Pre-course enrolment information

- 3.2 Our survey showed that the substantial majority of colleges (84 per cent) produce detailed information sheets to supplement the college prospectus, at least for all courses over 12 weeks in length. Our research suggested that many students still feel that they do not get enough information prior to enrolment. Pitching the information at an appropriate level can be crucial in helping reduce the gap between students' expectations and the reality of studying at college. The extent to which colleges had addressed the particular concerns of students identified in our qualitative research is shown in **Figure 11**.
- 3.3 Many colleges can do more to get prospective students on the right courses, and ensure that the college experience matches students' expectations, by providing better pre-enrolment information on courses and the college generally. The best examples we saw included some indication of course content and the technical skills required. They also set out details of the amount of time students should expect to spend at their studies and any ancillary financial costs (such as materials or costs of field trips). Woking College, which is a sixth form college, was testing the content and presentation of the college prospectus and course information sheets with current students, and asking

existing students to be available for "question and answer" sessions with potential applicants. Part-time students who may have other commitments need to know how much time needs to be devoted to course work in addition to class time. And some students, particularly from poorer households, have difficulty when presented with unexpected bills for materials on practical courses, or for awarding body registration fees. Figure 11 shows that not all colleges provide information to prospective students on the cost of studying. This supports research undertaken with around 1,000 students in 1999 by Professor Claire Callender for the Department and the Funding Council³⁶. This found that over half of students had received no information before starting their course about the costs that they would incur.

11 Information provided in course information sheets

Many colleges do not provide sufficient information to prospective students about the costs and commitments involved in courses or about possible career opportunities



Source: National Audit Office

³⁵ Career perceptions and decision-making among young people in schools and colleges, NH Foksett and JV Hemsley-Brown, October 1997

³⁶ The Hardship of Learning: Students' Income and Expenditure and their Impact on Participation in Further Education, 1999

Admissions procedures

- 3.4 At most colleges, prospective students are interviewed by a member of the teaching staff of the department or faculty to which they have applied, but at 17 per cent of colleges, less than half of prospective students are interviewed³⁷. The purpose of interviews is to provide students with a better idea of what the particular course involves and a better assessment of the suitability of the course for their needs. In addition interviews enabled staff to identify students who are likely to need additional support to achieve their qualification aims. This applies especially to those applying for courses which traditionally have poor retention or those who may otherwise be at risk of leaving, for example because they do not meet the minimum entry requirements or want to study an unusual combination of subjects.
- 3.5 Two of the colleges we visited had enhanced their admissions process further by involving the careers service, thereby providing broader and more impartial advice to students on the options available. The colleges employed contrasting ways of matching course choice to the student's career objectives (**Example 1**).
- 3.6 Opportunities to talk to existing students can provide a valuable insight for prospective students of what it is like to study on the course and at the college to which they have applied. Our survey found that 65 per cent of colleges already offer such opportunities. **Example 2** illustrates one such initiative.

Mid-course review

- 3.7 Most colleges allow switching between courses in the early weeks for students who find their initial choice of course unsuitable. In order to reduce further the risk of non-achievement, one college we visited had a formal review procedure in October which was used to check that all full-time students who started in September were on the right courses, and to start ongoing progress monitoring for each student (**Example 3**).

Example 1: Involving careers services in student admissions

At Woking College (a sixth form college), which was awarded the highest grade for student services in the latest Funding Council inspection, the college's internal careers services are integrated with the rest of the student services team. Staff offer more than just traditional careers advice and, in particular, an important part of their role is to help students decide whether they are on the right course for their level of ability and future intentions.

At Tile Hill College of Further Education (a general further education college), if a student's application does not appear coherent or consistent they are routed for careers advice which is provided by the student services team. The team includes a careers adviser who is independent of the college and can therefore provide individual students with impartial advice, including that they may be better suited to study at a different college.

Example 2: Opportunities to talk to staff and students before enrolment

Woking College holds a welcome day in late June or early July to which all prospective students are invited. The college has allocated all students to personal tutors by this stage on a "key subject" basis and all students get to meet their tutors. Students are able to re-negotiate course wishes at this stage. Prospective students also get the chance to meet existing students. The college also holds separate open evenings where prospective students can meet current students on their course.

Example 3: Right Choice progress reviews

Knowsley Community College, a general further education college, organises a "Right Choice" progress review for each full time student who starts a course in September. The review, which is carried out a few weeks into the course in October, is based on:

- information provided by the student including previous qualifications and employment and their views about the course (how well they are coping with the workload and whether any aspects of the course are particularly difficult), their attitude to study and whether the course is meeting their expectations;
- information from each of the student's course lecturers on the student's attainment, attendance, punctuality, assignments and attitude; and
- a target minimum grade for each student calculated by the college.

The reviews are used to identify any students who are on a course which is unsuitable for them and, where that is the case, to identify suitable alternative options. The reviews are also used to identify any additional support that a student might need to succeed on their course.

Part 4

Providing effective induction and support

- 4.1 In this part of our report we identify some of the categories of students at greatest risk of non-completion or non-achievement and look at what colleges are doing to ensure that they address those risks through effective induction procedures and student support systems.
- 4.2 Our qualitative research and work by others including FEDA³⁸ and the Responsive College Unit³⁹ has shown that, in addition to those who find themselves on the wrong course, various categories of students are at greater risk of non-completion or non-achievement. These include students who:
- find it difficult to settle into their course and/or college, including late entrants;
 - have poor attendance;
 - are not motivated or who are disaffected;
 - have not or who have only just met minimum entry requirements for the course and who need additional learning support;
 - need other support, including child-care or financial assistance;
 - combine their studies with long hours of part-time employment; and
 - get behind with their assignments.
- 4.4 Colleges agree that induction can play an important part in helping students to settle in and complete their course, but there is less consensus about what form induction should take. FEDA's work with a group of colleges that have achieved improvements in student retention⁴⁰ indicates that, to be most successful, induction needs to be viewed as a process rather than an event. It also needs to include elements that relate to the individual's chosen course as well as to the college. Several of the colleges that we visited organised special events such as a barbecue to welcome new students and to help them to settle in. Some colleges also operate "buddy" schemes or self-help groups, where students support each other during the early weeks and throughout the course.

Helping students to settle in to their course and/or college

- 4.3 Our qualitative work with students and previous research has shown that integrating students into college in the first few weeks of their course is key to retention. Difficulties in making the transition from school, disappointed expectations, social problems within courses and inappropriate course choice are all



38 *Improving Student Retention: a guide to successful strategies, 1997; 9,000 Voices: Student persistence and drop-out in further education, 1998; Differential Achievement project*

39 *National Retention Survey Report, 1999*

40 *Improving student retention: a guide to successful strategies, 1997*

4.5 Integration of students is a particular issue for late entrants, or those transferring from another course. These groups are at particularly high risk of non-completion because they may not have had access to the same level of pre-course advice and may have missed the introductory stages. They may also be less well organised and less committed to their studies, particularly if they decided to apply late. Late entrants also include students who are transferring to different courses because of disappointing exam results. These students have to catch up on the time they have missed as well as settling into the new course and may have missed out on any "buddy" schemes that are in place. Colleges recognise that late-joiners and late applicants require extra support both with their studies and in integrating themselves into the new group. As far as possible, students who join a course late or apply late should receive the same information and support that is available to other students.

Identifying and following up students with poor attendance

4.6 All the colleges we visited told us that poor attendance at classes, particularly among younger students, is often followed by the student leaving the course. Also, persistent poor attendance or lateness have a detrimental effect on students' chances of achieving their qualification aims. Many colleges specify minimum attendance requirements for individual courses and have disciplinary procedures if students fall behind. However these are only successful if attendance is monitored closely and there is a clear commitment to good attendance, together with prompt follow-up of unexplained absences.

4.7 Good monitoring requires timely and accurate data on attendance. According to research by the Association of Colleges⁴¹, the benefits of an effective register system include the provision of powerful information that can be used in student guidance and management. Our survey showed that nearly half of colleges have computerised attendance registers (or manual registers which are subsequently computerised) for all, or almost all, students. Colleges do not, however, need to employ computerised systems, as illustrated in **Example 4**.

4.8 Good monitoring also relies on the relevant staff having access to attendance information. Personal tutors told us that access to data is important because it enables them to identify patterns in attendance that may help them to identify students at risk of non-completion. At most colleges (90 per cent) staff other than course lecturers have access to attendance data, but in 22 per cent of colleges, personal tutors do not have access⁴².

4.9 Prime responsibility for monitoring exception reports is shared in 60 per cent of colleges, as is the responsibility for contacting individual students who have a poor attendance record. Personal tutors, course tutors and lecturers are the staff most commonly involved. We recognise from our qualitative research that some students (especially younger ones) dislike being chased about attendance but that many older students welcome it and perceive it as evidence of staff showing an interest in them. Initial follow-up of poor attendance is most effective where it is handled sensitively and is made promptly, for example by telephone rather than by letter (Example 4). Colleges may need to provide training for staff in this important skill.

4.10 Colleges often take action to improve attendance among specific groups of students. Our survey showed that 87 per cent of colleges target such action at the "easiest" group, 16- to 18-year-olds, though some target other groups including students aged 19 and over or part-time students. Some colleges have offered incentives to students to encourage good attendance (**Example 5**).

Example 4: An effective manual registration system

Knowsley Community College considers its manual registration system to be very effective. It employs non-teaching course administrators, part of whose role is to telephone students whose absence was unexplained, unless the student's personal tutor chooses to do so. This is done on the same day, if possible. Such students are identified by lecturers on forms which are very quickly passed to the course administrators, who also examine class registers regularly. The registers also include a record of all contact with individual students. Staff at the college say that these procedures have had a significant impact in improving attendance and therefore reducing withdrawal. The retention rate at the college has increased from 77 per cent in 1997-98 to 81 per cent in 1999-2000.

Example 5: Incentives to encourage good attendance

At Derby Wilmorton College (a general further education college) students with good attendance can earn free vouchers for pay-as-you-go 'phones. Rotherham College of Arts and Technology offers a cash-back scheme for part-time students, and full fee remission for students who attend at least 85 per cent of a part-time basic skills or Level 1 qualification. The colleges consider that these incentives are proving successful in improving retention rates in courses which have traditionally had high non-completion rates.

⁴¹ *Raising Retention Through Register Systems - An Evaluation, 2000*

⁴² *National Audit Office survey of colleges*

Identifying and helping students who are not motivated or who are disaffected

- 4.11 As paragraph 2.13 indicates, we found that some students are not motivated and drift into further education. On the basis of a survey of 6,500 students from 26 colleges during the first few weeks of their studies, the Responsive College Unit⁴³ found that many students who later left college could predict their own non-completion. This suggests that tutors need to enter into early discussions with dissatisfied students, and that colleges should consider the merits of carrying out surveys of students' attitudes early in their college careers to help those most at risk of not completing their courses.
- 4.12 Colleges are seeking to increase motivation through a variety of strategies. These include ceremonies and prize giving but also peer support such as mentoring schemes. Mentoring or "buddy" schemes have been introduced in 35 per cent of colleges⁴⁴, mostly for particular types of students only. These schemes have proved less of a stigma and less disruptive than having additional adult helpers in the class providing support (Example 6).
- 4.13 Some students' motivation levels may drop around holiday periods. Colleges told us that there are peaks in withdrawals after holidays or half terms and before exams. Most colleges provide mail shots, workshops or other activities to help students to feel part of college during holiday breaks.

