



National Audit Office

**REPORT BY THE  
COMPTROLLER AND  
AUDITOR GENERAL**

**HC 823  
SESSION 2010–2011**

**23 MARCH 2011**

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**Department for Education**

Getting value for money from the  
education of 16- to 18-year-olds

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National Audit Office

**Department for Education**

# Getting value for money from the education of 16- to 18-year-olds

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Ordered by the House of Commons  
to be printed on 21 March 2011

**Report by the Comptroller and Auditor General**

HC 823 Session 2010–2011  
23 March 2011

London: The Stationery Office  
£15.50

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.

Amyas Morse  
Comptroller and  
Auditor General

National Audit Office

17 March 2011

In 2009, over 1.6 million 16- to 18-year-olds participated in some form of education and training at a cost of over £6 billion a year. The proportion of 16- to 18-year-olds participating in education increased from 75 per cent in 2002 to 83 per cent in 2009.

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This report can be found on the National Audit Office website at [www.nao.org.uk/16-to-18-education-2011](http://www.nao.org.uk/16-to-18-education-2011)

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# Summary

**1** In 2009, over 1.6 million 16- to 18-year-olds participated in some form of education or training at a cost of over £6 billion a year. The proportion of 16- to 18-year-olds participating in education increased from 75 per cent in 2002 to 83 per cent in 2009. The majority of these learners undertook full-time education at either a general further education college, a sixth-form college or a school sixth form. Most 16- to 18-year-old learners study for level 3 qualifications (A level, National Vocational Qualification or equivalent), although a wide range of qualifications are available.

**2** The delivery of education for 16- to 18-year-olds is highly devolved and responsibilities for oversight are spread across a number of organisations (**Figure 1**):

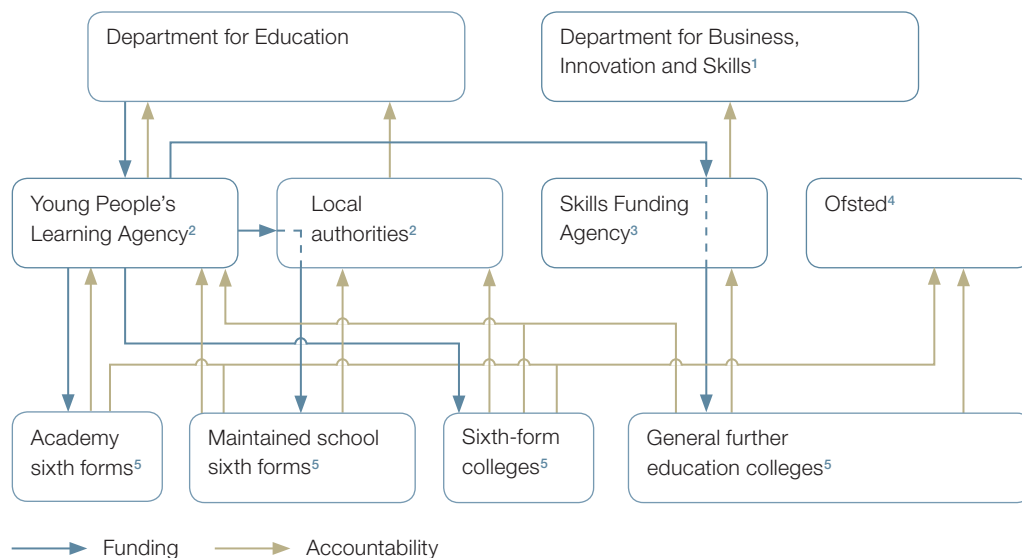
- The Department for Education (the Department) has overall responsibility for the provision of education for 16- to 18-year-olds and oversees the Young People's Learning Agency.
- The Young People's Learning Agency funds providers of 16 to 18 education and holds them to account for their delivery. It provides statutory guidance and strategic analysis to support local authorities in their role.
- Local authorities are responsible for securing sufficient suitable education and training opportunities for all 16- to 18-year-olds. This role includes identifying gaps, enabling new provision and developing the education and training market.

**3** The Government's objective is for young people to have a choice of high-quality providers, which it seeks to achieve by encouraging competition, for example through the creation of new providers such as sixth forms in academies and free schools, and through support for existing providers. Learners choose where they want to study, subject to entry criteria, with funding following the learner.

**4** This study examines whether the Department is getting value for money from its funding of education for 16- to 18-year-olds (excluding higher education). **Figure 2** on page 6 sets out the criteria we used to assess value for money. Our analysis focuses on the three main types of provider – general further education colleges, sixth-form colleges and school sixth forms – that between them deliver over 90 per cent of provision. Around 8 per cent of learners undertake apprenticeships, which are not examined in this report. A summary of our methodology can be found in the Appendix.

**Figure 1**

Funding and accountability for the main 16 to 18 education providers

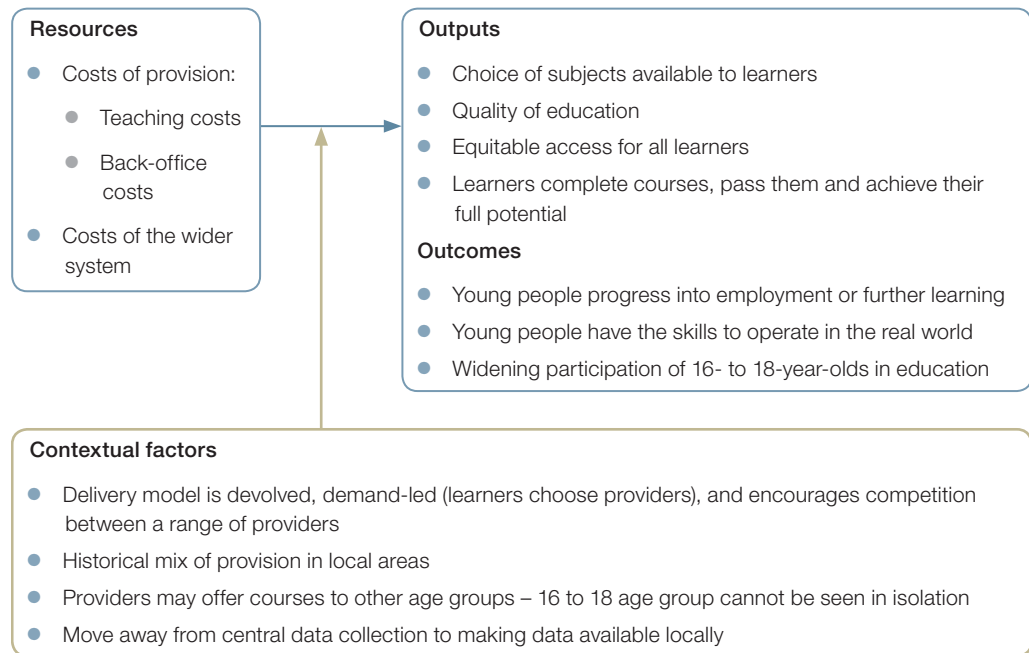
**NOTES**

- 1 The Department for Business, Innovation and Skills is responsible for post-19 further education and skills training and wider adult learning.
- 2 The Young People's Learning Agency and local authorities also have responsibilities for young people up to age 25 if subject to a learning difficulty assessment, but these responsibilities are outside the scope of this study.
- 3 The Skills Funding Agency is responsible for oversight of the further education system for learners over the age of 19, including for general further education colleges that provide courses for learners aged 16 to 18.
- 4 Ofsted is responsible for the inspection of education and training providers.
- 5 There are other 16 to 18 education providers apart from those shown, such as independent training providers.
- 6 Changes that may be enacted through the 2011 Education Bill are not reflected in this diagram.

Source: National Audit Office literature review

**Figure 2**

Assessing value for money from the education of 16- to 18-year-olds



**Assessment criteria**

- 1 Is there a range of high-quality courses for learners to choose from?
  
- 2 Does the system incentivise high-quality, cost-effective provision?
  
- 3 Are there effective performance monitoring and interventions to deal with poor performance?

**Areas for consideration**

- Choice of high-quality academic and vocational courses appropriate to the needs of learners, regardless of where they live.
- Access for learners to impartial information, advice and guidance to help them make an informed choice of course and provider.
- Equitable access for all learners and clear progression to employment<sup>1</sup> or further learning.
- An efficient devolved system with clear lines of accountability.
- Funding is fair, transparent and supports desired outputs and outcomes.
- Providers are empowered and incentivised to provide better outcomes for less cost.
- Effective monitoring of the performance of the whole system (incentives, structures and processes) and of providers, supported by timely, relevant and accurate information.
- Appropriate and consistent interventions to deal with poor performance.

**NOTE**

1 We have not examined the labour market value of qualifications, which is among the subjects considered in: *Review of vocational education – The Wolf Report, March 2011.*



## Key findings

### Choice of high-quality courses for learners

**5 Across most of the main measures of learner achievement, performance has improved nationally over the last four years.** There are, however, variations by provider type and by size of provider. For example, learners in larger providers achieve, on average, better academic progress and results.

**6 There is a tension between choice of providers and choice of courses.** Providers with many learners are generally able to offer a greater choice of courses, but choice can be diminished where there are relatively large numbers of smaller providers in an area. Some providers collaborate in order to provide a wider choice of courses.

**7 Availability of information, advice and guidance for learners is variable.** Some schools do not provide impartial advice on the full range of options in their local area. Young people can, however, obtain helpful information from several sources: area-based course prospectuses and providers' websites to find out what is on offer; and Ofsted inspection results and local performance tables to gauge providers' performance. Information on performance for individual courses, and on the further education or employment that they might lead to, is less widely available. The Department proposes to introduce, by 2013, subject-specific information and a measure that shows how many learners have progressed into further learning or employment.

