National Moderation of additional 16-18 places for 2009/10

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Introduction and Background

1 The National Moderation Team met over two days 21st and 22nd May 2009. Moderation was in two stages reviewing regional returns and the Moderation Panel. Further background is included in the Briefing Note issued on 15th May 2009.

2 The purpose of the additional funding is to ensure that LSC can meet the September Guarantee and its commitment to those that are NEET in every area of the country. It does not imply that all learners recruited above provider’s allocations will be funded. The task ahead is to achieve this objectively so that in the event of any later challenge a robust and secure process can be substantiated. National moderation is key to this aim.

Purpose

3 The purpose of this briefing note is to detail the process followed for national moderation and the results of the process.

Overall Process and Timescales

4 The team met at 12.30pm to 2.00pm on Thursday 21st to review the regional returns this was followed by clearance of any queries. The Moderation Panel met at 12.00pm to 2.00pm on Friday 22nd to agree an overall recommendation to DCSF.

Team Membership

5 Moderation Team membership was as follows:

- Kevin Street
- Jim Minogue
- Elisabeth Baines
- Kathy Brewerton
6 In addition the moderation panel was chaired by Sue Reekie.

**Evaluation Criteria**

7 The evaluation criteria are detailed below. It should be noted that these had been agreed with RPPDs and DCSF and therefore were not varied. The aim of the process was to rank the business cases for each region showing those that can be funded from the available budget and any others that the region also recommends for support.

8 Scoring – All business cases were scored in line with the following criteria. Each criteria is ranked by score with 1 being the lowest and 6 the strongest and therefore business cases were ranked with highest scoring providers first. Business cases were then ranked accordingly to scores and grouped into three categories. Approved within budget, would approve if budget was available and rejected.

- **Past performance on recruitment** – based on regional forecasts
  - The provider has or is forecast to exceed 2008/09 learner number recruitment targets by 2% or more (6)
  - The provider has met or is forecast to meet 2008/09 learner recruitment target to with + or – 2% (3)
  - The provider has or is forecast to under achieve 2008/09 learner recruitment target by over 2% (1)

- **Regional Assessment of NEET** – based on regional classification of NEET using November NEET figures (NEET only not others).
  - The data shows provision is in a high priority area for reducing NEETs (6)
  - Provision is in an area where the data does not indicate a need but there is local intelligence that there could be an increase in NEETs this September. (3)
  - Provision in an area with no known NEET issues (1)

- **Regional Assessment of September Guarantee** – based on regional classification of September Guarantee using January Data.
  - The data shows provision is in a high priority area for meeting the September Guarantee (6)
• Provision is in an area where the data does not indicate a need but there is local intelligence that there could be a shortage of provision this September. (3)

• Provision in an area with no known September Guarantee issue (1)

d  **Degree to which need is proven** – based on the business case

• Strong evidence is provided that demonstrates an urgent need using local intelligence provided in the business case (6) e.g.:
  a) Increased referrals from connexions for provision.
  b) Increased applications over previous years.
  c) Evidence of displacement from learners who would otherwise enter jobs or Higher Education, would attend independent schools or would have wanted an Apprenticeship place including those that will continue in learning for a further year.
  d) Evidence of redundancies affecting young people who will therefore return to education or training

• Evidence is provided but does not demonstrate a need (3)

• Evidence does not demonstrate a need to meet the September Guarantee or a NEET problem (1)

e  **Meeting the need** – based on the business case

• The provision that has been proposed is directly relevant to the identified need and links to, but does not duplicate other provision and is therefore appropriate to the need. (6)

• From the business case the proposed provision appears appropriate for the need but was not pre-defined (3)

• From the business case the provision does not appear appropriate to the identified need. (1)

f  **Quality** – From regional reports. Sources could include recent inspection results, positive destination rates, Success Rates etc as appropriate to the provision.

• Provider has a proven track record of quality provision for the client group. (6)

• Provider is new to this client group but has a proven track record for their current provision (3)

• Other providers not meeting standards above (1)

**Role of National Moderation**

9  The role of national moderation was to ensure the overall process was applied in line with the guidance and that the results of the exercise are
sensible and can be communicated to the sector. In this case the meeting will also decide on the LSC’s recommendation to DCSF on what provision to fund.

**Review of Regional Returns**

10 Team members were asked to review regional returns against the following questions and if necessary contact the regions to clarify any issues:

- Has the full range of scores been used?
- Are there any predominant scores for specific areas or provider types, if so is it justified?
- Have any learner number reductions been made based on need or capacity, if so are these explained?
- Have any reductions been made across the board, if so why?
- Are any exemptions justified?
- Where exemptions have been applied could they be communicated successfully?

**Results of Review of Regional Returns**

11 All submissions from regions were assessed against the moderation criteria, the scoring criteria had been applied consistently in all regions. There were issues to resolve on learner number allocations. The issues are detailed below.