Example 6: Mentoring support for students at risk of leaving their courses

Wyggeston and Queen Elizabeth I College (a sixth form college), which received a Grade 1 for "support for students" in its last Funding Council inspection, introduced in 1999-2000 a buddy system for 10 dyslexic students and four other students with special learning difficulties or disabilities. Sixteen second-year A-level students, most of whom were studying English language and/or psychology, completed a key skills course to enable them to assist these students (for example through note-taking). Students undertaking the role of "buddy" gain a key skills qualification and are paid by the college.

Student representatives reported to the governors that they welcomed the scheme which they felt proved less of a stigma and less disruptive than having adult helpers in classes. As a result, the college governors approved extension of the scheme to other students at increased risk of non-completion and non-achievement (those whose school reference suggests that there may be a special need or problem, and those that join from a school from which the college admits few students). To support these students, buddies are assigned to tutor groups to help with student bonding.

- 4.14 Motivational issues are difficult to tackle directly, but one of the colleges that we visited has developed a particularly innovative technique to help improve retention and achievement for its most disaffected students (Example 7).

Providing additional learning support to students at risk of non-achievement

- 4.15 Additional learning support can take many forms, such as additional tutorials or an extra helper in the classroom. Some colleges told us that wherever possible they prefer to provide basic skills "on-course" - that is, within the regular teaching environment - rather than as a separate curriculum item. This helps students to avoid much of the stigma associated with a lack of basic skills, which contributes to a low level of take-up of additional learning support in some colleges. It also may allow teaching staff to impart the skills in a more subtle and effective way.

Example 7: Motivational interviewing

Following improvements to its tutorial system and other student support arrangements, Knowsley Community College identified that it was still not meeting the individual support needs of some students, particularly those who were most disaffected. The college identified a technique, known as "motivational interviewing", which counsellors were using successfully to motivate people with addictions to free themselves from those addictions. The college realised that the technique could be adapted for use with their most disaffected students.

Personal tutors at the college identified students who they considered to be disaffected - that is, those who display behaviour that is likely to lead to failure to meet their learning objectives and/or early withdrawal from their programmes of study. In order to assess the effectiveness of the technique, trained staff gave two motivational interviews to some of those students, while a control group of disaffected students were not interviewed. The interviews, which are focused around drawing the student into making self-motivational statements, were directed at enabling students to:

- identify that their behaviour was a problem and to declare a concern about it;
- become motivated to change this behaviour and develop a commitment to do so;
- identify the support needed to enable them to change; and
- increase their self-efficacy.

It is too early to evaluate fully this technique. However, the college found that motivational interviews made a significant difference to the level of motivation of the disaffected students when compared to those in the control group. It has since expanded the use of motivational interviewing by providing all personal tutors with an awareness and understanding of the technique, and is disseminating information about the technique to other colleges.

⁴³ National Retention Survey Report, 1999

⁴⁴ National Audit Office survey of colleges

- 4.16 Ensuring that as many students as possible access the learning support they require is key to reducing levels of non-completion and non-achievement. The Basic Skills Agency has found that students who have basic skills needs but who do not access additional or basic skills support have relatively high rates of non-completion and non-achievement.⁴⁵
- 4.17 Screening for students' literacy, numeracy and information technology skills, usually as part of enrolment or induction, can provide colleges with useful information about individual students' learning support needs. Nearly all general further education colleges and specialist colleges undertake literacy tests and numeracy tests⁴⁶. Less than half of all sixth form colleges carry out tests because the majority of full-time students at sixth form colleges have already gained a range of GCSEs. Fewer colleges test for information technology skills.
- 4.18 One college is introducing a system for re-testing students' key skills during the course to ensure that students who are progressing slowly get the right additional support (**Example 8**).

Example 8: Re-testing of key skills

Hertford Regional College (a general further education college) had, until July 2000, used a paper-based test for the initial assessment of key skills. This was considered to be an inadequate, lengthy and labour intensive system. From September 2000, the college has introduced computer-based diagnostic testing of key skills for all full-time students. Tutors are able to obtain students' results before they arrive for their induction programme, and arrange additional learning support from the start of the course. The college also plans to re-test students' key skills so that, for example, a student who demonstrates broadly acceptable key skills at induction but fails to progress sufficiently, may receive additional support from part-way through the course. The college expects re-testing to identify students who might otherwise not have had the opportunity for additional support.

Example 9: Targeted learning support

Wyggeston and Queen Elizabeth I College offers a number of learning support options for students who are not following a "traditional" combination of A-level subjects. These include an extra "maths for physics" element for physics students who are not studying A-level maths, support courses in statistics for social science students, "chemistry for non-chemists" (mostly aimed at biology students), a numeracy workshop and a course in quantitative methods for economics and business studies. The college also runs voluntary subject-specific tutorial classes (e.g. map reading for A-level geography students who do not have geography GCSE). The college's achievement rates for A-level courses in physics, biology, economics and business studies are all at or above the Funding Council benchmarks for those courses, and its overall achievement rate is above the sector median.

- 4.19 Another good practice followed by some of the colleges is the provision of additional classes or options to support students who are studying a non-traditional combination of subjects or who are struggling with the more technical elements of some courses (**Example 9**).
- 4.20 Our survey results showed that colleges' data on ethnicity are largely unhelpful as a tool for identifying students who might be at risk of non-completion, for example because they do not have the necessary language skills. Ethnicity was not recorded for over 10 per cent of students in 1997-98 - many students do not specify their ethnicity either because they do not understand the classification system or because they do not wish to disclose it. Whether English is the first language might be a better indicator, but only 40 per cent of colleges collect data on first language.

Helping students in need of financial or other support

- 4.21 All colleges recognise the need to provide a range of financial and other support to help students to complete their courses⁴⁷. These include welfare and personal support services and commonly encompass health care support and counselling, including links with external organisations. In particular, nearly all colleges employ a member or members of staff with training or a relevant professional qualification in handling students' personal and welfare issues. Colleges often also help students with the direct costs of study and with travel and child-care costs, and offer students financial advice.
- 4.22 Government initiatives are helping to address the need for student support, through Student Access Funds of £152 million between 1998-99 and 2000-01. The funds are payable to colleges to support students whose financial situation would otherwise prevent them from participating or achieving any qualification aims (Figure 3, page 9). In addition, as part of the piloting of Education Maintenance Allowances (Figure 3, page 9), the Government is trialling free or discounted transport to and from college for some students assessed as in need in the pilot areas. An extension to the pilot is evaluating the effect of providing child-care for teenage parents who are eligible for the allowance. The allowance may be extended if evaluation shows that it encourages young people to stay in learning. Issues such as transport and child-care can be important at a local level - for example at some colleges demand for crèche facilities always exceeds supply.

45 Basic Skills Agency: *Staying the course: the relationship between basic skills support, drop-out, retention and management - further education colleges, 1997*

46 National Audit Office survey of colleges

47 National Audit Office survey of colleges

4.23 Colleges recognise that students with child-care problems are amongst the highest at risk of non-completion. However, the Funding Council's inspectors found that users of the crèche are often the most committed to achieving their qualifications. Support offered by colleges may either be financial support towards child-care or through direct provision of crèche facilities, sometimes targeted at groups of students identified as being at greater risk of non-completion (for example teenage parents). The Department has significantly increased the resources for child-care with a separate fund in 2000-01 of £25 million available alongside college Access Funds (of which about a quarter have traditionally been spent on child-care).

Identifying and supporting students who are combining studies with employment

4.24 Part-time employment and other outside commitments or personal problems may combine with other factors to prompt students to leave (paragraphs 2.16-2.19). In order to provide appropriate support, colleges need to be aware of the extent to which students are combining studies with employment, and particularly the extent to which they are working excessive hours. We found, however, that only 23 per cent of colleges attempt to monitor the extent to which students studying full-time also have a job⁴⁸. Of those, 85 per cent estimate that half or more of their students have part-time jobs. Several colleges that we visited do, though, attempt to provide their students with an awareness of the potential impact of employment by giving them advice on the effects of longer working hours on achievement rates, based either on national studies or on their own local research. Colleges need to be sufficiently flexible

to take account of part-time work. On many courses, building students' part-time work experience into the course can be a valuable approach.

Helping students to study effectively

4.25 For many students, planning and managing their own work may be difficult, either because they are finding their feet outside the structured environment of school or because they are adults returning to study after several years' break. All colleges provide help for students to plan for and cope with assignments, revision and examinations by providing guidance on portfolio and time management skills⁴⁹. These are most commonly provided through tutorials and during classes although around half of colleges also provide seminars or workshops and/or provide fact sheets listing key tips. Rother Valley College provides evening and weekend seminars to meet the needs of its (mainly adult) students. Wyggeston and Queen Elizabeth I College, which is a sixth form college, told us that it runs such seminars in all subjects throughout the week, including on Wednesday afternoons which are otherwise left free for sports activities. Other good practices include:

- managing the return to college of students who have been absent and have fallen behind with their assignments, for example because of ill health; and
- providing help to students who have weak study techniques. This might cover, for example, how to read and take notes effectively, and how to set out written work coherently.



⁴⁸ National Audit Office survey of colleges

⁴⁹ National Audit Office survey of colleges

Part 5

Improving teaching quality and learning methods

- 5.1 This part of our report considers the importance of good quality teaching and national initiatives to improve it. We explain the role of the Funding Council's inspectorate and college initiatives to raise the quality of teaching and learning.

The importance of good quality teaching

- 5.2 Good teaching and appropriate learning methods make a key contribution to students' achievements, and our qualitative research confirms that students see issues associated with the quality of teaching, and the quality of feedback, as particularly important. Our statistical analysis of student data also shows that the quality of teaching has a major effect on retention and achievement.
- 5.3 Quality of teaching, together with class size and the degree of attention that teachers can give to individual students, is important for all courses, and particularly for students on vocational courses where practical assistance may be required. FEDA found⁵⁰ that reduced class contact time increases the pressures on both students and teachers - they have little time to make lessons more interesting and it creates difficulties for students with a short attention span.
- 5.4 FEDA⁵¹ also identified teaching strategies used by colleges to raise achievement. These included:
- structured teaching involving clear learning objectives for the programme as a whole and for each individual session, a clear and logical sequence of learning activities and assignments, and the redesign of assignments to clarify their purpose and align these with learning objectives;
 - student-centred assessment which includes structured feedback, instruction for improvement, a focus on the individual learner, self and peer-assessment and value added methods (paragraph 6.5 below); and

- adopting a more flexible approach taking account of individuals' needs and skills. This might include, for example, individual learning programmes, periodic individual review and action planning, flexibility in tasks or assignments and choice of modules, all supported by initial tests and remedial instruction.