### Incentives to provide high-quality, cost-effective provision

**8 The Department has effective oversight of some key aspects of the 16 to 18 education system, but not others.** It gains assurance on quality of education from Ofsted and on participation and achievement through the Young People's Learning Agency. However, the Department does not systematically review the whole system, including how local authorities fulfil their responsibility for securing adequate provision and developing the market, and how providers are contributing to some wider outcomes such as preparing young people for employment.

**9 Sixth-form colleges, which perform best on most measures of learner achievement, are paid at a lower funding rate than school sixth forms.** While the Department has taken some steps to reduce differences in the funding of different types of provider, colleges receive £280 per learner less than schools. In November 2010, the Department announced in its White Paper that it plans to end this funding difference by 2015.

**10 Changes that have already been made to the funding of school sixth forms have increased incentives for schools to ensure learners complete their courses.**

Unlike colleges, funding for schools was not previously based on the schools' actual success rates (the proportion of people who enrolled on a course who completed the course and passed). In the first academic year, 2008-09, data on success rates for schools was incomplete and of poor quality, and differences in schools' and colleges' data systems mean that achieving comparability will be difficult. The Department proposes to change the way that schools report their data, so that they can provide comparable data by the 2012-13 academic year.

**11 Different types of provider are subject to different accountability arrangements.**

Although Ofsted brought the inspection frameworks for education of 16- to 18-year-olds more closely into line when it reviewed them in September 2009, differences in the Ofsted inspection frameworks for schools and further education colleges remain. These differences, along with differences in performance data and in financial reporting requirements, make it more difficult to perform comparative analyses of the performance of provider types in delivering education to 16- to 18-year-olds.

**12 Partly in response to support from the Department, many schools and colleges have developed their understanding and management of back-office costs.**

Tools, such as the financial management standard in schools, and a range of support provided to colleges through the Department and its agencies, have encouraged providers to benchmark back-office costs, such as utilities and catering, identifying areas where they can make savings. Procurement good practice was evident in many of the schools and colleges we visited, such as using buying communities to increase purchasing power.

**13 Direct costs, such as teaching staff, typically account for over 60 per cent of a provider's costs, yet the Department has offered little guidance or support to providers in this area.**

Many providers consider course costs to be fixed, yet there are many choices a provider makes that influence the cost of running a course, such as the proportion of direct teaching time. Some providers' understanding of staff deployment is poor.

Performance monitoring and interventions to deal with poor performance

**14 The Department has good information by provider on the quality of education and achievements of learners, but less so on expenditure.** The Department requires providers to report spending at an institutional level. Since most 16 to 18 education providers also educate learners in other age groups, the Department does not have data on what they actually spend on 16 to 18 education. In this report, we have used funding as a proxy for expenditure in measuring value for money achieved.

**15 There are clear arrangements for dealing with poor performance in colleges.** Failure to achieve minimum levels of performance (success rates), inadequate inspection results or poor financial management trigger a notice to improve. Colleges are given a clear timescale in which to improve and are offered support. Failure to improve leads to further action, such as change of management or closure.

**16 In contrast, there is no consistent approach to dealing with poor performance in school sixth forms.** The criteria that local authorities use to determine school sixth-form under-performance vary, leading to inconsistency in the challenge and support that they provide, and in the circumstances that lead them to intervene. The Department intends to apply minimum levels of performance to schools from the 2012-13 academic year, but this will depend on improving schools' success rate data which provide the basis for assessing minimum levels of performance.

## **Conclusion on value for money**

**17** The Department spends over £6 billion each year on educating 16- to 18-year-olds. Increases in expenditure year-on-year have been matched by improvements in outputs, in particular learner achievements, and the system is achieving some wider outcomes such as increasing participation of 16- to 18-year-olds in education. These are positive indicators of value for money and there are proposed plans to make the system more coherent, but current variations in the arrangements for accountability, performance monitoring, and intervention where poor performance exists mean that we cannot conclude that value for money is being delivered across the system.

**18** There is further work to be done in understanding how expenditure can most efficiently and effectively generate learner achievement and progression. This understanding is essential if the Department is to maintain or improve outputs and outcomes with fewer resources per learner over the coming years.

## Recommendations

**19** Emerging plans for cost reductions bring financial and value for money risks, particularly for those providers that are not achieving well at current levels of funding. Our recommendations take account of the need to achieve structured cost reduction over the next few years.

**Choice of high-quality courses varies and the information, advice and guidance available to young people in choosing courses is of variable quality.** The Department should:

- a** disseminate information on how providers can collaborate through federations or other cost-effective means to improve choice of courses to learners while achieving economies of scale;
- b** establish an appropriate framework to ensure that young people receive independent, impartial information, advice and guidance from schools about the options available to them at age 16; and
- c** require all providers to make available to learners information on: trends in learner achievement and success for each course; and learners' destinations after they have completed the course.

**While there are some incentives for providers to deliver high-quality, cost-effective provision, there is scope for strengthening incentives and making them more consistently effective across all provider types.** The Department should:

- d** improve the consistency of accountability arrangements across providers and where necessary alter the arrangements to reflect changing patterns in provision, such as collaboration through a federation;
- e** incentivise providers to prepare learners for employment, for example through monitoring progression to employment;
- f** disseminate information to providers on achieving more from their funding, and in particular:
  - how providers can improve their management of costs of courses, especially staff costs and deployment; and
  - advice on the key performance indicators that governors should monitor to gain assurance on value for money; and
- g** include an element on achieving value for money in the tool that replaces the financial management standard in schools.

**Performance monitoring of providers and intervention to deal with poor performance require strengthening to make them consistently more effective.**

The Department should:

- h** gain consistent assurance that providers are: reporting accurate data; meeting minimum levels of performance; and covering their costs;
- i** assess all providers consistently using accurate success rates;
- j** develop a consistent response to all provider types where performance does not meet the required standard; and
- k** once recent changes are embedded, assess its approach to devolved delivery, for example using a choice and competition framework (paragraph 3.8), and use the results of the assessment to design improvements.

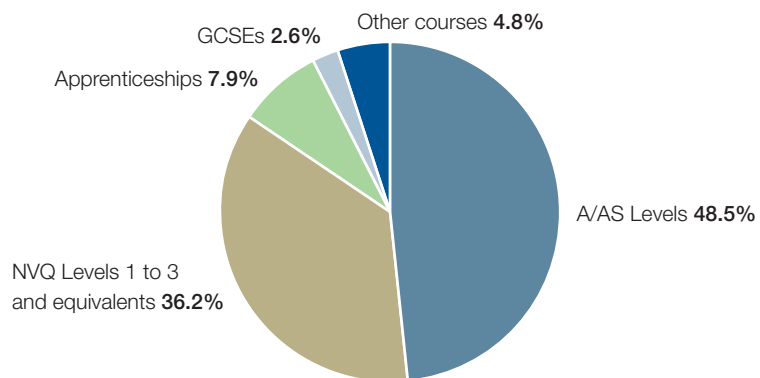
# Part One

## Availability of high-quality courses

**1.1** The majority (82 per cent) of 16- to 18-year-old learners undertake full-time education. Most study for level 3 qualifications (A levels, National Vocational Qualifications (NVQ) or equivalent), though a wide range of qualifications are available, such as level 2 (GCSEs or equivalents), level 1 and apprenticeships (**Figure 3**).

**Figure 3**

What 16- to 18-year-old learners studied in 2009



**NOTE**

1 Full-time education only and excluding 18-year-olds in higher education.

Source: National Audit Office analysis of departmental data

**1.2** This part of the report examines:

- whether learners have a choice of high-quality academic and vocational courses available to them, regardless of where they live;
- whether learners have access to impartial information, advice and guidance to help them make an informed choice; and
- whether there is equitable access for all learners and clear progression to further learning.

We discuss funding and costs of provision in Part Two.

### **Choice of academic and vocational courses**

**1.3** In 2009-10<sup>1</sup>, 2,568 providers of 16 to 18 education were funded, including schools, academies, colleges, private, charitable and third sector organisations. Providers decide their own curriculum and mix of courses.

**1.4** Most (1.2 million in 2009-10) 16- to 18-year-olds participating in some form of education and training chose to study at:

- a general further education college, providing education to 16- to 18-year-olds and adults. Most colleges focus on vocational qualifications but may also provide A levels;
- a sixth-form college, focusing on 16 to 18 education. Most provide mainly A level provision, though many also provide vocational qualifications and may offer courses to adults; or
- a school sixth form – a secondary school or academy that provides 16 to 18 education. Generally they provide A levels, but some also offer vocational qualifications.

<sup>1</sup> All references in this report to a year that bridges two calendar years, for example, 2009-10, are references to an academic year, unless stated otherwise.

**1.5** School sixth forms generally have many fewer learners than further education colleges (**Figure 4**). Although over 70 per cent of providers are school sixth forms, less than one-third of 16- to 18-year-olds study there.

**1.6** Decisions about where to study are influenced by students' prior attainment, but also by their family background and their parents' attitudes towards education. Learners from schools with a higher proportion of children eligible for free school meals are more likely to enrol in further education colleges post-16.<sup>2</sup>

**1.7** The choice of providers in an area is, in part, a legacy of changing education policy, both locally and nationally. In some areas, most 16 to 18 education takes place either in a school sixth form or in a general further education college. In other areas, all learners leave school at 16 and post-16 education is organised in colleges. There are variations on both these systems, and many areas have a mixture of types of institution.

**1.8** Over recent years, the number of colleges has reduced as some have merged to form larger colleges. In contrast, the number of schools with sixth forms has increased, partly as a result of an initiative, introduced in 2004, allowing high performing schools without a sixth form to open one.