12 The average scores for each region are shown in table 1 below, this shows an overall average score of 21.

13 The approval cut offs by region are also shown in table 1 below:

<p>| Table 1 Regional approval scores and average scores |</p>
<table>
<thead>
<tr>
<th>Region</th>
<th>FE</th>
<th>E2E</th>
<th>SSFs</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>East of England</td>
<td>25</td>
<td>22</td>
<td>27</td>
<td>21</td>
</tr>
<tr>
<td>East Midlands</td>
<td>20</td>
<td>24</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>West Midlands</td>
<td>26</td>
<td>19</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>London</td>
<td>17</td>
<td>N/A</td>
<td>18</td>
<td>15</td>
</tr>
<tr>
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<td>20</td>
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<td>South West</td>
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<td>25</td>
<td>22</td>
</tr>
<tr>
<td>York &amp; Humber</td>
<td>23</td>
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<tr>
<td>North East</td>
<td>28</td>
<td>28</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>North west</td>
<td>18</td>
<td>18</td>
<td>18</td>
<td>21</td>
</tr>
</tbody>
</table>

Scores are those above which applications were approved
All E2E applications were approved in London

**Agreed Conventions**

14 The following conventions were proposed at the Thursday Meeting and Agreed at the Moderation Panel.

- Regions to confirm their E2E learner number baseline and therefore the number of places to be allocated through the bidding process.
- It is for regions to decide the learner number allocation for each provider based on their local knowledge of need and provider capacity. Formulaic reductions of any type are not to be used. This can mean adjustments up or down.
- It is acceptable to reject business cases which only offer breadth not additional numbers regardless of the scores.
- It is acceptable to approve a bid that does not meet the regional threshold when rejection would mean the September Guarantee can not be met. The region should commit to a developmental process to ensure the provision meets the needs of the area.
- Regions must be able to clearly articulate all exceptions and rejections in writing to the provider concerned.

**Moderation Panel**

15 The moderation panel was asked to review the overall results to decide on the way forward to ensure:

- The overall learner numbers fit DCSF expectations
- The overall proposals are affordable
- The mix between regions and provider types looks reasonable
- How any over/under subscription is to be managed.

16 This resulted in a ministerial submission from DCSF with a final recommended distribution of the overall learner numbers.

**Issues for Resolution**

17 The following issues were raised through the process for discussion at the moderation panel:

- Scores for the North East (Average 30) are much higher than the national average (21), the scores were high across all questions. However these are consistent within the region. It was recommended this is noted and fed back to the region for future reference. **Agreed by the panel.**

- Scores for London (Average 15) are much lower than the national average (22) past recruitment and quality were in line with national averages the remainder were low. However these are consistent within the region. It was recommended this is noted and fed back to the region for future reference. **Agreed by the panel.**

- London has proposed two exceptional rejections both of which appear valid. It was recommended these were accepted subject to assurances from London that the need can be met by other providers. **Agreed by the panel.**

- Yorkshire and Humber had proposed one exceptional inclusion which would otherwise mean the September Guarantee could not be met in Doncaster. It was recommended this was accepted provided the region work closely with the college to ensure this new provision meets the needs of the NEET group and is high quality. **Agreed by the panel.**

- East Midlands has proposed two exceptional rejections both of which appear valid. It was recommended these were accepted. **Agreed by the panel.**

18 There were two forward looking issues resolved at the panel:

- Bids that had passed the threshold but can’t be afforded would be rejected because these were likely to be oversupply and displacement from other provision.

- These additional numbers will be added to the allocation and would therefore be subject to the normal in year virement rules that is no adjustments for grant funded providers and in year contract value adjustments for Independent Private Providers. This will avoid unnecessary bureaucracy.

**Learner Numbers available to distribute and the overall budget**

19 The breakdown of learner numbers to allocate by region and overall budget is included in the spreadsheet summaries.
Communications and Handling

20 We have been careful to ensure that all business cases have been evaluated in terms of local need and the evidence they provide against the criteria. Bids have been scored against the criteria set out above with only bids from those institutions scoring above a regionally determined threshold being considered. Each "successful" bid was then assessed in terms of whether the scale of the bid was justified. Again this assessment was based on local circumstances, specifically:

- The size of the local NEET group the providers were meant to be catering for and, closely linked, the size of the relevant cohort
- The capacity and capability of that provider to deliver the extra volumes
- The scale, effectiveness and quality of other provision in the same locality

Informing providers of results

21 Providers are to be informed of the results of their business case through the allocations letter due to be sent out on 5th June 2009 using one of three standard paragraphs:

- I am pleased to inform you that your business case for further places has been approved and these extra places are shown on your attached allocations statement. I may need to discuss this with you shortly to explore some issues raised by your business case.
- I am pleased to inform you that your business case for further places has been approved for a reduced number of learners than you applied for; the additional learners allocated are shown on your attached allocation statement. I may need to discuss this with you shortly to explore some issues raised by your business case.
- I am sorry to have to say that your business case for further places has not been approved. All business cases were subject to a nationally defined scoring and approvals process and unfortunately yours was not selected. Should you wish to receive feedback or see the scoring for your bid please let me know. I would take this opportunity however to confirm that any growth in learner numbers in 2009/10 will be treated as the first priority for growth funding in future years. Therefore there is still an incentive to recruit more learners than your allocation for the year.