National initiatives to improve the quality of teaching and learning

- 5.5 The Standards Fund (Figure 3, page 9), which is administered by the Funding Council's Quality Improvement Unit, has six strands. One of the strands provides targeted funding for colleges to tackle matters of continuing concern in the quality of teaching and learning. Further details about initiatives under the Standards Fund are given in Appendix 1. These include:
- support for part-time teachers;
 - support for the introduction in August 2000 of Curriculum 2000⁵²;
 - contributions towards the cost of two new teaching posts for each college for two years, where a college can demonstrate the likely benefits to teaching and learning;
 - support for staff retraining (for example, to help a teacher in a vocational area become better able to teach elements of key skills); and
 - contributions to the costs of short-term secondments to industry or commerce for full-time teachers in vocational areas who lack recent and relevant industrial or commercial experience.
- 5.6 The Learning and Skills Development Agency/FEDA and the Association of Colleges have jointly planned a three year programme of action, starting in 1999-2000, to improve the level of student achievement and the quality of provision in colleges, working closely with the Quality Improvement Unit (which distributes Standards

⁵⁰ 9,000 Voices: student persistence and drop-out in further education, 1998

⁵¹ Raising achievement: A guide to successful strategies, 2000

⁵² Includes the introduction of new qualifications at A-level

Fund money). The range of activities includes offering regional support and training to specific curriculum areas. This provides advice, models and materials to help team leaders and teachers to raise their students' achievements. Also, a Quality Improvement Team will provide expertise to work alongside college staff to take effective action, to support improvement or to engage colleges in twinning with leading edge partners. Over 250 colleges are funded by the programme to undertake action research projects, which are aimed at developing knowledge and appropriate strategies for raising retention and achievement in different settings.

- 5.7 To help maintain and improve teaching quality, the Further Education National Training Organisation published draft standards for teaching and learning support in further education in England and Wales in January 1999. In addition, reviews of colleges' systems for monitoring the quality of their teaching have become an increasingly significant element in the Funding Council's inspection programmes. Colleges are required to evaluate their own performance each year and produce a self-assessment report, and as part of a funding college inspection the inspectorate seek to validate the data and judgements provided by a college.

The role of the Funding Council's inspectorate

- 5.8 One of the terms of reference for the Funding Council's inspectorate is to identify and make widely known good practice and promising developments in further education and draw attention to weaknesses that require attention. To do this and to assess standards and trends across the further education sector, the inspectorate visits and reports on each college over a four-year cycle.
- 5.9 In 1998-99 inspections were carried out in 112 further education colleges. Each inspection involves assessing five cross-college aspects of provision (support for students, general resources, quality assurance, governance and management) and usually five to eight curriculum areas. Inspectors observed over 9,500 lessons involving around 98,350 students. The inspectors award a grade for each aspect of provision they inspect (the descriptors for the different grades are set out in Appendix 3). The inspection cycle for a college is set out in [Figure 12](#).
- 5.10 In October 2000 the Chief Inspector reported⁵³ that over 90 per cent of teaching observed by inspectors was at least satisfactory, including 50 per cent (compared to 65 per cent in 1998-99) which was good or outstanding. As in 1998-99, inspectors found that, in general, staff on part-time contracts (who may account for a significant proportion of total teaching time) need more help to

bring their work up to the standard achieved by their full-time colleagues. Every opportunity needs to be taken to build on good practice by, for example, adopting mentoring arrangements for new teachers and including part-time teachers in regular programmes of lesson observation. Findings from inspections consistently highlight the need for improved teaching of key skills, less reliance on making students copy notes, more effective theory lessons in some subjects and the need to provide for students of different abilities and levels within the same group.

- 5.11 Following an inspection a college is required to produce an action plan and since April 1999 funding (from the Standards Fund) has been made available to each college to support its plan. If any aspect of provision at a college is graded less than satisfactory, the Funding Council requires the inspectorate to reinspect that provision 12 months later, and this would continue until a grade of at least "satisfactory" is achieved. The Funding Council publishes a combined report on all reinspections, including the grades awarded, each year. Individual college reinspection reports are published on the Funding Council's website.

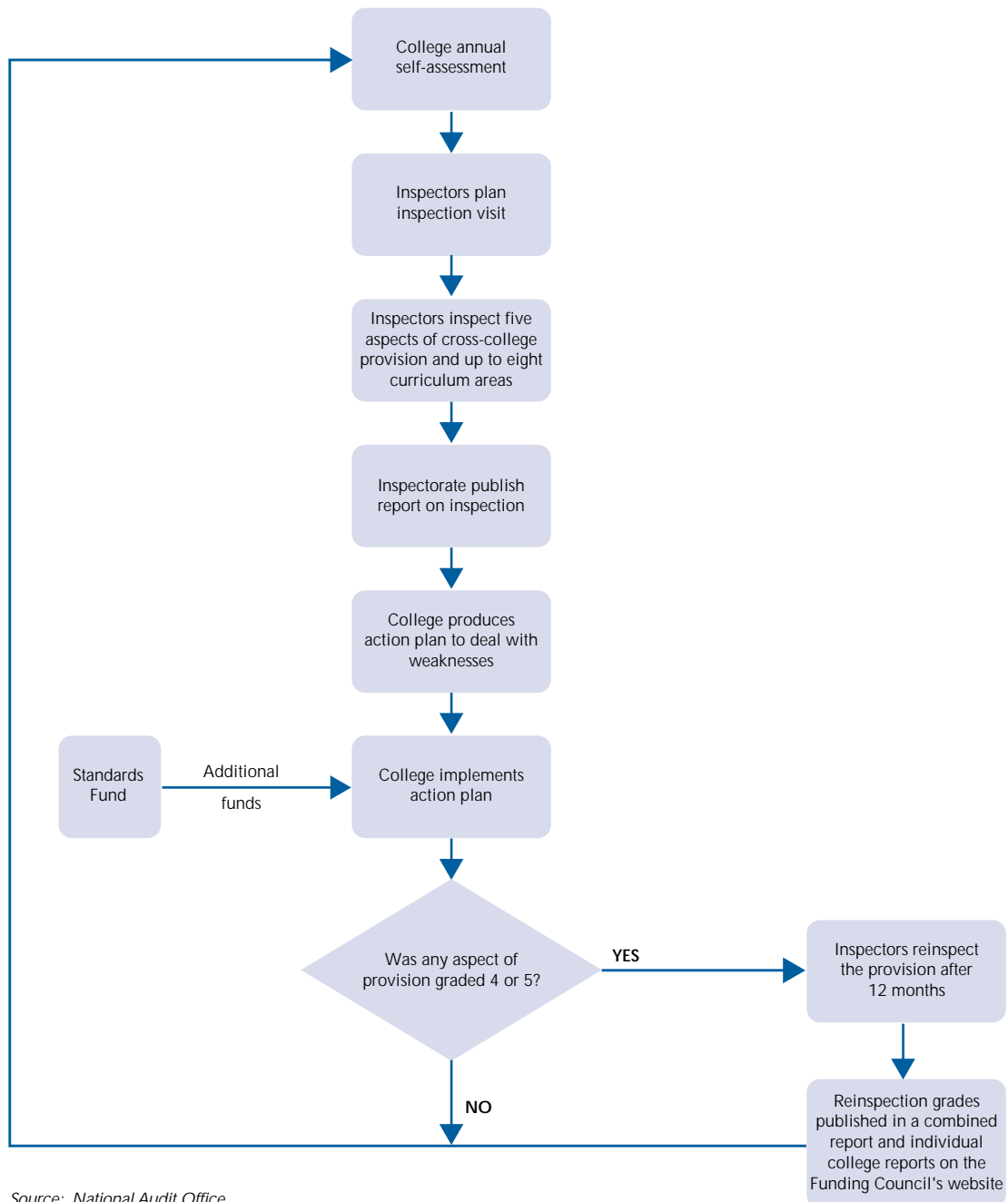
College level initiatives to raise the quality of teaching and learning

- 5.12 All of the colleges that we visited use teaching observation or peer review as a way of ensuring that good standards are met throughout the college (**Example 10** and **Example 11**). One has also adopted a strong exam focus to the teaching methods used for some of its classes, which has contributed to an improvement in achievement rates (**Example 12**).
- 5.13 To improve retention and achievement some colleges have introduced greater modularisation (redesigning learning into fairly short modules) and unitisation (moving from tests at the end of a course to cumulative assessment). These provide for more focused and shorter learning opportunities and more flexibility in coping with different study options and learning patterns (such

Example 10: Improving teaching quality through internal inspection

At Knowsley Community College senior managers carry out regular in-depth reviews of all areas of curriculum delivery. After each review, the managers award grades based on those used by the Funding Council's inspectorate. The section head is then required to produce a clear action plan which is followed up to ensure implementation. The reviews have led to a number of quality improvements such as tailoring learning programmes more to individual student needs and the establishment of a new section to co-ordinate basic skills provision across the college.

12 Inspection cycle for a further education college



Source: National Audit Office

Example 11: Increasing the standard of teaching and learning through improved quality assurance systems

Quality assurance procedures at Wyggeston and Queen Elizabeth I College focus on raising levels of students' achievement and increasing the standard of teaching and learning. The latest Funding Council inspection found that the college's quality assurance policy contained a clear set of aims which included self-assessment and the inspectors concluded that this had led to significant improvements in students' achievements over the previous three years. Between 1995-96 and 1998-99 the overall A-level pass rate had risen by 13 percentage points and the number of A-C grades achieved by students had improved by 15 percentage points.

Example 12: Setting exam-focused assignments

At Wyggeston and Queen Elizabeth I College each of the assignments set for the Sociology A-level course is a previous exam question and course teachers mark all the submissions to exam standard. In this way students can see their progression over the duration of the course and are much more prepared for the final exams at the end of the course. To ensure that students are not too disheartened at poor results initially the teacher provides a plan for the first few assignments to provide students with a framework for their submissions. Since introducing this approach the achievement rate for the course has risen from 77 per cent in 1997 (below the Funding Council benchmark) to 100 per cent in 1999.



as part-time courses), together with an assessment pattern that is more suited to the learning styles and strategies of many students.

- 5.14 Prompt and regular feedback on performance is essential to student satisfaction, motivation and progress. Our survey showed that most colleges (92 per cent) have a member of staff who monitors each student's progress and assignment marks across all the courses that the student is following. For those in receipt of additional learning support, an additional learning support tutor usually monitors their progress. Other staff who may fulfil this role include the personal tutor, course tutor or the student support service.
- 5.15 Timetable arrangements can affect how students feel about their courses and influence decisions on whether to leave. Students who are required to attend for a lesson or tutorial in the middle of an otherwise free day may be discouraged from attending if they have to travel some distance or if they have a part-time job. It is especially an issue for older students, many of whom are juggling college and other (work or family) commitments. Some colleges believe they have increased attendance, and thus reduced the risk of students not completing their courses, by concentrating timetabled hours in order to avoid students making unnecessary journeys to college, prevent students from wasting time between sessions and to accommodate part-time work, caring or other student commitments. Several of the colleges that we visited had made such changes on at least some courses.