**Figure 4**  
State-funded 16 to 18 education providers, 2009-10

Provider	Number of providers	Average number of 16 to 18 learners per provider	Share of learners (%)
School sixth forms (including academies)	1,888	222	32
Further education colleges			
Sixth-form colleges	92	1,629	11
General further education colleges <sup>1</sup>	235	2,662	48
Specialist colleges <sup>2</sup>	19	953	1
Other providers	334	327	8
<b>Totals</b>	<b>2,568</b>	<b>510</b>	<b>100</b>

**NOTES**

1 For the purposes of this report, general further education colleges include tertiary colleges as they also provide a broad curriculum.

2 Specialist colleges include agricultural colleges and art, design and performing arts colleges.

Source: National Audit Office analysis of departmental data

2 Centre for the Economics of Education, *Post-16 educational choices and institutional value added at Key Stage 5*, March 2010.



## Learner achievement

**1.9** There are a number of ways that performance of providers can be measured based on learners' achievements:

- Qualifications and Curriculum Authority (QCA) points per entry measures attainment at the end of each level 3 course.
- QCA points per candidate aggregates the QCA points per entry for all level 3 courses completed by a learner. This measure reflects the number of courses taken by an individual, as well as their attainment on each course.
- Success rates show the proportion of people who enrolled on a course that completed the course and passed it. In our analysis, we have used success rates aggregated for level 1, 2 and 3 courses, as used to determine funding.
- Post-16 value added scores measure the progress that learners have made on level 3 courses relative to their prior attainment, supporting comparisons that adjust for different student intakes.

These measures present different aspects of providers' performance and each should be considered alongside the other measures to give a broad understanding of performance.

### **Impact of providers on learner achievement**

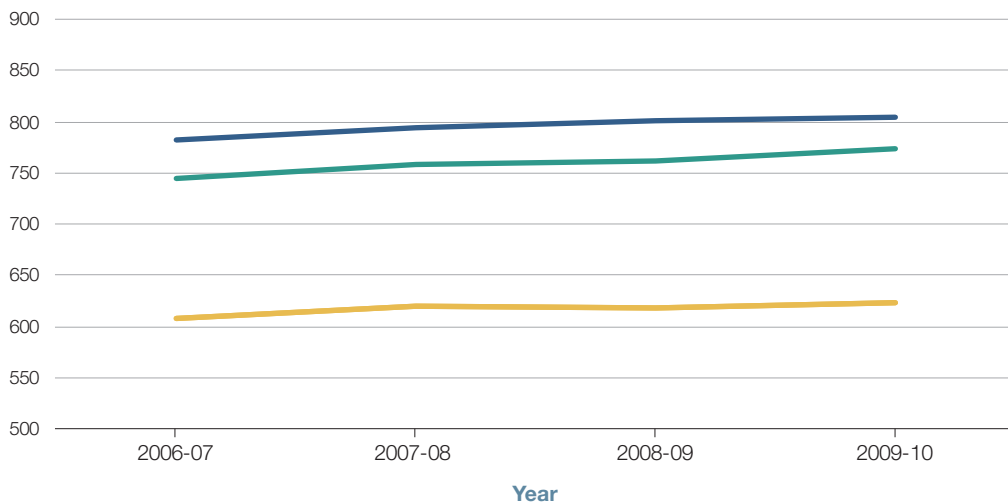
**1.10** Across most measures of attainment, performance has improved nationally over the last four years (**Figure 5** overleaf and **Figure 6** on page 17), although performance varies by type of provider.

**1.11** Figure 5 shows that, in terms of QCA points per candidate for level 3 qualifications, learners in sixth-form colleges record higher attainment than those in school sixth forms and general further education colleges. Since 2007-08, learners in general further education colleges have achieved higher points per entry, and their lower points per candidate reflect that, on average, they take fewer level 3 qualifications than learners in other provider types. Level 3 courses represent, on average, half of general further education colleges' provision for 16- to 18-year-olds.

**Figure 5**  
Level 3 attainment, by provider type

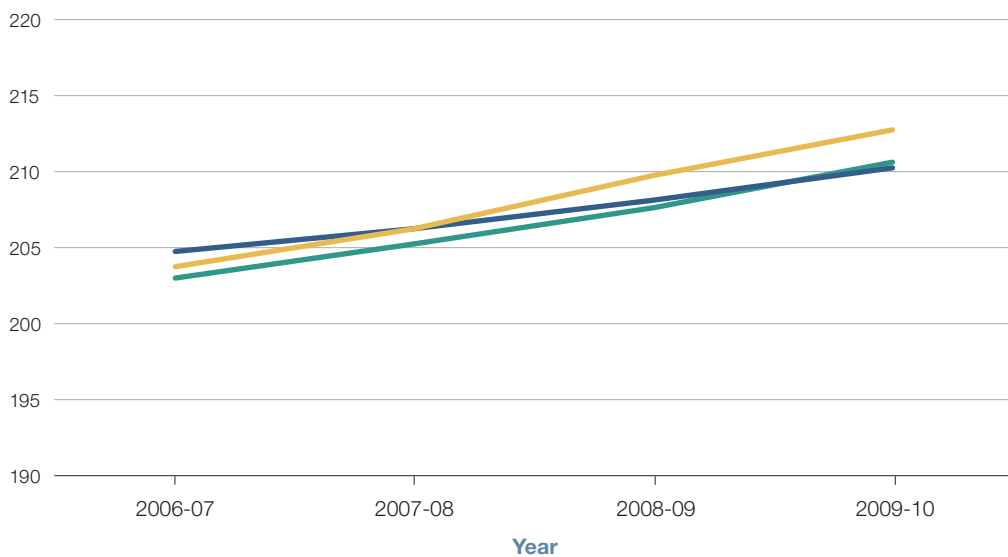
**Points per candidate**

**Qualifications and Curriculum Authority points**



**Points per entry**

**Qualifications and Curriculum Authority points**



— School sixth forms<sup>1</sup>    — Sixth-form colleges    — Other further education colleges<sup>2</sup>

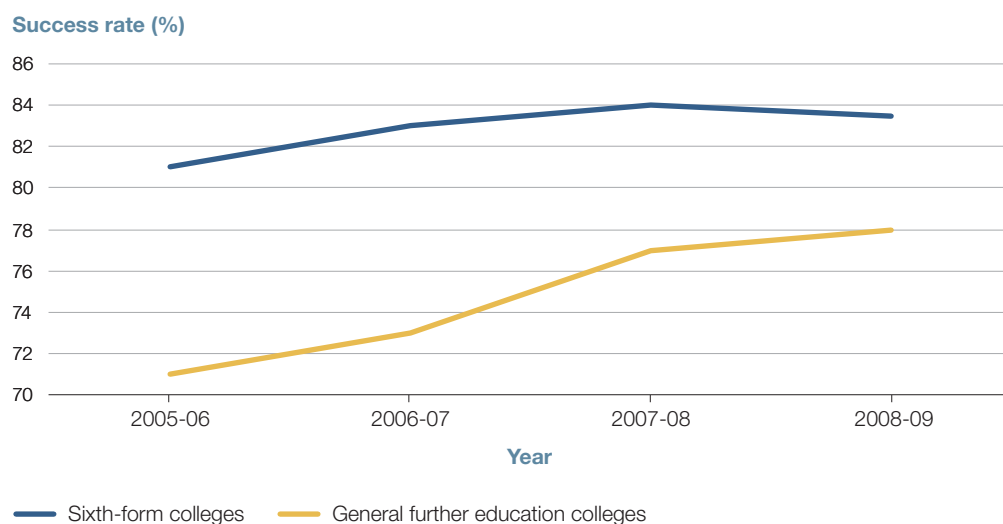
**NOTES**

1 School sixth forms include academies.

2 Other further education colleges include general further education colleges and specialist colleges.

Source: National Audit Office analysis of departmental data

**Figure 6**  
Success rates at levels 1 to 3 by provider type<sup>1</sup>



**NOTE**

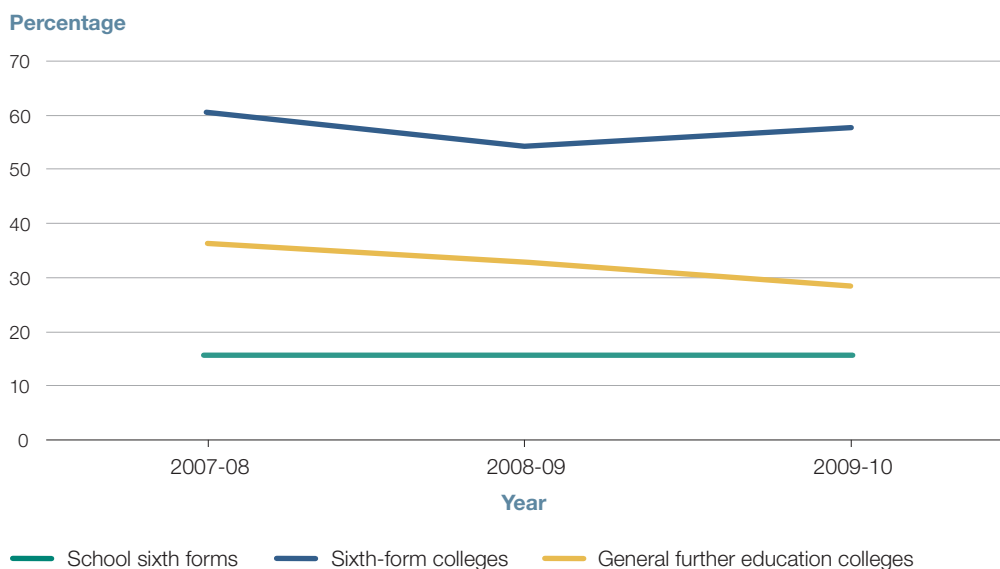
<sup>1</sup> These success rates are an aggregate of rates calculated for levels 1 to 3.

