Mergers and acquisitions

1. The LSC categorises mergers and acquisitions into two types: Type A and Type B. In a **Type A** merger or acquisition, a new organisation is formed which is a separate legal entity from any of the organisations being merged. The assets and liabilities of the merging organisations are then transferred to the new organisation and the original merging organisations are dissolved. The LSC then sets up a new UPIN using the UKPRN for the new organisation and enters into a new funding agreement and/or contract(s) with the new organisation only.

2. For a **Type A** merger or acquisition performance histories of the original merging organisations are lost because the new organisation is a totally new legal entity. This means that, for the first academic year in which the new organisation is active, there is no data on which to calculate learner destinations, employer views, success rates, financial health, financial management and control or funding per successful outcome. If the new organisation becomes active at the start of the academic year then learner views can be gathered for the first academic year. Learner destinations cannot be assessed until the third active academic year of the new organisation. Any data collected from the acquired organisation(s) can be made available to the new organisation but not for performance assessment purposes.

3. In a **Type B** merger or acquisition, one organisation acquires the assets and liabilities of one or more other organisations. The acquired organisations may be dissolved (usually in the case of colleges) or retained by the acquiring organisation as wholly owned subsidiaries. In these mergers or acquisitions, one organisation continues from the pre-to post-merger/acquisition phase. For this organisation there is continuity of data from pre- to post-acquisition. Any data collected from the acquired organisation(s) can be made available to the new organisation but not for performance assessment purposes.

New contracts

4. LSC policy is that data are collected from a new provider or on new provision that is contracted with an existing provider from the date that the contract becomes active. From a Framework for Excellence (FfE) perspective, this is very similar to the outcome of a Type A merger. Data for the FfE performance indicators (PIs) will become available over the first two years of the contract.
5 Change of legal entity

If a provider changes its legal entity, by, for example, dissolving one company and then creating a new incorporated company, the new company will be treated as a new provider for FfE purposes. In the first year of contract, only Learner Views will be gathered, and the performance history of the original organisation will be lost.

Independent Specialist Providers

The table below supplements the table on page 11 of the Framework for Excellence: Provider Guide 2009/10 by identifying PIs that are in scope subject to whether the provider completes an ILR or not.


Performance indicators applicable to Independent Specialist Providers

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Completing an ILR</th>
<th>NOT completing an ILR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learner Views</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Learner Destinations</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>Employer Views</td>
<td>YES (if Employer Responsiveness funding)</td>
<td>NO</td>
</tr>
<tr>
<td>Success Rates</td>
<td>YES (if Employer/Learner Responsiveness funding)</td>
<td>NO</td>
</tr>
<tr>
<td>Financial Health</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Financial Management and Control Evaluation</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Funding per Successful Outcome</td>
<td>YES (if Employer/Learner Responsiveness funding)</td>
<td>NO</td>
</tr>
</tbody>
</table>

Employer Views process

6 The final employer list with a unique PIN for each employer has been sent electronically to providers who successfully uploaded their employer list, so that they can encourage employers to respond.
7 Providers who did not upload their employer list can access a final version of the list that was used at the end of October 2009, to send the Employer Views questionnaire to each of their providers and obtain their unique employer PIN. To download your employer list please go to the ‘Review Employer List’ section of the website. Detailed guidance on engaging employers can be accessed at http://ffe.lsc.gov.uk/responsiveness-employers/employerviews.

8 Providers can access the comments their employers made during last year’s Employer Views survey on the secure survey site http://ffesurveys.ipsos-mori.com. These comments may not still be current, but the direct feedback may help providers plan future improvements. Employer’s comments from this year’s survey will be available to providers much earlier, with effect from January 2010.