Part 6

How colleges assess their performance in improving student retention and achievement

6.1 In this part of our report we examine how colleges assess how successful they are at helping students to complete the courses that they enrol for, and to achieve their qualification aims. Colleges use a number of techniques to help them to achieve this:

- monitoring retention and achievement;
- assessing performance through measures of "value added" or "distance travelled";
- performance measurement and benchmarking of retention and achievement;
- monitoring the destinations of students; and
- surveying students to determine their level of satisfaction with the college.

6.2 We found that the ability of colleges and other organisations to assess the extent of progress in improving student retention and achievement is hampered by the quality of data.

Example 13: Involvement of governors in improving attendance, retention and achievement

Tile Hill College of Further Education has established a Quality and Performance Committee of the full governing body to examine, among other things, student performance issues. Retention and attendance are standing agenda items at the Committee's meetings, which are held every three months. Two Heads of School are invited to each meeting on a rolling basis to present information on the reasons for high levels of non-completion or poor attendance on some courses, and why other courses have good retention and attendance. As a result of these reviews, course design and student support has been improved on some courses, for example by introducing stricter entry requirements, closer monitoring of attendance and student performance, and improvement of induction. The Assistant Principal (Quality and Academic Affairs) monitors actions agreed at the meetings to address instances of poor retention and attendance and the Committee regularly requests updates on issues of concern. The full Corporation also considers papers on student achievement, retention and attendance.

Monitoring retention and achievement

6.3 Good systems for achievement monitoring are necessary to ensure that colleges are aware of trends in student performance. Some 85 per cent of colleges' quality standards include the monitoring of retention and achievement rates⁵⁴. Three quarters of colleges use software for monitoring or analysing retention and achievement⁵⁵. Research by FEDA suggests that colleges have made greater progress in monitoring and addressing retention; this may be because it is easier to identify the reasons for non-completion. In addition, some colleges are still experiencing difficulties in obtaining data from some of the 480 awarding bodies with which they deal.

6.4 Good practice in monitoring achievement includes identifying the best performing courses and the reasons for success so that good practices can be shared, and identifying poor performing courses so that they can be closely monitored and action taken (Example 13).

Measuring "value added" or "distance travelled"

6.5 Value added systems compare input measures of student attainment at the commencement of programmes (such as GCSEs) with output measures at the end (such as A-levels), that is the educational "distance travelled" by students from the time they enter college to when they leave. At several of the colleges that we visited, value added systems are used to assess the progress of individual students and the performance of the college. To date these methods have worked best in comparing A-level outputs and GCSE inputs, where a student's performance at GCSE is a good predictor of their subsequent performance at A-level. There are two information technology-based approaches in common use at colleges - ALIS (A-Level Information System) and ALPS (A-Level Performance System) (Figure 13).

⁵⁴ National Audit Office survey of colleges

⁵⁵ National Audit Office survey of colleges

13 Value added systems

There are two value added applications in the A-level curriculum:

ALIS (A-Level Information System): Based at the University of Durham, this receives data from several hundred colleges and schools and compares A-level grades with average GCSE grades, which are subsequently weighted for different subjects. The advantages of ALIS are that it is based on a large sample, on work that has been taking place over a number of years and it addresses directly the issue of subject difficulty.

ALPS (A-Level Performance System): Developed by Greenhead College, ALPS is based on an analysis of a college's own data to establish a baseline position and then, by a process of incremental improvements, to improve on the baseline position. To derive useable statistics from a much smaller data set, ALPS treats A-levels as being of equal difficulty and usually calculates average GCSE scores more simply than the calculation that underpins ALIS. The advantages of ALPS are that a college remains in control of its own data and there is no subscription fee, as there is with ALIS. A disadvantage is that it deals with fewer variables.

Source: FEDA

6.6 Work by FEDA⁵⁶ has found that both systems have been key elements in raising A-level achievement in a number of colleges. Use of value added analysis in A-levels - at least for full-time 16- to 19-year-old students - is becoming the norm in colleges and can be used in two distinct ways, to:

- monitor the progress of individual students: value added can be used to establish target grades (minimum acceptable grades or target minimum grades) from prior qualifications and to support the review of student progress against those targets. Progress against target forms the basis of regular discussions between students and their tutors and can be an important factor in maintaining and improving students' motivation. Such analysis also helps to identify students at risk of under-performing in a specific subject or across all their subject choices. The Learning and Skills Development Agency published guidance on setting targets for students in January 2001⁵⁷; and
- assess the performance of the college: by allowing a comparison of grades achieved with those predicted, college managers can compare performance between courses, faculties and departments and measure the college's effectiveness. Value added analysis also helps to identify particular strengths and weaknesses either in subjects generally or in teaching or curriculum design within a particular subject.

6.7 Since 1994, the Department has published annually tables and charts showing the national relationship between students' aggregated performance at GCSE/GNVQ and their performance at A/AS level. The Statistical Bulletin issued in March 2000 also covered associations between GCSE/GNVQ performance and individual subject outcomes at A/AS level as a basis for schools and colleges to benchmark their departments'

previous performance and set A/AS targets for each of their students. The Department issued advice on how to set targets in June 1995⁵⁸.

- 6.8 The Secretary of State for Education and Employment is committed to the publication in performance tables of measures of value added by schools and colleges, based on the progress made by individual students from one stage of their education to another. In November 2000 the Department published the results of a pilot study designed to look at how value added might be measured and presented in the post-16 performance tables. The pilot study involved a broadly representative national sample of 155 volunteer schools and colleges. The Department is currently considering how best to take forward this work in the light of curriculum changes.
- 6.9 Value added is much more complex to apply for vocational qualifications and especially for students who have followed a less traditional route into further education. The Department is currently developing a model for value added for GNVQs, and the Learning and Skills Development Agency plans to publish guidance on value added in vocational qualifications in Summer 2001. One general further education college that we visited has developed value added measures for vocational and access curricula (**Example 14**).

Example 14: Value added system for vocational and access courses

Knowsley Community College has used the ALIS value added system for its A-level students for some years. Following a pilot exercise it has recently also developed value added measures for vocational and access curricula. Under this process, the college uses a range of initial information to predict a student's likely level of achievement within a course. This information includes prior achievements (including date of achievement), early diagnostic assessments, early course feedback and an interview assessment. Based on this initial information, students are placed in bands (the bands are not used as streams but are for the information of tutors and lecturers). College staff monitor student progress regularly against the predicted level of achievement, and initiate support measures for those who fall below expectations. Recognition and encouragement is provided to students who achieve regularly above the level expected for the band in which they are initially placed.

The college takes account of value added performance as well as actual outcomes in undertaking internal reviews of individual courses and as part of its evaluation processes. To facilitate this it has developed a value added quality framework against which to assess its own performance and that of other colleges.

It is too early to evaluate the impact of the value added system for vocational and access courses on retention and achievement rates, but lecturers and tutors at the college believe that the effect is beneficial and initial feedback from students has also been positive. The Funding Council has recognised the value of this model and allocated money from the Standards Fund to enable the college to disseminate information on this approach to other colleges.

⁵⁶ *Raising achievement: a guide to successful strategies, 2000*

⁵⁷ *Great expectations: Setting targets for students, January 2001*

⁵⁸ *GCSE to GCE A/AS Value Added - Briefing for Schools and Colleges, June 1995*

6.10 Another sixth form college that we visited had developed its own value added system, which it applies to both A-level and GNVQ students. This approach focuses attention on both retention and achievement at the level of the individual student, the class group and the college as a whole (**Example 15**).

Example 15: Minimum Acceptable Grade system for A-levels and Advanced GNVQs

Winstanley College (a sixth form college) has since Autumn 1998 issued all A-level and Advanced GNVQ students with "Minimum Acceptable Grades" (MAGs) from the outset of their programme. MAGs are based upon prior academic attainment. The college calculates a student's average GCSE score, and sets the MAG broadly at the national lower quartile performance for sixth form college students who have that GCSE score. Those students who begin to under-achieve with respect to their MAG develop action plans with their tutors. Those who begin to exceed their MAG are encouraged to adopt a more challenging target, such as the predicted grades for their university application.

The aim is to focus all teaching and learning, curriculum development, pastoral support and management systems on this single, easily understood measure. Because the approach can be applied to students of all levels of ability it is also seen to support an inclusive learning approach. While intended as a measure of achievement or value added, the system also takes account of student retention. A key performance indicator for teachers and tutors is the extent to which every student on their register on 1 November completes the course *and* achieves a grade no worse than the minimum acceptable.

It is too early to evaluate the success of the MAG system based upon college-wide trends in A-level and Advanced GNVQ achievement. However, Funding Council inspectors who visited in December 1999 awarded the college top grades for all curriculum areas inspected, student support, management and quality assurance. The college has also been awarded Standards Fund monies to promote the MAG system to other colleges.

Performance measurement and benchmarking

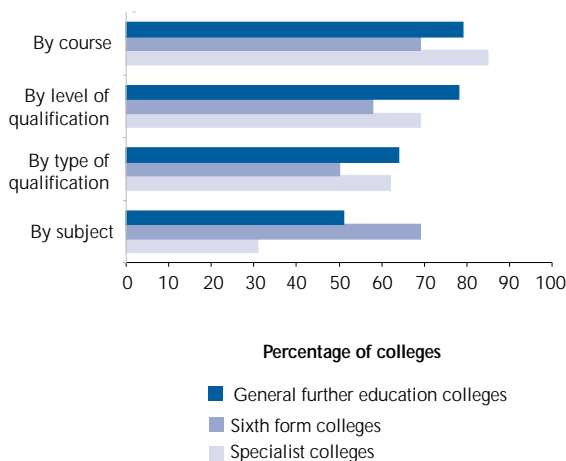
6.11 The Funding Council believes that the process of setting and delivering annual targets for student retention and achievement should be central to each college's strategy for raising standards. Since May 1999 the Funding Council has requested colleges to send them their annual targets for retention and achievement for each qualification level, separately for 16- to 18-year-olds and for over 19-year-olds. The Funding Council has compared actual improvement with targeted levels of improvement from 1997-98 to 1998-99. This analysis showed that setting challenging yet realistic targets is a skill which is not yet fully developed in the sector. While the majority of colleges have improved their achievement rates, many have not done so to a level which meets their targets.

6.12 Our survey showed that, by July 2000, 90 per cent of colleges had set retention and achievement targets for the year ending 31 July 2001. They communicate college level targets to course leaders and tutors to ensure that staff are aware of the college's objectives. All colleges also set retention and achievement targets at course, faculty and/or subject area level. It is, however, less common for colleges to set targets for specific groups of students, even though this could help to focus on the risks associated with particular groups.