Source: National Audit Office analysis of departmental data

**1.12** Taking level 1, 2 and 3 courses together, sixth-form colleges have higher success rates than general further education colleges. Success rates show the proportion of people who enrolled on a course who completed and passed. Success rate data for school sixth forms are only available for 2008-09. The data suggest an overall success rate of 74 per cent, but the data were poor quality and incomplete. The process for calculating success rates for schools is different from colleges, relying on data matching by the Department rather than data supplied by schools. Where qualifications cannot be matched with outcomes for learners, they are excluded. Success rate data are not available for academies.

**1.13** None of these measures take into account prior attainment, which is a key consideration of the value added measure. This measure allows comparisons between providers working with very different intakes. In 2009-10, 58 per cent of sixth-form colleges added more value than expected compared to 29 per cent of general further education colleges and 16 per cent of school sixth forms (**Figure 7** overleaf).

**1.14** While sixth-form colleges exhibit the highest performance on most of the indicators examined above, they are paid at a lower funding rate than school sixth forms. Funding is discussed in Part Two.

**Figure 7**Providers adding significantly more value at level 3 than expected<sup>1</sup>**NOTE**

1 The value added score measures progress that learners have made on level 3 courses relative to their prior attainment. The value added score and respective confidence intervals (range within which we can be confident a provider's true value added score lies) are wholly above the national average. This data can be used to examine the relative performance of different provider types. Because the national average may change year-on-year, it cannot be used to define absolute trends over time for an individual provider type.

Source: National Audit Office analysis of departmental data

**Impact of size of provider on learner performance**

**1.15** Further education colleges, because they are generally larger, often provide a wider choice of courses than school sixth forms. Young people are more likely to achieve if they have the opportunity to study their preferred subjects, but small providers are often not able to offer a broad range of subjects to their learners. A 2008 Ofsted study<sup>3</sup> found that collaborative activities between sixth forms to improve curriculum provision were either limited or at an early stage of development in over half the school sixth forms visited.

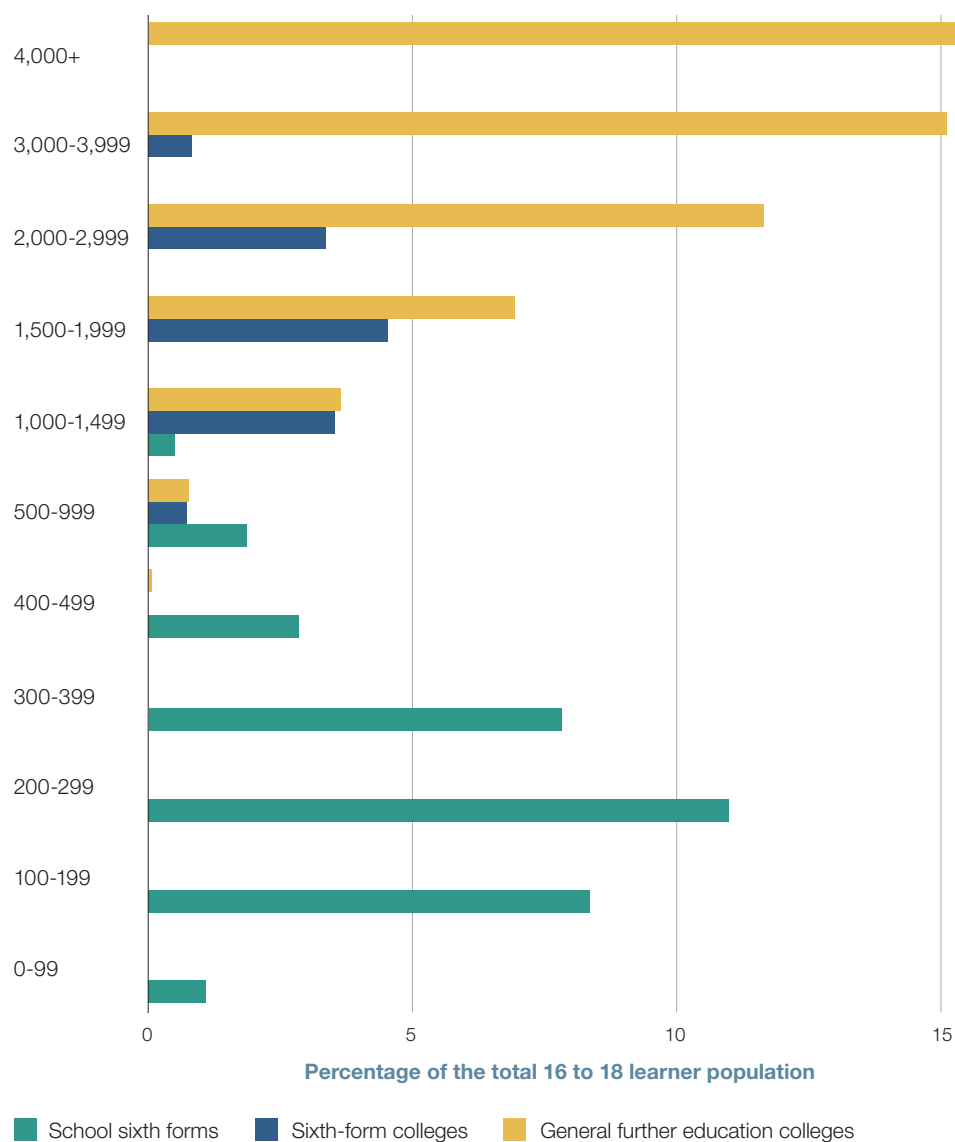
**1.16** Less than 10 per cent of learners attend sixth forms with fewer than 200 students (**Figure 8**). However, these schools account for a quarter of all providers. Smaller school sixth forms generally have worse performance than larger ones. For example, the percentage of schools adding more value than expected decreases consistently with size of institution, below 400 students (**Figure 9** on page 20). For further education colleges, most of which have more than 500 students, variation in size has less impact. These patterns are mirrored in other measures. We found that, for example, the QCA points per entry for the smallest fifth of school sixth forms is 191.8 compared to 214.5 for the largest fifth. Similarly, the success rate for the smallest fifth of school sixth forms is 67 per cent compared to 79 per cent for the largest fifth.

3 Ofsted, *A comparison of the effectiveness of level 3 provision in 25 post-16 providers*, September 2008.

**Figure 8**

Profile of 16 to 18 education providers by type and size, 2009-10

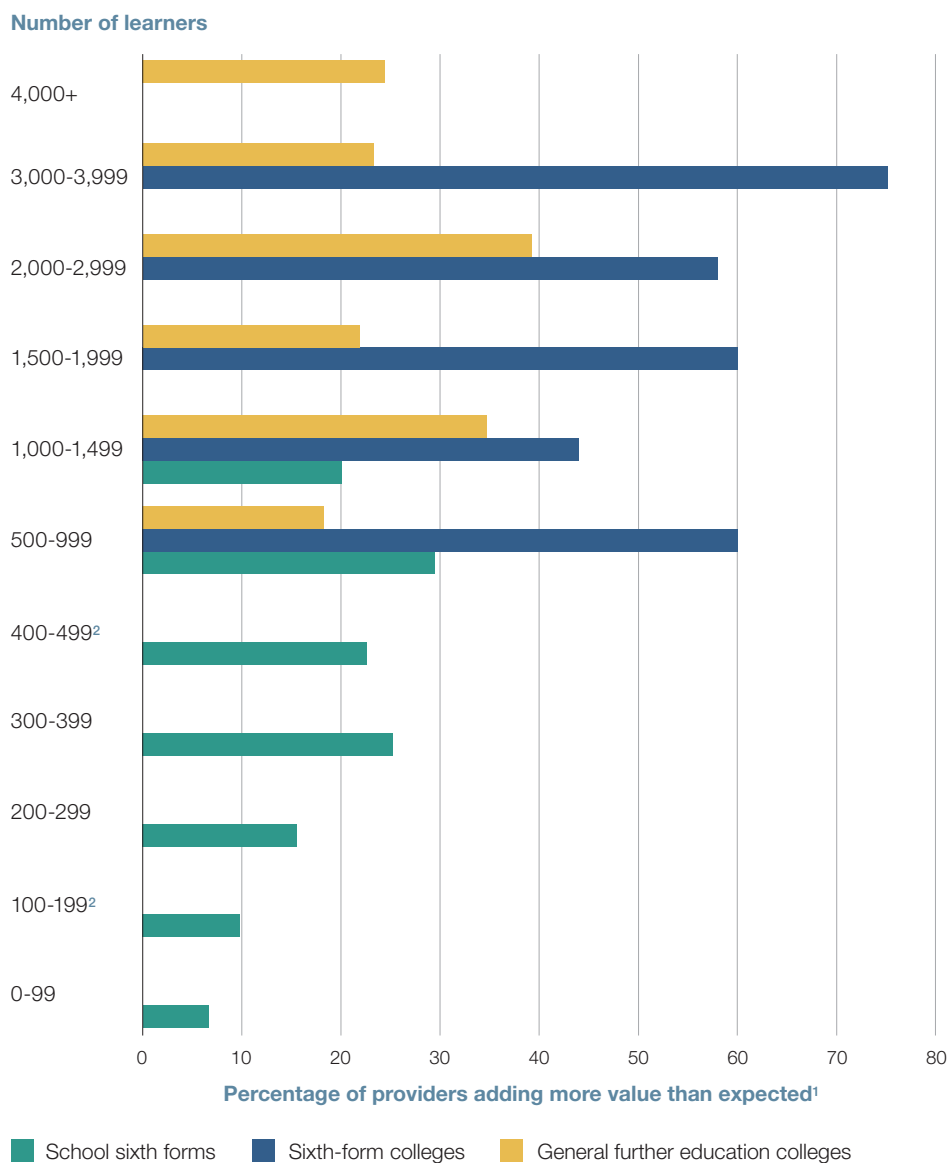
Size of provider (number of learners)



Source: National Audit Office analysis of departmental data

**Figure 9**

Providers adding significantly more value at level 3 than expected by size of provider, 2009-10



**NOTES**

- 1 The value added score measures progress that learners have made on level 3 courses relative to their prior attainment. The value added scores and respective confidence intervals (range within which we can be confident a provider's true value added score lies) are wholly above the national average.
- 2 There is one general further education college with 100-199 learners and one with 400-499 learners, both of which have been excluded as they bias the profile.