6.13 Nearly all colleges compare their retention and achievement rates with benchmarking data, based on national averages published by the Funding Council⁵⁹. They commonly compare their data for individual programmes, courses and qualifications with benchmarks, and use the results of these comparisons to challenge their departments or "schools" about their results and retention levels. Where colleges undertake external benchmarking they compare data at a number of different levels including by course and by type and level of qualification (**Figure 14**). Forty-two per cent also make comparisons with the rates of other local or similar colleges. Most comparisons undertaken by the colleges we visited were with other local colleges, although one used value added data to compare its performance on a national basis (**Example 16**).

14 Level of detail of benchmarking by colleges

This figure shows that most colleges use benchmarking at course and qualification level.



Source: National Audit Office

Example 16: Benchmarking using value added data

Wyggeston and Queen Elizabeth I College, which uses its own system for determining value added - called the Minimum Expected Grade system - compares its performance in individual subjects with that for the top 10 performing colleges by subscribing to ALPS. The college shares the results of both analyses with departments in order that action can be taken to help improve weaker-performing courses.

- 6.14 Our survey indicated that two-thirds of colleges also undertake internal benchmarking of retention and achievement rates. Only four per cent of colleges, all of them general further education colleges, do not compare their retention and achievement rates with any other data.
- 6.15 The Learning and Skills Council should build on this positive picture by developing the expertise from college inspections to identify "families" of colleges to form benchmarking clubs. This type of analysis has been undertaken to some extent - the Learning and Skills Development Agency and the Responsive College Unit are now "analysis partners" of the Funding Council, which allows them to customise benchmarking for colleges - subject to confidentiality controls - and has wider application. An illustration of the Responsive College Unit's work in this area is shown in **Example 17**. In particular, benchmarking may provide some impetus to middle-ranking colleges that have not improved their inspection grade over the past four years. To date much of the improvement in student achievement rates has occurred in the poorest-performing colleges (paragraph 2.22), and if further improvements are to be made then this will also require middle-ranking colleges to do likewise.

Example 17: Benchmarking group

As part of its preparation for inspection, Newham College of Further Education commissioned the Responsive College Unit to investigate the patterns of retention and achievement among colleges with high and very high levels of deprivation. The research found clear links between retention levels and the degree of deprivation in college recruitment areas. It also found that only a few Greater London colleges had student bodies that could be considered genuinely comparable to Newham. As a result, the college and six other colleges serving areas of high levels of deprivation and large ethnic minority communities have formed a benchmarking group to exchange detailed evidence on retention and achievement.

Source: Responsive College Unit

Monitoring the destinations of students

- 6.16 Good evidence of the destinations of former students is an important means of demonstrating to current students the benefits to be gained from continuing with their studies. Colleges have made some efforts at recording destinations, though most do so for only a short time - up to three months - after students have completed their course. The Funding Council commissioned from the Responsive College Unit a good practice guide⁶⁰ on collecting data which they have circulated to all colleges. Colleges do, however, have difficulty obtaining destination data from students. Research by the Responsive College Unit concluded that destinations were unknown for around a third of full-time course completers and around half of part-time course completers. However, in the Funding Council's database of student records destinations are unknown for most students.
- 6.17 According to our survey, information on the initial destinations of past students is incorporated in some way into promotional material at 75 per cent of colleges, where it is useful in highlighting possible career options for prospective students. Two-thirds of colleges also use information on destinations for monitoring the quality of course provision, but only a quarter use the data for planning future provision.

Surveying students

- 6.18 Almost all colleges undertake regular surveys of students to seek their views on the content and quality of a particular course⁶¹. Just over half do this once a year for each course, while the remainder conduct surveys more often. In addition, all colleges survey students to seek their views on the college in general - 44 per cent do so once a year. It is important that colleges follow up the causes for concern and provide feedback to students on the measures they are taking to address them. Many colleges also seek to obtain employer perceptions of college provision and changing labour market needs.
- 6.19 In addition to student surveys, 90 per cent of colleges keep a record of student complaints⁶². Students raised a wide range of issues during 1998-99. Teaching and staff attitude were amongst the most common. Two of the colleges that we visited run regular student forums which are attended by a member of the college's management team and/or a representative from student services. Students are able to raise any issues of concern, to which the college's managers respond.

⁶⁰ 20 Steps to Efficient and Effective Destinations Monitoring, 1999

⁶¹ National Audit Office survey of colleges

⁶² National Audit Office survey of colleges

Quality of data on student retention and achievement

6.20 Measuring student retention and achievement within the broad umbrella of further education is extremely complex. The sector includes such a wide range of students undertaking a huge number of qualifications awarded by a large number of awarding bodies. This has led to some difficulties with both the timeliness of data and the definitions used to measure retention and achievement. These problems also relate to the absence of a unique student reference number which would help to track individual students (for example those who leave a course at one college only to resume their studies at another). These difficulties reduce the usefulness of data in general terms and specifically for colleges seeking to compare their performance with that of other colleges (Figure 15 and Appendix 4).

15 Considerations to be borne in mind when interpreting Individualised Student Record data

- Retention rates measured in the performance indicators may be overstated because they do not include all students, for example those who start in September and leave before 1 November. However, students who are only studying on short courses (less than 12 weeks in duration) are excluded from the calculation of the retention rates in the performance indicators. The retention rates for such short courses are higher than for other courses.
- Achievements for all qualifications are treated as being equally significant. There is no distinction between primary learning goals and any additional courses that students follow.
- There is a long delay before data on retention and achievement are published. Performance indicators and benchmarking data are not published until 14 months after the end of the period to which they relate. This is largely because of audit requirements.
- The percentage of starters who achieve their qualification aim is not published for individual colleges. This means that there is no overall measure of student success.
- There is no measure of "value added", i.e. how well students in a college are performing given their qualifications on entry. Measures of value added have been developed for students studying for A-levels, but there are no universally agreed measures for vocational qualifications. However, the Funding Council is supportive of value added developments.
- Information on ethnicity and disability is of limited use because some students are reluctant to disclose it and because colleges do not always make sufficient effort to establish it.

Source: National Audit Office

Glossary

Additional learning support	Any activity that provides direct support for learning to individual students, over and above that which is normally provided in a standard learning programme.
Average Level of Funding (ALF)	A college's funding allocation divided by its total number of funded units, giving the rate at which a college is funded per unit. Historically colleges had different ALFs, but the current funding arrangements will result in all colleges receiving the same average level of funding.
Designated and Specialist Designated College	Prior to incorporation, most colleges now in the sector were owned, administered and funded by the local authority. Thirty-three designated colleges, however, were owned by a church group or voluntary organisation. Nineteen of these are sixth form colleges, mainly Catholic. There are five specialist designated colleges (excluding the six long-term residential colleges) mainly providing adult education.
Fee remission	Students who are aged 19 years or more are generally required to pay fees. However, some of these students, for example pensioners and people on state benefits, may not be required to pay fees - the college remits the fee. The Funding Council compensates institutions which remit 100 per cent of the fee for certain groups of people on low incomes and their unwaged dependants, and students taking a programme of adult basic education or English for Speakers of Other Languages.
Full-time equivalent students	A measure of student numbers in which part-time students are counted as fractions of a full-time student.
Full-time student	For the purposes of this report, a student attending for 450 guided learning hours or more in an academic year.
General National Vocational Qualifications (GNVQ)	Vocational qualifications which are college - or school - based and which have a broad vocational emphasis comprising mandatory and optional vocational units and core skills elements (see also National Vocational Qualifications below).
Guided learning hours	The number of hours of specific teaching or supervision received by a student for a particular course. Does not include general supervision or assistance.
Individualised Student Record (ISR)	A statement of information provided by each college to the Funding Council. The ISR provides data on student numbers, qualification aims, retention and achievement. The ISR is a key part of the funding method in that it provides the audit evidence necessary to support funding claims.
Levels for qualifications	<p>Level 1 includes qualifications such as entry level NVQs, foundation GNVQs and other foundation or pre-foundation qualifications.</p> <p>Level 2 includes GCSEs, intermediate GNVQs and precursors, NVQs at this level and other intermediate level qualifications.</p> <p>Level 3 includes A and AS levels, advanced GNVQs and precursors, NVQs at this level and other advanced level qualifications.</p> <p>Levels 4, 5, and H includes HNCs (Higher National Certificates), HNDs (Higher National Diplomas), access to higher education, NVQs at this level and other higher level professional qualifications.</p>

National Learning Targets	The first set of National Targets for Education and Training were launched, with Government support, by the Confederation of British Industry in 1991. The Government launched a new set of National Learning Targets in 1998. They provide a focus for the country's efforts to increase our international competitiveness and to raise standards and attainment levels across all parts of education and training to world class levels.
National Vocational Qualifications (NVQ)	Framework of vocational qualifications based on students' ability to demonstrate practical skills gained via experience in the workplace (see also General National Vocational Qualifications above).
Widening Participation	Policy of encouraging into further education those people who have not traditionally taken advantage of learning opportunities.
Widening Participation uplift funding	Mechanism for additional funding introduced by the Funding Council in 1998-99, based on the Department of Environment, Transport and the Regions index of local conditions applied at ward level. Students who are eligible for widening participation units can be identified as those whose postcodes are published on the Funding Council's website (http://www.fefc.ac.uk).

Appendix 1

Initiatives by the Department and the Funding Council to help colleges to improve student retention and achievement

- 1 The Government has made a commitment to continue to work with the Funding Council to ensure that its investment in further education is repaid not just by increased student numbers but also by step changes in the quality of all provision, improved teaching and learning, and through increased proportions of students achieving their qualification aims. Recent Government and Funding Council initiatives to help meet these objectives are considered below.

Research into student retention and achievement

- 2 Since 1996, the Learning and Skills Development Agency (formerly FEDA) has undertaken a programme of research on behalf of the Funding Council. In addition, its "Raising Quality and Achievement" programme is funded by the Department and carried out in partnership with the Association of Colleges. The programme has a budget of £1.75 million in 1999-2000 and of £2.5 million in 2000-01. It aims to:

- develop teachers' and managers' skills and refocus them on improving standards and student achievement;
- build a self-improvement culture and capability by working in partnership with colleges' staff; and
- involve the whole sector, but with a particular focus on under-achieving colleges and departments.

- 3 FEDA's work includes a report on improving retention (1997) and a report on raising achievement (2000). The reports found that successful strategies are very diverse. The 1997 report concluded that student persistence and non-completion are significantly influenced by the experience of study and learning, and that college-level strategies aimed at improving retention can make a substantial difference. On achievement, FEDA concluded that effective strategies tended to be taken forward by teams at course or departmental level. The Learning and Skills Development Agency's current work includes a project on "differential achievement", based on 38 of the 41 colleges which attract the highest amounts of additional funding in respect of students from deprived areas. The aim of the project is to:

- investigate the reasons for the large variations in student retention and achievement within and between institutions and between different groups of students;
- assess the extent to which demographic factors are the main determinants of differences in rates of retention and achievement; and
- identify institutional practices connected with higher and lower levels of retention and achievement so as to inform college-level improvement strategies.