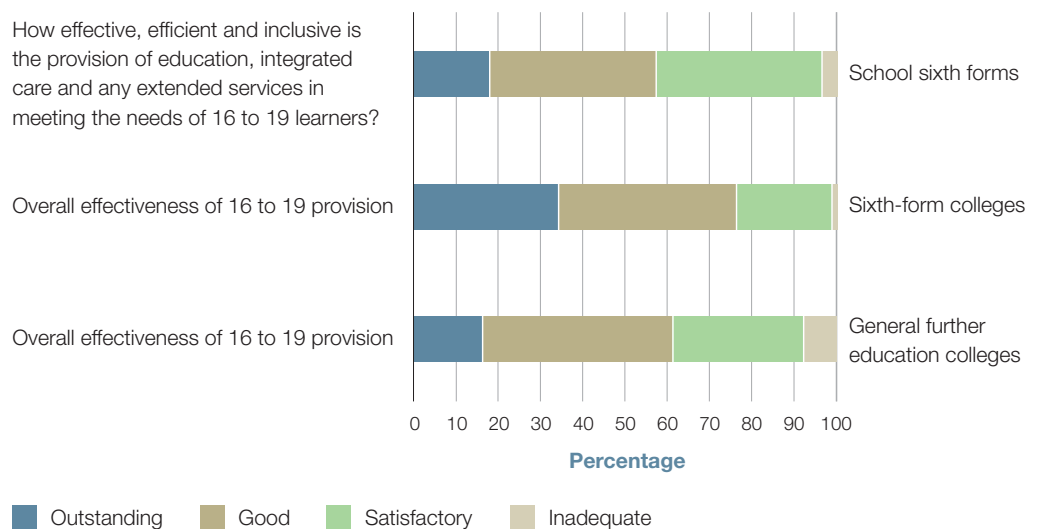
Source: National Audit Office analysis of departmental data

### Measuring the quality of education

**1.17** Ofsted inspects quality of provision. Prior to 2009-10, inspection categories were not directly comparable between the provider types because there were different inspection frameworks for schools and colleges, recognising their distinctive purposes. Ofsted introduced revised inspection frameworks in September 2009 which brought the frameworks for provision of education for 16- to 18-year-olds more closely into line. In our analysis, using similar inspection categories to make comparisons for the period 2005-06 to 2008-09 (**Figure 10**), sixth-form colleges had a higher proportion of outstanding and good outcomes for the various indicators.

**1.18** Ofsted inspection results show that 91 per cent of the largest fifth of school sixth forms obtained an outstanding or good judgement for overall effectiveness for 16 to 19 provision, compared to only 28 per cent of the smallest fifth.

**Figure 10**  
Ofsted results from 2005-06 to 2008-09



**NOTE**

1 The above analysis is based on: 93 sixth-form colleges; 258 general further education colleges; and 2,365 school sixth forms (including academies) over the academic years 2005-06 to 2008-09.

Source: National Audit Office analysis of Ofsted data

### Information, advice and guidance to support informed choices

**1.19** Learners may choose what and where they want to study and need reliable information in order to make an informed choice. The guidance they receive should help them to judge their chances of success in pursuing particular studies, and whether the knowledge and skills they gain as a result will help them to continue to make progress in future, usually by taking up employment or further studies. *The Wolf report*<sup>4</sup> highlighted the importance of making good information available about courses and providers.

**1.20** A 2010 study<sup>5</sup> found that over half of local authorities interviewed regarded information, advice and guidance in schools as requiring improvement. This shortcoming was often cited as a reason for some learners failing AS level (a free standing qualification or the first half of an A level). A review by Ofsted<sup>6</sup> found that students in schools with a sixth form were often unaware of the range of courses offered in further education colleges or the opportunities for work-based learning. As a result, there is a risk that some students may enter the school sixth form to study A levels that are inappropriate, given their aspirations or their capability, based on achievements by age 16.

**1.21** Many school and college websites contain comprehensive information on the courses they provide. Some local authorities have improved the information on options available to prospective students by bringing it together in common prospectuses and websites, and through developing common application processes.

**1.22** Information on provider performance is accessible to learners, for example through the *Framework for Excellence*<sup>7</sup> website. *Framework* results are compiled using national, comparable, quality-assured data. While they comprise the latest available data, which are revised annually, they can relate to a period more than 12 months earlier. For example, in February 2011 the recorded success rates were for the academic year 2008-09. Although success rates are reported at thirteen subject-sector levels, such as 'science and mathematics', there is no reporting on specific courses. The Department for Education is considering the performance measures that potential learners need to decide where and what to study, including specific course information. Some providers publish performance data for specific courses on their websites, but such information, which is important for learners in helping them to make choices, is not consistently available.

4 Alison Wolf, *Review of vocational education – The Wolf Report*, March 2011.

5 Department for Children, Schools and Families, *Report on school sixth form performance management*, April 2010 (unpublished).

6 Ofsted, *Moving through the system – information, advice and guidance*, March 2010.

7 <http://ffepublication.skillsfundingagency.bis.gov.uk/employerffepubhome>



## Access to courses and progression to further learning and employment

### Equitable access to courses

**1.23** There is a tension between increasing the choice of types of provider and the choice of courses that are available to learners in their local area. Providers with many learners are able to offer a greater choice of courses, so course choice can be diminished where there are relatively large numbers of smaller providers in an area. New providers generally start small and need time to build up their student numbers. If, however, new providers do not grow to a cost-effective size, then increasing choice of providers may lead to lower quality, high-cost providers and reduced choice of courses for learners.

**1.24** The removal of the educational maintenance allowance from 2011, which provides financial support to learners from low-earning households, is likely to have a greater impact on learners in further education colleges than school sixth forms, because a higher proportion of their learners have been eligible for the allowance. For example, in one college we visited, almost 70 per cent of 16- to 18-year-olds received the allowance. Funding to replace the allowance will be available to providers to distribute on a discretionary basis. The amount of funding has yet to be agreed.

### Progression to further learning and employment

**1.25** A key outcome from the education of 16- to 18-year-olds is the progression of learners to further learning. The total number of acceptances to higher education places from state-funded education has increased by over 12 per cent since 2007. In 2010, successful applications to university by students from sixth-form colleges and school sixth forms were comparable, with acceptance rates of around 80 per cent.

**1.26** Another key outcome of the education of 16- to 18-year-olds is to prepare learners for employment. Many providers recognise that, for young people to gain employment, they require more than qualifications. However, current performance incentives for providers focus on achievement of qualifications, not on wider employment skills such as team working and communication. *The Wolf Report* concluded that helping young people to obtain genuine work experience and employability skills should be one of the highest priorities for 16 to 18 education in the next few years.

**1.27** Some schools and further education colleges monitor learner destinations, notably further studies or employment, and provide the information to learners so they can assess the opportunities for progression. However, course-level data that indicate possible learner progression are not consistently available. The Department proposes to introduce, by 2013, subject-specific information and a measure showing how many learners have progressed into further learning or employment.

# Part Two

## Incentives for high-quality, cost-effective provision

**2.1** This part of the report examines:

- whether education for 16- to 18-year-olds is administered by means of an efficient, devolved system with clear lines of accountability;
- whether providers are enabled and incentivised to operate in a way that seeks to provide better outcomes for less cost; and
- whether the funding formula is fair, transparent and supports desired outputs and outcomes.

### **The devolved delivery system and lines of accountability**

**2.2** The education of 16- to 18-year-olds is delivered through a devolved delivery system, with learners choosing providers and funding following the learner. The system is intended to provide choice, improve quality and reduce costs through competition between providers. The Department has overall responsibility for provision but the management of the system resides in a number of organisations (**Figure 11**).

**2.3** The system changed twice in 2010. The previous Government implemented changes in April 2010, including the dissolution of the Learning and Skills Council and transfer of some of its responsibilities to two new bodies, the Young People's Learning Agency and the Skills Funding Agency (the latter focused on adults). Local authorities were given a new statutory duty to secure sufficient provision for 16- to 18-year-olds in their area and, from 2011, the responsibility to determine providers' funding. In August 2010, the Government decided that determining providers' funding should remain a national responsibility of the Young People's Learning Agency, rather than 152 separate local authorities.

**2.4** The purpose of these latter changes was to simplify the system, and they included the creation of a single point of contact for individual providers to discuss funding and data requirements. A 'lagged funding' system will see funding from most providers based on the prior year's learner numbers, removing the need for discussions between different parties on the provider's annual budget.

**Figure 11**Responsibilities for oversight of the education of 16- to 18-year-olds<sup>1</sup>

	<b>Department for Education</b>	<b>Young People's Learning Agency</b>	<b>Skills Funding Agency</b>	<b>Local authorities</b>
Funding	Determines the policies for funding 16 to 18 education.	Determines funding for all providers and distributes directly to academies, sixth-form colleges and other independent providers.	Acts as a conduit for funding from the Young People's Learning Agency to general further education colleges and other independent providers.	Act as a conduit for funding from the Young People's Learning Agency to maintained schools with sixth forms and post-16 learners with special educational needs.
Lead responsibility for	Overall assurance for 16 to 18 education.	Academies, sixth-form colleges and other independent providers.	General further education colleges and other independent providers.	Schools with sixth forms and local authority learning providers.
Financial monitoring	Monitors Young People's Learning Agency.	Monitors the financial health of providers it funds directly and intervenes in failure.	Monitors the financial health of providers that it has lead responsibility for. Regular dialogue with Young People's Learning Agency to ensure both agencies are aware of any monitoring issues.	Monitor the financial health of those providers they have lead responsibility for. Can intervene as they deem necessary.
Data analysis	Analyses data to support policy development.	Analyses provider data, including learner achievements and results of Ofsted inspections, and presents them to local authorities and providers.	Not applicable.	Review analysis performed by Young People's Learning Agency.
Performance monitoring	Monitors performance of Young People's Learning Agency and overall provider performance.	Monitors and identifies issues in individual providers except schools.	Not applicable.	Identify issues in individual schools with sixth forms.
Statutory powers of intervention	Academies and free schools.	Sixth-form colleges.	Further education colleges, at the request of a local authority or the Young People's Learning Agency.	Sixth-form colleges and schools.

**NOTE**

<sup>1</sup> This table excludes responsibilities for apprenticeships, which are not examined in this study.

Source: National Audit Office literature review

**2.5** The system operates as a market, with providers deciding what courses they will offer in response to the needs of individuals and employers. Local authorities are, however, responsible for ensuring that there is sufficient provision in an area to meet the needs of all learners aged 16 to 18. To fulfil their statutory duties, local authorities should be influencing the provision on offer and promoting any necessary structural changes in the local education system. In practice, the level of local authority engagement in these activities varies considerably. Where local authorities do not fulfil their duties effectively, gaps in provision or unnecessary duplication of courses can result.

**2.6** The Young People's Learning Agency is held accountable to the Department through monthly review meetings. At these meetings, the Department examines performance indicators focusing on finance, risks, participation, achievement and learner support. The Department also attends the Agency's board meetings and there is regular dialogue at an operational level.

**2.7** In November 2010, the Department announced that the Young People's Learning Agency will be replaced by the Education Funding Agency, an executive agency of the Department. This change is in anticipation of an increasing number of schools becoming academies over the next few years.<sup>8</sup>

**2.8** The Department gains assurances about the quality of provision from Ofsted. Recent changes mean that schools and colleges that have previously been judged as outstanding will no longer be required to have an Ofsted inspection, but they will continue to be subject to risk assessment and close monitoring of their performance.

**2.9** There are a number of differences in the accountability arrangements for schools and further education colleges. In particular:

- **Ofsted inspections.** There are different inspection frameworks for schools and further education colleges which recognise their distinctive purposes.
- **Financial accounting and audit arrangements.** Further education colleges are required to produce financial statements that are externally audited (as are academies). Colleges are also required to have an internal audit function. Schools provide accounts of expenditure which are not externally audited but are compiled to produce a local authority's financial outturn statement for schools in their area.
- **Data returns.** Schools are required to submit a return, known as a school census, twice a year. Further education colleges are required to submit a more detailed return five times a year.

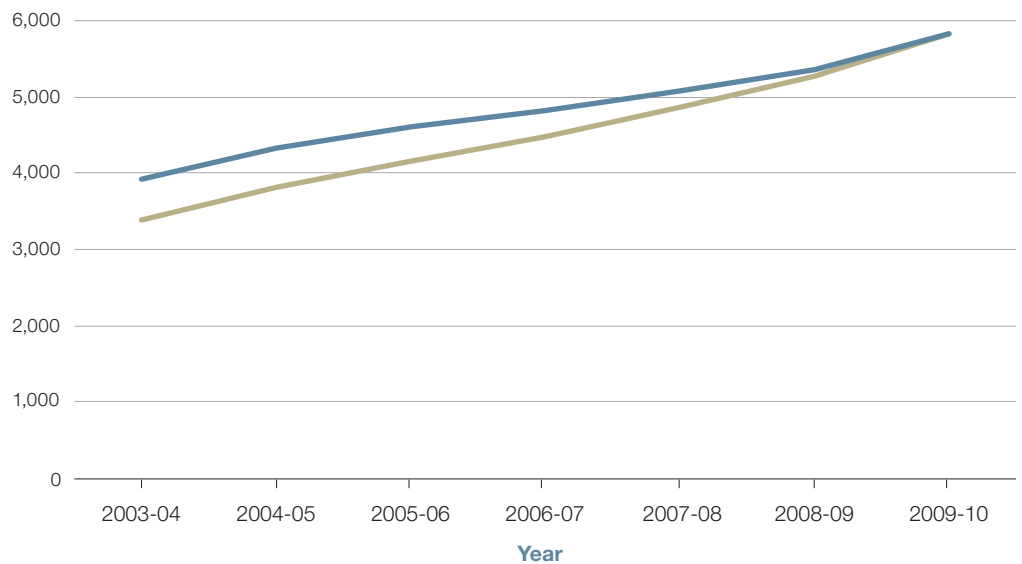
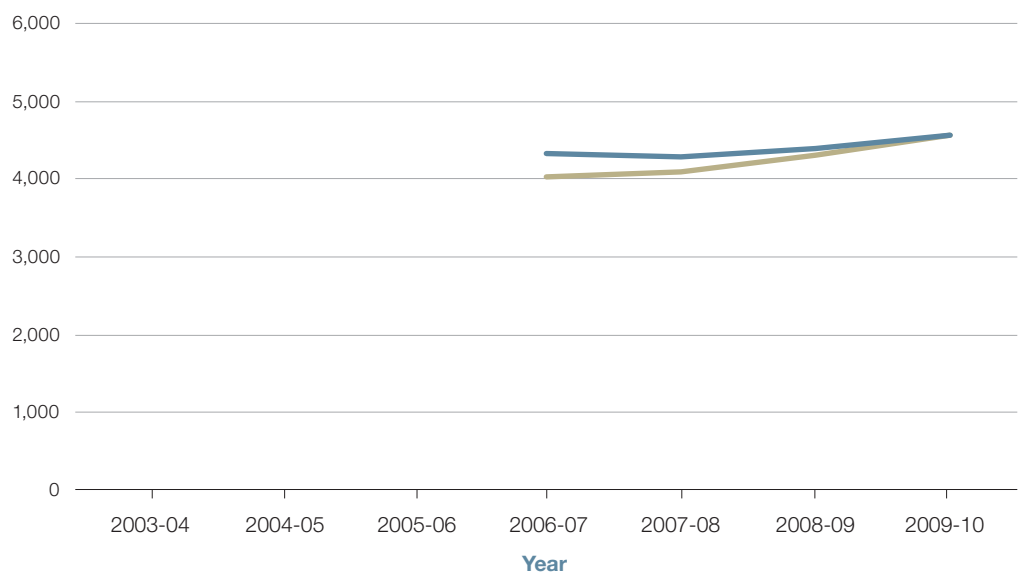
## How providers are funded

**2.10 Figure 12** shows that total funding for 16 to 18 education has increased year-on-year, over the last six years. This increase partly reflects rising participation of 16- to 18-year-olds in education (75 per cent in 2002 to 83 per cent in 2009). Funding per learner has also increased. There is an expectation of tighter funding in coming years.

<sup>8</sup> Department for Education, *The importance of teaching: the schools White Paper 2010*, Cm 7980, November 2010.

**Figure 12**

Total 16 to 18 funding and funding per learner

**Total funding (£m)****Funding per learner (£)**

— Real terms (at 2009-10 inflated values) — Cash terms

**NOTE**

1 Funding figures relate to basic funding only and do not include additional learning support. Funding per learner is shown from 2006-07 onwards only because earlier data on school sixth form learner numbers were not available. The way learners were counted changed on introduction of a new funding formula in 2008-09. Academies are not included in any of the data.

Source: National Audit Office analysis of departmental data

**2.11** There is a national funding formula for school sixth forms, further education colleges and other providers. The central element of the formula is a basic rate for each learner, which is adjusted by a range of factors, most of which make a positive adjustment to the rate, such as disadvantage uplift. One factor that may reduce funding is the provider's success rate – the worse the rate the less funding per learner they receive in the following year.

**2.12** Success rates have been published for further education colleges for many years. Before 2008-09, school sixth forms received funding based on a historical success rate and on the number of learners present at two census points during the year (at the start of the school year and in January). As a result, unlike the funding for further education colleges, there was no direct link between funding and individual school success rates, and schools were funded for some learners present at the second census point but failing to complete their course. Calculating schools' success rates on the same basis as other providers has reduced funding to schools for non-completion of courses and improved the incentives for schools to match young people with appropriate courses that they will complete. The Department estimated that these changes created savings of £26 million for the 2008-09 academic year.<sup>9</sup>

**2.13** There were substantial problems with the first year success rate data for schools. The Department did not consider they were sufficiently robust to publish and only released them following a freedom of information request. The data were incomplete and of variable quality, because of poor submissions from schools or because the Department was unable to match learning aims to awarding body results. Differences in schools' and colleges' data systems mean that achieving comparability is difficult. The Department is proposing that schools provide the required data, avoiding the need for matching by the Department and leading to comparable data by 2012-13.

### Differences in the funding rate and financial status of providers

**2.14** One of the guiding principles of the education system is that all learners are entitled to the same high-quality education and training. In practice, however, there are substantial differences in the funding of 16- to 18-year-olds' education depending on where they choose to study.

**2.15** The gap in funding between schools and further education colleges has existed for many years. In recent years it has been reduced – from 14.2 per cent in 2004-05 to 5.6 per cent in 2008-09,<sup>10</sup> according to estimates commissioned by the Department. The continuing difference equates to £280 per learner. In November 2010, the Department announced that it plans to end the funding difference by 2015,<sup>11</sup> by bringing funding for school sixth forms into line with colleges. It will make the change over a number of years to avoid financially destabilising schools with sixth forms. The Young People's Learning Agency funding statement, published in December 2010, provides details of these plans.