- 4 The Learning and Skills Development Agency published the first part of the report "Differential Achievement: what does the ISR tell us?" in December 2000. The final report will be available in Summer 2001 and will contain guidance to colleges on effective strategies to raise achievement.

Performance indicators for student retention and achievement

- 5 The Department asked the Funding Council in June 1992 to work with colleges to develop performance indicators. The Funding Council has published performance indicators for student retention and achievement for individual colleges for each of the academic years 1994-95 to 1998-99. The indicators are based on Individualised Student Records which form the basis of funding. They show college-level data including overall retention and achievement.

Quality Improvement Strategy

- 6 In June 1998 the Funding Council introduced a Quality Improvement Strategy. The Strategy includes a number of separate initiatives:
 - requiring all colleges to set annual targets for improving retention and achievement from 1998-99, as part of a wider Quality Improvement Strategy;
 - development of annual benchmarking data for retention and achievement, which were first published in August 1998 for 1995-96 and 1996-97 and have since been published annually. Each November the Funding Council provides a report to each college on its benchmarking data. The data

enable colleges to assess their performance against national rates and assist them in drawing up action programmes to improve retention and achievement. The Funding Council also publishes on its website the results by college type, qualification type and programme area, as well as national benchmarking data for individual qualifications. In addition, in July 1999 the Funding Council published "widening participation statistical evidence" for 1996-97 showing aggregated retention and achievement by sex, age group, ethnicity and region. The 1997-98 data were published in January 2000. The Funding Council added widening participation data for 1997-98, 1998-99 and 1999-2000 to its website in February 2001;

- greater emphasis on retention and achievement in the Funding Council's inspection arrangements. The Funding Council has been inspecting all colleges on a four-yearly cycle to assess the quality of their curriculum provision and cross-college functions. The current cycle of inspection reports include the results of inspectors' analysis of retention and achievement rates for a sample of courses compared to the national benchmarking data for those qualifications; and
- establishment of a Quality Improvement Unit to take forward the Standards Fund (see paragraph 8 below).

Access Funds

- 7 Access Funds have been in existence since 1993. Since September 1998, they have been provided by the Department and allocated by the Funding Council to colleges to support students whose financial needs could prevent their participation or achievement in further education. The Department extended the funds from 1999-2000, including an additional element to cover increased child-care support. £152 million will be allocated in total between 1998-99 and 2000-01 as follows:

	1998-1999	1999-2000	2000-2001
Access Fund	£13 million	£37 million	£57 million
Residential*	£0 million	£5 million	£10 million
Child-care**	£0 million	£5 million	£25 million

* There are 50 colleges - mainly Horticultural, Agricultural, Art and Design - which have residential bursaries allowing students to "live-in" whilst completing their courses.

** In addition, the Funding Council made available some funding in 1998-99 and 1999-2000 from its main grant-in-aid to support child-care.

Further Education Standards Fund

- 8 The Secretary of State for Education introduced a Further Education Standards Fund from April 1999 (**Figure 16 overleaf**). The Fund, which is distributed by the Funding Council, is used to provide:
- targeted support for colleges causing concern or judged to be in need of additional support;
 - post-inspection support for all colleges;
 - training for governors, principals and teachers; and
 - the dissemination of good practice.
- 9 In 2000-01 there is a slightly wider range of Government priorities, under the following major headings:
- securing rapid improvements in colleges with significant weaknesses;
 - improving teaching and learning;
 - improving governance;
 - effective leadership and management;
 - dissemination of good practice; and
 - rewarding achievement.
- 10 The Fund comprises £35 million in 1999-2000, £80 million in 2000-01 and £160 million in 2001-02. Since 1999 all colleges have benefited from it.

College accreditation

- 11 To acquire accredited status colleges must demonstrate achievement of high standards across the range of their activity. Since April 1999, 41 colleges have been accredited following inspection by the Funding Council's inspectorate. The Funding Council has made Standards Fund money available to help these colleges disseminate good practice.

Beacon colleges

- 12 In May 1999 the Department awarded the first 10 colleges Beacon status. These colleges are well managed, with excellent provision for a range of learners. A further five colleges were designated as beacons in February 2000. The Funding Council allocates beacon colleges money from the Standards Fund to help them spread good practice to other colleges

16 Initiatives under the Standards Fund

Initiative	Details of initiative
College improvement	The emphasis of this part of the fund is on remedying weaknesses in performance. Funding is related to the identified needs of individual colleges following inspection or when the Funding Council judges a college to be causing concern. Funding is allocated to support costed post-inspection action plans.
Improving teaching and learning	<p>Funding is based around sector priorities identified in the Funding Council's Chief Inspector's reports. In 1999-2000 the areas covered are:</p> <ul style="list-style-type: none"> ■ basic skills; ■ support for part-time teachers; ■ support for information and learning technology (ILT) skills for teachers; ■ support for Curriculum 2000 reforms; ■ a contribution towards the cost of two new teaching posts for each college for two years; ■ support for staff retraining; ■ support for professional updating; and ■ support for staff mentoring.
Training and development for principals and senior management teams	<p>This initiative consists of:</p> <ul style="list-style-type: none"> ■ a programme aimed at 200 principals (following provision for 100 in 1998-99) covering personal development, leadership and strategic management; and ■ a separate programme for senior management training (being finalised) based around the draft further education management standards developed by the Further Education National Training Organisation (FENTO).
Good Governance Programme	<p>This is based around support for three activities:</p> <ul style="list-style-type: none"> ■ training for governors, through access to trainers who have themselves undergone a training programme run by a FEDA-managed consortium; ■ funding to use a facilitator or consultant to run a governance "healthcheck"; and ■ training for clerks of further education corporations.
Dissemination of good practice	<p>This element provides funding to three categories of colleges:</p> <ul style="list-style-type: none"> ■ those that the Funding Council has accredited; ■ those designated as Beacons by Ministers; and ■ those that the Funding Council's inspectorate has awarded a grade 1 in order to support dissemination of practice in that curricular or cross-college area. <p>Colleges are required to provide an action plan setting out their proposals. Priority areas for support are:</p> <ul style="list-style-type: none"> ■ tutorial support and careers advice and guidance; ■ basic skills provision; ■ improving equality of opportunity for staff and/or students; ■ curriculum areas with a small percentage of outstanding grades; ■ self-assessment; ■ support for part-time teachers; ■ use of management information; ■ improving student attendance; and ■ raising retention and achievement whilst widening participation.
Achievement fund	Used to reward colleges which have improved their achievement rate without any deterioration in their rate of retention.

Education Maintenance Allowance

- 13 A pilot scheme for Education Maintenance Allowance began in September 1999. The aim of the pilots is to test whether a financial incentive to 16- to 19-year-olds from low-income families will encourage more to stay on and achieve in learning beyond 16. Payment of a weekly allowance is dependent on attendance at school or college. Bonus payments for satisfactory attendance, progress and achievement may be awarded at the end of term and on successful completion of the course. The pilot scheme is evaluating whether paying a weekly allowance affects retention and achievement in deprived areas. Different delivery models and methods are being tested to try to identify a potential national model if the evaluation proves that Education Maintenance Allowances work. The emerging results from 15 pilot areas were encouraging - though not conclusive - showing an improvement in retention during 1999-2000 above the national average in the pilot areas. The pilots have been extended to a further 41 areas from September 2000. In addition, four of the original pilot areas have introduced extra help to more disadvantaged groups, such as teenage parents and the homeless.

Area-wide inspections

- 14 In October 1999 the Government announced a programme of new area-wide inspections to look at 16-19 education and training provision across all providers and, in particular, how far it meets the needs of individuals and the community. The joint inspection teams are led by OFSTED, working closely with the Training Standards Council and Funding Council inspectorates. The inspections are mainly targeted on areas causing most concern; most are in inner city areas. The inspection reports include judgements on the standards achieved, the range and coherence of provision in the area and its cost effectiveness. They also recommend specific actions for improvement.
- 15 Area-wide inspections are a key tool in the Government's drive to raise standards in 16-19 provision. By commenting on the quality and match of provision to local demand, the inspection programme will provide the basis for future planning of 16-19 education and training.

Connexions Service

- 16 The Government plans to phase in the Connexions Service, which is a new youth support service for all 13- to 19-year-olds, from April 2001. The Connexions Service brings together all policies that contribute towards the National Learning Target for 19-year-olds (Figure 2, page 8). It will integrate and rationalise existing support and advisory services into a coherent framework through a single point of contact offered by a personal advisor. Pilots are being run from April 2000. The aims of the Connexions Service, which include improvements in achievement, are:
- to increase participation in learning up to the age of 19;
 - to help improve learning achievement at all levels of ability;
 - to prevent the onset of disaffection and promote social inclusion; and
 - to provide practical support to overcome personal, family or social obstacles.

Connexions Card

- 17 The Government announced in September 2000 the introduction of a Connexions Card for all 16- to 19-year-olds in learning. Involving both the private and public sector, the Connexions Card will be an incentive to remain in learning. The Card will carry entitlement to free or reduced-cost travel and leisure activities and to discounts on learning materials such as books and equipment. Young people will be rewarded for participation in learning with further commercial discounts and opportunities to take part in activities of interest. The Card will also direct young people to a website containing information covering the range of learning options open to young people. Demonstration and Pathfinder projects are underway testing the effectiveness of a card-based system in delivering a number of services including attendance monitoring and validation of the payment of Education Maintenance Allowances. The Department plans to roll out the Card from Autumn 2001.

Appendix 2

Relevant previous conclusions and recommendations by the National Audit Office and the Committee of Public Accounts

Reports by the National Audit Office

The Further Education Funding Council for England (HC 223, 1996-97, published February 1997)

This report did not specifically refer to retention and achievement, although it did refer to the role of the Funding Council's inspectorate in promoting improvements in quality in further education.

The Management of Growth in the English Further Education Sector (HC 259, 1997-98, published October 1997)

This report examined the extent and patterns of growth in the further education sector. It also looked at colleges' progress in improving student retention and achievement levels, and at colleges' contribution towards achievement of the National Learning Targets for Education and Training. Based on this report, the Committee of Public Accounts held a hearing on 25 March 1998 (see below).

Further Education Colleges in England: Strategies to Achieve and Manage Growth (HC 260, 1997-98, published October 1997)

This report commented on student support mechanisms to improve student retention and achievement. It stated that the network of support services offered across the majority of colleges visited by the National Audit Office in 1995 and 1996 was generally strong for full-time students but was more variable for part-time students. For example, tutorial support was good for full-time students but the picture for part-time students was more patchy. The visits showed that colleges were generally good at identifying students needing additional support and providing the support required. Most colleges had formal strategies to raise levels of achievement, although many colleges could have done more to improve achievement rates. Most colleges were good at monitoring student progress and student satisfaction.