<sup>9</sup> This was among the savings examined in: Report by the Comptroller and Auditor General, *Progress with VFM savings and lessons for cost reduction programmes*, HC 291 Session 2010-11, July 2010.

<sup>10</sup> KPMG, *The funding gap: a project to assess the progress made in reducing the funding gap between school sixth forms and further education colleges*, Learning and Skills Council, January 2008.

<sup>11</sup> Department for Education, *The importance of teaching: the schools White Paper 2010*, Cm 7980, November 2010.

**2.16** There are two main areas of cost difference between schools and colleges because of differences in financial status: how capital expenditure is paid for and the treatment of VAT. Schools reclaim VAT, whereas the college sector incurs an estimated £200 million a year in irrecoverable VAT. Colleges have some benefits not available to schools; for example they are permitted to take out commercial loans. Colleges told us that they estimate that the difference in resources available for the provision of education for 16- to 18-year-olds, taking into consideration the funding gap, capital funding costs and VAT, exceeds 12 per cent.

### **Support and incentives to provide better outcomes for lower cost**

**2.17** The Department expects competitive pressures to drive behaviour that generates value for money and has sought to minimise interference in the day to day activities of providers. It has, however, taken actions in a number of areas to encourage value for money amongst providers. We examined what providers were doing to understand and improve value for money and assessed the impact of competitive pressures and departmental initiatives.

### Learner achievement and quality of education

**2.18** For many years, national policies have focused on improving learner achievement through ‘high stakes’ incentives such as inspections by Ofsted and national reporting of academic results by provider and by local authority area. Partly in response to these incentives, most providers have developed arrangements that focus resources and attention on helping learners to achieve the best possible results. We observed many examples of effective practice in improving learner achievement and the quality of teaching and learning, including:

- rigorous monitoring of learners’ progress through setting clear personalised targets for each learner, and regular monitoring and feedback;
- data systems which track learner performance against national benchmarks, so that schools and further education colleges can see how they are performing comparatively;
- measures to improve student attendance and punctuality – which research has shown to be linked to student achievement;
- systematic lesson observation arrangements that result in constructive feedback to teaching staff on how they can improve;
- systematic arrangements for collecting and using learner feedback on the quality of teaching and learning; and
- regular reviews of the curriculum to test whether courses are still meeting learners’ needs and aspirations.

## Management of costs

### Provider level governance and review

**2.19** School and college governors provide local oversight of all areas of management, including delivery of value for money. In parallel with the developments outlined in paragraph 2.18, most governing bodies review the output side of the value for money equation, drawing on the Department's stated priorities in determining what they should measure. However, oversight of key elements of costs (inputs), and of associated measures, is less well developed.

**2.20** A 2009 Audit Commission report found that schools have weak incentives to be economical and efficient.<sup>12</sup> We found that a focus on economy and efficiency was usually strongest in further education colleges, and there are a number of possible explanations, including:

- being run on business lines since incorporation in 1992, when colleges became independent, autonomous organisations;
- being generally larger, allowing colleges to invest more, for example in a strong financial team and benchmarking data, and achieve economies of scale; and
- being under tighter financial pressure in recent years than schools and accustomed to lower funding.

**2.21** Some of the important enablers are, however, in place in all types of provider. For example, the providers we visited generally considered that they received a good balance of challenge and support from their finance committees. Many had seen the benefits of having governors with accountancy or other financial expertise.

### Cost of courses

**2.22** In schools with sixth forms, 16 to 18 education is a relatively small part of the budget of the whole school, and similarly, most general further education colleges enrol large numbers of adults. Providers are not, therefore, required to report specifically how the resources they receive for the 16 to 18 age group are spent, although it is still important that they understand the extent of cross-subsidisation and whether it represents a good use of resources. Many teachers teach pre- and post-16 year groups, and costing individual courses can be complex. Costing of individual courses is not widely practised in schools, although proxy indicators, such as student to teacher ratios, are often used in planning timetables and which courses will be offered.

**2.23** Most of the income of sixth-form colleges is for 16 to 18 education. Therefore, although whole course costing is complex, it is less so than for schools. Most further education colleges cost individual courses, with the most sophisticated colleges periodically reviewing each course's financial contribution to the colleges' bottom line, using data on course income and students' rates of success.

<sup>12</sup> Audit Commission, *Valuable lessons: improving economy and efficiency in schools*, July 2009.



## Procurement of goods and services

**2.24** Management of costs relating to procurement is an area of relative maturity. Guidance is accessible and widely used, having been a requirement of the financial management standard in schools. We noted many examples of schools and colleges using buying communities or consortia for particular areas of expenditure. The former Learning and Skills Council provided colleges with the Efficiency Measurement Model, a tool to report their efficiency savings on a quarterly basis. Returns are voluntary, and guidance is provided on classification and measurement of savings. Using this model, the Learning and Skills Council estimated total new procurement efficiency savings of more than £70 million a year (about 5 per cent of procurement expenditure) during the 2008-09 financial year.

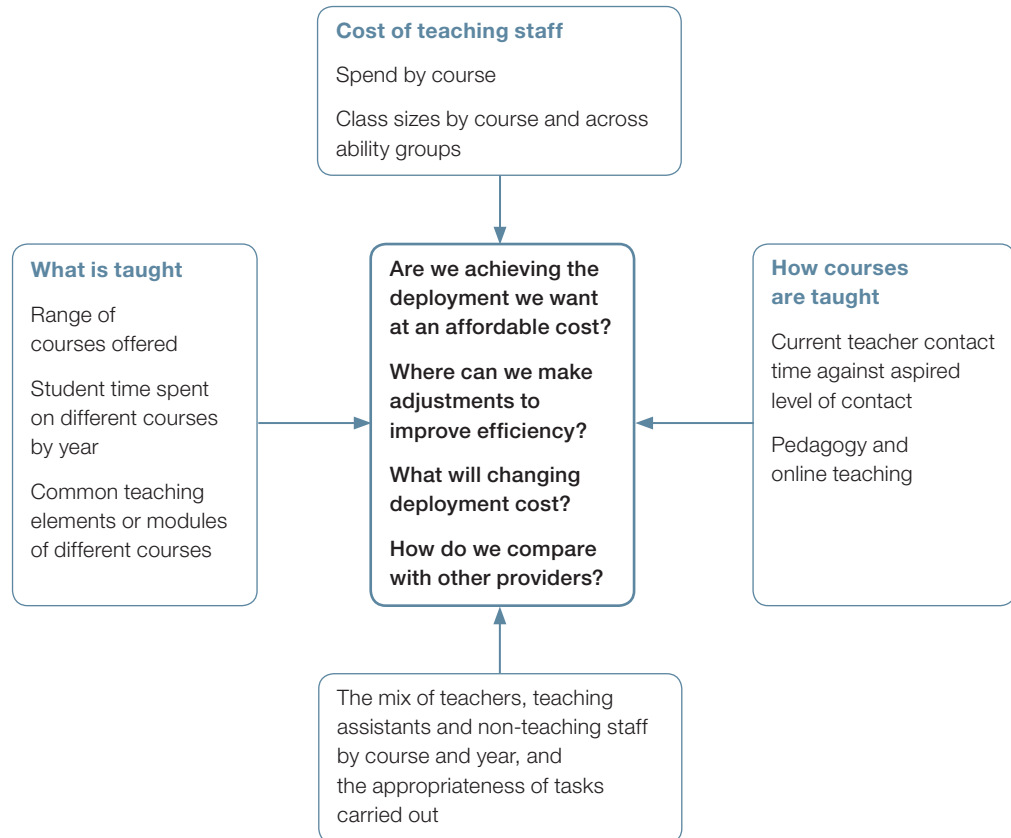
**2.25** Larger providers we visited had specialised procurement staff and electronic procurement systems. One college with strong procurement expertise was exploring providing a service to other local providers unable to afford dedicated procurement staff. Many providers had considered collaborating or sharing services with other organisations, and a small number had reviewed whether services could be delivered better in-house or contracted-out.

## Staff costs and deployment

**2.26** The costs of staff working directly with learners typically represent more than 60 per cent of a provider's budget, but the Department has provided less support in relation to these costs than for procurement. School and college managers consider these costs are harder to manage and, to some degree, fixed. Yet providers make many decisions that influence the cost of running a course, such as the number of teaching staff and their level of experience, the allocation of non-teaching tasks to non-teaching staff and the proportion of teachers' time spent with learners (**Figure 13** overleaf).

**2.27** Further education colleges complete an annual self-assessment in which they evaluate staff deployment, class size and qualification costs. This assessment is likely to have contributed to colleges having a relatively systematic approach to measuring staff deployment and monitoring the costs of courses. In 2009, the Audit Commission developed a self-evaluation tool<sup>13</sup> for schools on managing their resources. Our visits to schools indicated little awareness of the tool, although nationally there is evidence of some schools benefiting from its use.

**Figure 13**  
Choices that influence variation in teaching costs



Source: Audit Commission, *Valuable lessons: improving economy and efficiency in schools, 2009* and National Audit Office fieldwork

**2.28** Some of the benefits we observed from examples of this sort of analysis were:

- Increasing learner to teacher ratios, for example by: bringing together students on different courses that have similar teaching elements or modules; teaching groups of different levels together for carefully selected parts of their course; or by breaking sessions into teaching time, and more self-directed, IT-based learning and practical work.
- Making explicit decisions to offer some loss-making subjects, and requiring losses to be offset by profitable courses, with income covering costs overall. These judgements may be made at department level to reduce the need for detailed cost analysis of all courses, so long as department heads can demonstrate income and cost matching overall.
- Re-deployment of non-teaching staff; for example, one large provider re-evaluated roles every time a member of staff left to decide whether they needed to be replaced.