Managing Finances in English Further Education Colleges (HC 454, 1999-00, published May 2000)

The only specific reference to retention and achievement in this report was the finding that there is a significantly greater proportion of colleges in poor financial health which have lower retention and achievement rates. Based on this report the Committee of Public Accounts held a hearing on 22 November 2000.

Report by the Committee of Public Accounts

The Management of Growth in the English Further Education Sector

(63rd Report 1997-98, HC 665, paragraphs 6 (xiii),(xiv) & (xv))

63rd Report 1997-98, Cm 4069, paragraphs 13-16

PAC concern

We view the significant variability in the levels of student achievement across the sector as disturbing. We are particularly concerned that 10 per cent of colleges have student achievement rates of 50 per cent or lower, although we accept that low levels of student achievement may in part be due to factors outside the college's direct control, such as local deprivation.

We note the action being taken by the Funding Council to assist the worst performing colleges as regards students' achievements and the initiatives in hand to identify successful strategies for student retention and achievement, to examine and improve student support, and to improve the quality of teaching. We support the Funding Council's decision to introduce targets for colleges as regards rates of student retention and achievement.

We believe that, whilst the relatively low levels of achievement in National Vocational Qualifications are a matter for concern, they may be misleading in relation to the value of the training provided. This is because the modular nature of vocational qualifications means that many students who do not complete their course are nevertheless likely to have received some practical benefit. Currently these students are recorded as having not achieved their qualification.

PAC recommendation

We welcome the Funding Council's intention to review the relationship between funding incentives and student achievement.

We urge them to make these targets a searching challenge for colleges, with a view to substantial improvement in student retention and achievement being reached nationally over the next few years.

We recommend that the Funding Council look at the case for modifying their data capture arrangements on National Vocational Qualifications to reflect partial completion of courses.

Treasury Minute response

The Department and the Funding Council agree that the wide variation in levels of achievement and retention are unacceptable and endorse the Committee's conclusions here. *The Learning Age* set out clear proposals for improving quality in FE, including: adopting a rigorous approach to standards, including annual targets for improved retention and achievement in all colleges and publication of results; securing improvements in teaching, for example, through continuing professional development, promoting Initial Teacher Training for new entrants, and the establishment of the Further Education National Training Organisation; promoting improvements to college management; and getting the right balance between part-time and full-time teachers in colleges.

These proposals have been generally welcomed, and the Department is now pursuing practical measures with the Funding Council and other partners in order to secure as soon as possible substantial improvements in achievement and retention. In particular, the Funding Council has set out 10 measures within a Quality Improvement Strategy including guidance on annual target setting for improvement and has established a quality improvement unit within its Inspectorate. The Funding Council has already published benchmarking data on retention and achievement rates for academic years 1995-96 and 1996-97, as a key part of the Funding Council's quality improvement strategy. The aim is to help all colleges in the sector respond to the requirement to improve levels of retention and achievement in further education as part of the overall drive to raise standards. Guidance to colleges on target setting will be published shortly.

The Department and the Funding Council accept this recommendation. Schedule 2 to the Further and Higher Education Act 1992 defines the kinds of courses for which the Funding Council has a duty to secure adequacy of provision for part-time students aged over 16 and for full-time students aged 19 and over. Schedule 2 courses are, broadly speaking, those leading to academic or vocational qualifications. National Vocational Qualifications (NVQs) are specified within Schedule 2(a) to the Act which lists the qualification aims for FE students. The Funding Council does not currently fund part qualifications. However, the Funding Council and the Department are in discussion with the Qualifications and Curriculum Authority about how to implement a unit-based qualifications framework to which credit can be attached. This would enable units of qualifications in coherent combinations to be publicly funded.

Students who do not achieve a full qualification but who do achieve at least half of the modules or credits leading to it are recorded in the individualised student record (ISR) as partially achieving. They are counted as half an achievement in the Funding Council's published performance indicators; the academic year 1996-97 performance indicators are to be published shortly. The Funding Council is currently piloting⁶³ the funding of modules of qualifications. If successful, the ISR would be amended accordingly.

⁶³ Following the pilots, the Funding Council has now made available, to all colleges, funding for programmes of units of qualifications

Appendix 3

Study methodology

Introduction

1 During the study we took account of the key groups with an interest in student retention and achievement in further education including students, colleges, the Funding Council, the Department and research organisations with an interest in educational issues. In particular our report is based on:

- quantitative analysis of the Funding Council's published data and its database of student records;
- qualitative research amongst current and lapsed students, undertaken on our behalf by MORI, focusing on the factors affecting students' decisions to go to college, and to pursue or leave their courses;
- a postal survey of a random sample of 150 colleges to identify differences in their management practices and in their collection of data on student attendance, progress and achievements;
- visits to eight colleges to identify examples of good practice and differences in approach and management adopted by college managers and teaching staff;
- analysis of the substantial amount of existing research, especially that of the Learning and Skills Development Agency, formerly the Further Education Development Agency (FEDA), and the Responsive College Unit (a specialist educational market research company that works with colleges throughout the United Kingdom). We also referred to some research by South Bank University;
- consultation with an expert panel; and
- meetings with staff of the Department, the Funding Council and other interested individuals and organisations.

Quantitative analysis

2 We undertook analysis of the Funding Council's published performance indicators and benchmarking data and its extensive database of student records. This work involved comparisons both by types of students and between colleges, and enabled us to identify patterns and trends in performance and those factors which could be having an effect on student retention and achievement rates at colleges.

3 The work on comparisons between colleges included multiple regression analysis to quantify the extent of variation in retention and achievement rates which could be explained by certain factors. The factors which we investigated to see if they might explain some of the variation between colleges' retention and achievement rates were as follows:

- the number of students in the college;
- the proportion of students who were full-time;
- the proportion of students who were from deprived areas;
- the type of college;
- where the college was located (urban or suburban/large town/small town or village);
- the change in the college's Average Level of Funding between 1994-95 and 1997-98;
- the average inspection grade for curriculum areas for the most recent inspection of the college;
- the average inspection grade for cross-college areas for the most recent inspection of the college; and
- the financial health of the college as assessed by the Funding Council.

4 We found that the most important explanatory factors for the variation in retention and achievement rates at the college level (significant at the 95 per cent level) were as follows:

When retention is the dependent variable

Variable	Unstandardised coefficients	t
Average curriculum area inspection grade (See Note overleaf)	-2.1	-3.2
Whether college is a sixth form college	6.6	8.8
Whether college is a specialist college	2.7	2.9
Percentage of students from deprived areas	-0.04	-3.4
Percentage of students who are full-time	-0.04	-2.7

Adjusted R² = 0.40, F=21.3 (d.f. = 11, p < 0.001)

When achievement is the dependent variable

Variable	Unstandardised coefficients	t
Average curriculum area inspection grade (See Note)	-6.4	-3.0
Whether college is in poor financial health	-3.7	-2.0
Whether college is a sixth form college	9.3	3.9
Whether college is a specialist college	11.0	3.7
Percentage of students from deprived areas	-0.16	-4.0

Adjusted $R^2 = 0.31$, $F = 14.4$ ($d.f. = 11$, $p < 0.001$)

Note: The descriptors for the inspection grades for each curriculum area are as follows:

grade 1 = outstanding provision which has many strengths and few weaknesses

grade 2 = good provision in which the strengths clearly outweigh the weaknesses

grade 3 = satisfactory provision with strengths but also some weaknesses

grade 4 = less than satisfactory provision in which the weaknesses clearly outweigh the strengths

grade 5 = poor provision which has few strengths and many weaknesses

Focus groups with current students

- 5 Our consultants, MORI, ran eight focus groups of current students. These included discussion of factors affecting student attendance and, if they had previously left further education, what encouraged them back. As the majority of existing research has focused on 16- to 19-year-olds, we have concentrated our work on older students, who make up the bulk of the student population in terms of numbers.

Interviews with students who had withdrawn from further education

- 6 MORI also undertook for us one-to-one in-depth interviews with 19 students who had previously withdrawn from further education. In particular MORI sought the views of former students on the types of factors contributing towards their decision to stay or withdraw, and the extent to which the college tried to persuade them to stay. We used the results from this work to illustrate some of the reasons why students decide to leave college before they have completed their course.

Survey of colleges

- 7 We undertook a survey of a random sample of 150 colleges out of the 417 further education colleges in England at the time. The aim of the survey was to identify any differences in management practices of the colleges and in the information that they hold on student non-completion and non-achievement.
- 8 The survey was conducted during July and August 2000. Responses were received from 124 colleges by the closing date, an 83 per cent response rate. The breakdown of the sample between the different types of college was as follows (number responding but after the closing date is shown in brackets):

Type of college	Number in England	Number in sample	Number responding by closing date
General further education colleges	276	99	85 (2)
Sixth form colleges	105	36	26 (0)
Agriculture and horticulture colleges	24	11	10 (0)
Art, design and performing arts colleges	7	3	3 (0)
Specialist designated institutions	5	1	0 (1)
Total	417	150	124 (3)

- 9 In interpreting the responses to our questionnaire, we can be 95 per cent confident that responses mirror those for the population as a whole, subject to the following precision adjustments. For example, in paragraph 3.2 we say that 84 per cent of colleges produce detailed information sheets to supplement information in the college prospectus. In practice the actual percentage of colleges doing so may range by ± 6 per cent, i.e. from 78 per cent to 90 per cent.

Visits to colleges

- 10 We visited eight colleges with a range of retention and achievement rates in order to identify examples of good practice and any differences in approach and management. The colleges we visited were:

- Eastbourne College of Arts and Technology
- Hertford Regional College
- Knowsley Community College
- Rother Valley College
- Tile Hill College of Further Education
- Winstanley College
- Woking College
- Wyggaston and Queen Elizabeth I College

- 11 We also made brief visits to five other colleges at an early stage of the study to gain a fuller understanding of the issues relating to retention and achievement from a college perspective. The five colleges we visited were:

- Bournemouth and Poole College
- Kensington and Chelsea College
- Rotherham College of Arts and Technology
- Stamford College
- Tameside College

Research by others

- 12 We examined the substantial amount of research in this area (see Bibliography). We have also met with representatives of the Learning and Skills Development Agency (formerly FEDA) and the Responsive College Unit for an insight into current research and emerging findings.

Expert panel

- 13 We convened a panel to act as a sounding board for the development of the study methodology and to comment on the draft report. Members of the panel included representatives from further education colleges, the Funding Council, the Learning and Skills Development Agency, the Association of Colleges and academics with an interest in education. The panel met twice during the course of the study and individual members also commented in writing. We also consulted with Gordon Aitken, Director of the Responsive College Unit. The members of the panel are as follows:

Name	Position and Organisation
Robert Avery	Inspector, Further Education Funding Council
Dr John Brennan	Director of Further Education Development, Association of Colleges
Professor John Field	Professor of Lifelong Learning, University of Warwick
Anthony Fielding	Senior Lecturer in Social Statistics, University of Birmingham and Visiting Research Fellow at the Institute of Education
Jackie Fisher	Principal of Newcastle College
Nick Lacy	Audit Manager, VFM Audit Development Unit, National Audit Office
Dr Paul Martinez/ Peter Davies	Development Advisor, Further Education Development Agency
Evelyn Nichols	Director of Quality and Corporate Services, Tameside College
Noel Otley	Principal of Havering College of Further and Higher Education

Consultation with interested organisations

- 14 We held meetings with key staff at the Funding Council and the Department on current initiatives, and with other organisations with an interest in retention and achievement.

Appendix 4

Data supporting the management of retention and achievement

Introduction

1 Measuring student retention and achievement within the broad umbrella of further education is extremely complex. This is because the sector includes such a range of different types of students undertaking a huge number of different qualifications that are awarded by a large number of awarding bodies. This appendix addresses:

- measurement of retention;
- definition and measurement of achievement;
- timeliness of the publication of data on retention and achievement;
- aggregation of data in the performance indicators for individual colleges;
- categories available for certain types of information; and
- missing data.

Measurement of retention

2 In its performance indicators, the Funding Council calculates retention as the percentage of all students who, having enrolled on a learning programme of at least 12 weeks in length, and are attending college at 1 November, complete the course or are still attending at the end of the college year (31 July), whichever is the sooner. The indicators do not cover shorter courses (where retention rates are high), but retention may be overstated for the longer courses because:

- a) **1 November is taken as the first census date.** The Funding Council recognises that in the first weeks of term, many students need time to settle into courses or transfer to others better suiting their needs. Our survey of randomly selected colleges, however, indicated that the estimated proportion leaving their courses between September and 1 November is about nine per cent of students; and
- b) **retention is measured by student, not by qualification⁶⁴.** Students studying more than one qualification who withdraw from one or more, but continue with at least one other course of more than one week's duration, are counted as retained in the performance indicators. The benchmarking data are based on qualifications.

3 Also, as performance indicators show only in-year retention rates, not retention across programme length, we believe it would be helpful if consistent definitions of retention based on whole-programme rather than in-year were used in both the performance indicators and benchmarking data, enabling colleges to compare their performance against others' more easily.

Definition and measurement of achievement

4 There are inherent difficulties in measuring achievement. The Funding Council defines the achievement rate as the percentage of the total number of qualification aims for which students have completed learning programmes. The current methodology for measuring achievement means that:

- equal significance is given to each qualification, without making a distinction between a student's primary learning goals and any additional courses they follow. (Students studying Business Studies, for example, may start up to six additional qualifications.) Therefore, a GNVQ Advanced Award, equivalent to two A-levels, is given equal weighting with one GCSE. Through its Management Information Committee Quality Working Group (which includes some college principals) the Funding Council has looked at the possibility of "grading" qualifications for achievement purposes. The group concluded that such an approach would be extremely difficult to devise and would introduce additional complexity into the funding system;
- the Funding Council has had to take a pragmatic approach because of the variety of qualifications being studied. In particular, it has sought to focus on qualifications rather than individual units. This means that, for example, GNVQ Additional Units are funded as single units but treated as one qualification aim. However, for a student to be recorded as a pass they must pass all Additional Units for which they are registered. In comparison, each individual GCSE pass is recorded as an achievement; and
- achievement rates are calculated differently in the performance indicators and the benchmarking data. In the former, partial achievement (where the student has achieved at least half the credits or modules towards a qualification aim) counts as half, but partial achievement is excluded from benchmarking data.

⁶⁴ Retention is defined differently in the benchmarking data i.e. retention over the whole course (rather than in-year) and at the qualification level (rather than student level)

- 5 Prior to 1997-98 some colleges recorded all GCSEs at grades A* to G as an achievement, while others recorded only grades A* to C as an achievement. The Funding Council has now resolved this, by advising colleges to record all grades as achievements but to distinguish for which ones the achievement element of funding could be claimed.

Timeliness of the publication of the data

- 6 Performance indicators need to be published earlier if they are to be of most benefit to colleges. At present, they are published about 14 months, or more, after the academic year to which they relate. We recognise that this is largely because the data is based on that used for funding, which is subject to audit by external auditors in the February following the year-end. Nevertheless, it would be helpful if publication could be brought forward as much as possible to enable colleges to take early action upon any matters arising.

Categorisation of data

- 7 Benchmarking data includes retention and achievement by qualification type, but the usefulness of this is limited because nearly 60 per cent of qualifications are categorised as "Other". The remaining qualification types are: National Vocational Qualifications (11 per cent), Open College Network (9 per cent), General National Vocational Qualifications (8 per cent), A- and A/S levels (7 per cent) and General Certificate of Secondary Education (3 per cent). The Learning and Skills Council should therefore consider whether there are additional types of qualification within what is currently designated "Other" which would aid analysis.

Missing data

- 8 In its annual Widening Participation Statistical Evidence, the Funding Council analyses achievement rates by gender, age and ethnic origin. Traditionally, people are reluctant to declare their ethnicity and information on it is often of limited value. Ethnicity is not recorded for over 10 per cent of students in 1997-98, either because students have refused to identify themselves as belonging to a particular ethnic group or found the categories confusing, or because a college has not made sufficient effort to establish it. In practice, whether English is spoken as a first language is likely to be a better indicator of students who may need additional support.
- 9 Similar problems with lack of data, because of students' reluctance to disclose it, apply to the analyses of students with disabilities or learning difficulties.
- 10 Destination data can help colleges to determine how well particular courses are preparing students for employment or higher education courses. However, our survey showed that this information was only recorded for 35 per cent of full-time students leaving colleges in 1998-99, and it is not known how many of them relate to intentions rather than what students actually did. The difficulty for colleges is that there is no real incentive for students to inform the college about their destination once they have left, nor to keep the college informed about any changes to their career. Neither is there an incentive for colleges to monitor destinations.

Bibliography

Date	Author	Title
1993	OFSTED/Audit Commission	Unfinished Business: Full-time educational courses for 16-19 year olds
1993	Business and Technology Education Council	Staying the course
Mar 1994	Hugh/Bergin (CSET, Lancaster University)	Quitting: A survey of early leavers carried out at Knowsley Community College
1994	J Medway and R Penney	Factors affecting successful completion - The Isle of Wight College - A Case Study
1994	Edited by C Parsons	Quality Improvement in Education - Case Studies in Schools, Colleges and Universities
1994	The Adult Literacy and Basic Skills Unit: Kambouri and Francis	Time to Leave - Progression and Drop Out in Basic Skills Programmes
1995	FEDA: P Martinez	Student retention in further and higher education: the evidence (Staff College/FEDA Mendip Paper MP084, 1995)
1996	FEDA: P Martinez	Student Retention: case studies of strategies that work
1996	Centre for Economic Performance: H Steedman and A Green	Widening Participation in Further Education and Training: A Survey of the Issues
1996	NIACE: V McGivney	Staying or Leaving the Course: Non-completion and Retention of Mature Students in Further and Higher Education
1996	FEDA: K Donovan	Student tracking (FEDA Report Vol. 1 No.1, 1996)
1997	FEDA: P Martinez	Improving student retention: a guide to successful strategies
1997	A Fielding, CR Belfield and HR Thomas	An Investigation of Performance and Cost-Effectiveness in GCE A-Level Provision in the FEFC Funded Sector
1997	Basic Skills Agency	Staying the course: the relationship between basic skills support, drop-out, retention and management - further education colleges, 1977
Feb 1997	National Audit Office	The Further Education Funding Council, 1996-97, HC 223
Sep 1997	P Martinez	Student Persistence and Drop Out (Paper to conference)
Oct 1997	NH Foskett and JV Hemsley-Brown	Career perceptions and decision- making among young people in schools and colleges
Oct 1997	National Audit Office	Management of Growth in the English Further Education Sector, 1997-98, HC 259
Jan 1998	FEDA	Non-completion of GNVQ: Final Report of Research Project
Jul 1998	Committee of Public Accounts	Management of Growth in the English Further Education Sector, 63rd Report 1997-98, HC 665
Sep 1998	Further Education Funding Council	Performance indicators 1996-97
Oct 1998		Treasury Minute to PAC 63rd Report (as above)
1998	Further Education Funding Council	Annual Report, 1997-98
1998	FEDA: P Martinez and F Munday	9,000 voices: Student persistence and drop-out in FE (FEDA Report Vol. 2 No.7, 1998)
1998	Department for Education and Employment/FEDA: P Davies, L Mullaney and P Sparkes	Improving GNVQ retention and completion

1998	A Fielding, CR Belfield and HR Thomas in Oxford Review of Education	The Consequences of Drop-outs on the Cost-effectiveness of 16-19 Colleges
1999	FEDA: M Bloomer and P Hodgkinson	College life: the voice of the learner (FEDA Report Vol. 2 No. 10, 1999)
1999	South Bank University: C Callender	The Hardship of Learning - Students' Income and Expenditure and their Impact on Participation in Further Education
1999	South Bank University	Accessing Funding in Further Education: A college perspective on Access Funds and student financial support
1999	Responsive College Unit: G Aitken	20 steps to researching and improving student retention
1999	Responsive College Unit: G Aitken	National Retention Survey Report
1999	Responsive College Unit: G Aitken	20 Steps to Efficient and Effective Destinations Monitoring
1999	FEDA: P Davies	Learning and Earning: the impact of paid employment on young people in full time education
Jul 1999	Social Exclusion Unit	Bridging the gap: new opportunities for 16-18 year olds not in education, employment or training
Jul 1999	Further Education Funding Council	Widening Participation in Further Education Statistical Evidence 1996-97
Sep 1999	FEDA: P Martinez	Aiming at achievement
Sep 1999	FEDA: J Gravatt	Following the money - FE funding in 1999/2000
Sep 1999	Further Education Funding Council	Performance indicators 1997-98
Sep 1999	Further Education Funding Council	Benchmarking Data 1995-96 to 1997-98 - Retention and Achievement Rates in Further Education Colleges in England
Oct 1999	Further Education Funding Council	Quality and Standards in Further Education in England 1998-99 (Chief Inspector's Annual Report)
2000	FEDA: P Martinez	Raising achievement: a guide to successful strategies
Jan 2000	Further Education Funding Council	Widening Participation in Further Education Statistical Evidence 1997-98
Mar 2000	Institute of Education: A Hodgson and K Spours	Earning and Learning: A local study of part-time paid work amongst 14-19 year olds
Jul 2000	Further Education Funding Council	Statistical First Release
Sep 2000	Further Education Funding Council	Benchmarking Data 1996-97 to 1998-99
Oct 2000	Further Education Funding Council	Annual Report, 1999-2000
Oct 2000	Further Education Funding Council	Quality and Standards in Further Education in England 1999-2000 (Chief Inspector's Annual Report)
Dec 2000	Learning and Skills Development Agency	Differential Achievement: what does the ISR tell us?
Dec 2000	Further Education Funding Council	Performance indicators 1998-99
Jan 2001	Learning and Skills Development Agency	Great Expectations: setting targets for students