## Financial management expertise

**2.29** We observed that business managers with commercial experience brought significant benefits to providers, including a more systematic approach to managing finances. The 2010 schools White Paper<sup>14</sup> notes that obtaining the services of a high-quality business manager should be a priority for all governors and headteachers.

**2.30** The introduction of the financial management standard in schools by the Department in 2006 has helped to improve financial management and reporting,<sup>15</sup> but was seen by many schools as too complex and bureaucratic. The standard focuses on processes rather than achieving value for money.<sup>16</sup> In November 2010, the Department announced that the standard is to be replaced, in the 2011-12 academic year, with a simpler and more effective tool.

**2.31** Benchmarking helps providers improve performance by facilitating comparisons of expenditure, processes and achievements. Schools can use the national schools financial benchmarking site to compare their expenditure with similar schools but not all schools use this tool and it does not contain separate data on sixth-form costs.

**2.32** A number of providers use private companies to benchmark their costs with equivalent providers, and find this process valuable in identifying the biggest opportunities to make savings. In one provider, informal benchmarking was achieved through networking with business managers from other providers.

## Collaboration between providers

**2.33** Collaboration between providers usually occurs for one of three reasons:

- To generate efficiencies, for example, by securing contracts through consortia arrangements, by sharing services for back-office functions or by accessing joint funding sources.
- To develop the curriculum or broaden access to a wide range of courses for learners, for example, by providing the opportunity to attend courses at more than one institution. This approach can also reduce inefficiencies from small group sizes. A 2010 unpublished departmental report found that three-quarters of the schools reported some level of collaboration to support and broaden sixth-form provision.
- To improve quality and cost-effective approaches to teaching and learning, for example through peer review and sharing good practice.

<sup>14</sup> Department for Education, *The importance of teaching: the schools White Paper 2010*, Cm 7980, November 2010.

<sup>15</sup> Hedra, *Evaluation of the implementation of the Financial Management Standard in Schools*, 2008.

<sup>16</sup> Audit Commission, *Valuable lessons: improving economy and efficiency in schools*, 2009.

**2.34** There is wide variation in the extent of collaboration between providers, ranging from formal and well established consortia or federations, through a variety of less formal arrangements, to no collaboration. Collaboration occurs most commonly where providers do not regard themselves as direct competitors. Any provider can agree to work with another, formally or informally. However, only maintained schools or academies can federate under a single governing body. From September 2003, schools have had the power to create a single or joint governing body across a federation of two to five schools. Thereafter, the consent of the Secretary of State is required.

**2.35** Accountability arrangements, however, have not kept pace with these new delivery arrangements. For example, federations of providers that effectively operate as a single entity across a geographical area are required to report separately. The Department is taking action to update its requirements in its 2011 school finance regulations.

# Part Three

## Performance monitoring and interventions to deal with poor performance

**3.1** This part of the report examines:

- whether there is timely, relevant and accurate data that is used to monitor and review the 16 to 18 education system; and
- whether there is appropriate and consistent intervention to deal with poor performance.

### Performance monitoring and review

**3.2** Until May 2010, the Department regularly reviewed a number of indicators relevant to 16 to 18 education as part of its internal reporting of corporate performance. The indicators included the proportion of young people achieving level 2 or level 3 qualifications by age 19 and the level of participation of 17-year-olds in education or training.

**3.3** Across government, new reporting arrangements are being developed based on structural reform plans and business plans for each department. The Department is developing new indicators that were set out in its business plan, with the aim of making information available on value for money so that parents and others can make informed choices. The indicators will have a national benchmark and individual provider level information. The Department has commissioned the Young People's Learning Agency to develop an indicator on unit funding of post-16 education.

**3.4** In parallel with this, the Department's main source of assurance about the quality of education is inspection of providers by Ofsted (paragraph 1.17-1.18). The Young People's Learning Agency gathers a range of information to assess the performance of providers and to determine funding. This information includes: learner numbers and demographics; types of courses; learner achievements and attainment; and Ofsted inspection outcomes. These data are available for providers and local authorities to benchmark performance.

**3.5** In addition, the Young People's Learning Agency assesses success rates, the percentage of people enrolling on courses who complete and pass the course, against minimum levels of performance for each course in colleges. It does not undertake this analysis for schools.

**3.6** In general, data for monitoring providers is relevant and accurate. However, the first year's success rate data from schools were poor quality (paragraph 2.13). The timeliness of all national attainment data is limited by the need to validate it before it is made available, and it is difficult to separate out spending on the education of 16- to 18-year-olds where services are also provided to other age groups.

### Review of the delivery model

**3.7** The Department has chosen a demand-led model for 16 to 18 education to deliver choice of courses and providers to the learner. The aim is to improve quality and reduce costs through competition between providers.

**3.8** Although the Department relies heavily on this model and has made selective adjustments to improve the way it operates (for example on funding), it has not undertaken a systematic review of how effectively the model is working. Market dynamics can be assessed through a choice and competition framework<sup>17</sup> to gain assurance that:

- local authorities are performing their statutory responsibility to secure sufficient suitable education and training opportunities for all 16- to 18-year-olds;
- learners are aware of choices, and information on choice is relevant and easy to access;
- there are multiple providers and that the market allows new providers to enter the market, good providers to expand and poor providers to exit;
- the incentives in the market, such as funding, generate behaviours that lead to desired outcomes; and
- there is appropriate regulatory intervention to address areas of market failure.

**3.9** In addition, such a review could be used to identify specific issues, such as rural locations, where intervention may be necessary because local competition is poor.

<sup>17</sup> Office of Fair Trading, *Choice and competition in public services*, March 2010.

## Addressing poor performance

### General further education colleges and sixth-form colleges

**3.10** Concerns about the performance of a further education college trigger a notice to improve, which can be prompted by:

- success rates in courses representing over 15 per cent of provision falling below minimum levels of performance, set annually by course;
- an 'inadequate' rating from Ofsted; or
- poor financial management.

**3.11** Once a further education college is given a notice to improve it is allowed a limited time to improve performance. During that time it may have access to additional support from organisations such as the Learning and Skills Improvement Service. The notice is lifted if performance improves sufficiently.

**3.12** Between 2006 and 2009, the then Learning and Skills Council identified 368 poor performers (including independent training providers), of which 124 were exempt because of their small size. The remaining 244 poor performers were issued notices to improve. Of these, 56 providers improved performance sufficiently to have their notice to improve lifted by the end of 2009. The remaining 188 had further sanctions, such as mergers being considered or funding being withdrawn. This process creates a clear incentive for colleges to improve their performance.

### School sixth forms

**3.13** Schools are not subject to the notice-to-improve arrangements described above for further education colleges. Action taken by local authorities to address poor performance in school sixth forms is variable and, in some cases, interventions only occur when there is a failure in the school as a whole. Local authorities use QCA points to measure the performance of school sixth forms, but there are no national minimum benchmark measures and local authorities set their own levels. Therefore, what may be deemed poor performance in one local authority may not in another. The Department has sought to address this through the introduction, in 2009, of a data dashboard, but this dashboard has not been applied consistently by local authorities.

**3.14** In late 2006, the Department recognised that the challenge and support of school sixth forms needed improving. Since then it has commissioned a number of reviews. The most recent review, completed in 2010, found that:

- the breadth, depth and impact of local authorities' engagement with their strategic role in sixth-form improvement vary considerably, and nationally require significant improvement;
- there is considerable variation in the criteria that local authorities use to determine sixth-form under-performance, leading to inconsistency in the challenge and support provided;
- the late arrival of performance data in the academic year is a substantial barrier to improved performance management;
- support for schools, in the form of school improvement partners, has focused on 11 to 16 provision, not on 16 to 18 provision;
- students find the transition from pre-16 into sixth-form teaching styles challenging to manage; and
- small sixth forms are more likely to be deemed underperforming.

**3.15** The education White Paper, published in November 2010, outlines at a high level changes that are to be made. The aim is for common performance measures to be in place across all 16 to 18 education and training. School sixth forms will then be subject to the same minimum levels of performance as other providers, but as described in paragraph 2.13, progress depends partly on the need to address substantial problems with data on success rates for schools. The issues identified in the previous paragraph still need to be addressed.



# Appendix

## Methodology

Below is a brief overview of the methods used in this report.

Method	Purpose
<p><b>1 Provider data analysis</b></p> <p>Analysis of provider data, including funding and performance data.</p>	<p>To identify profiles, performance nationally and by provider, and trends in:</p> <ul style="list-style-type: none"> <li>● funding;</li> <li>● learner attainment; and</li> <li>● quality of education.</li> </ul>
<p><b>2 Interviews with key stakeholders</b></p> <p>Interviews with Department for Education, Young People's Learning Agency and representative bodies in the sector.</p> <p><b>3 Written consultation</b></p> <p>Written consultation to the sector seeking views on issues around strategy, planning, implementation, evaluation and feedback, choice, competition and collaboration between providers. Eighteen responses were received.</p>	<p>To identify:</p> <ul style="list-style-type: none"> <li>● roles and responsibilities within the 16 to 18 education system;</li> <li>● how national policy and support arrangements have been implemented;</li> <li>● incentives within the system that drive value for money improvements; and</li> <li>● key issues faced by providers in delivering 16 to 18 education and their impact on value for money.</li> </ul>
<p><b>4 Literature review</b></p> <p>A review of the literature on 16 to 18 education.</p>	
<p><b>5 Case studies</b></p> <p>Fourteen case study visits to providers from each of the three main provider types, covering a range of sizes, performance levels and geographical locations.</p>	<p>To identify:</p> <ul style="list-style-type: none"> <li>● how national policy and support arrangements impact providers;</li> <li>● the incentives within the system that encourage providers to achieve value for money;</li> <li>● how providers assess value for money; and</li> <li>● good practice in delivering services cost-effectively.</li> </ul>





Design and Production by  
NAO Communications  
DP Ref: 009545-001

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